

STARHUB LTD

(incorporated with limited liability in the Republic of Singapore)

Company Registration No. 199802208C

STARHUB LTD ENTERS INTO SHARE SUBSCRIPTION AGREEMENT AND SHAREHOLDERS' AGREEMENT WITH STT APDC PTE. LTD.

1. Introduction

StarHub Ltd ("**StarHub**") today announced the following:

- (a) StarHub, its wholly-owned subsidiary Shine Systems Assets Pte. Ltd. ("**SSAPL**"), STT APDC Pte. Ltd. ("**STT APDC**") and STT GDC Pte. Ltd. ("**STT GDC**") (each of STT APDC and STT GDC, a wholly-owned subsidiary of Singapore Technologies Telemedia Pte Ltd) have entered into a share subscription agreement dated 22 July 2015 (the "**Share Subscription Agreement**") pursuant to which STT APDC has agreed to subscribe for 7,350,000 shares in the capital of SSAPL (the "**Subscription Shares**"), SSAPL has agreed to allot and issue the Subscription Shares to STT APDC, and STT GDC has agreed to guarantee the due and punctual performance and observance by STT APDC of all its obligations under the Share Subscription Agreement (the "**Transaction**");
- (b) completion of the Transaction has taken place today ("**Completion**"). Following Completion, SSAPL has ceased to be a wholly-owned subsidiary of StarHub and STT APDC owns 70 per cent. of the shares in the capital of SSAPL, with StarHub owning the remaining 30 per cent; and
- (c) concurrently with Completion:
 - (i) StarHub, SSAPL, STT APDC and STT GDC have entered into a shareholders' agreement dated 22 July 2015 (the "**Shareholders' Agreement**") to document the agreement between StarHub and STT APDC as to the regulation of the affairs of SSAPL and their respective rights as shareholders of SSAPL and pursuant to which STT GDC has agreed to guarantee the due and punctual performance and observance by STT APDC of all its obligations under the Shareholders' Agreement;
 - (ii) StarHub and SSAPL have entered into a sub-lease agreement dated 22 July 2015 ("**Sub-Lease Agreement**") for the sub-lease of the Premises (as defined below) by SSAPL to StarHub; and
 - (iii) StarHub and SSAPL have entered into a services agreement dated 22 July 2015 for the provision by SSAPL of the Services (as defined below) to StarHub at the Premises.

2. Transaction Background

SSAPL was granted a licence and agreement to lease by JTC Corporation (“**JTC**”) commencing from 1 May 2013 (the “**Commencement Date**”) in respect of the whole of Lot 4971K of Mukim 3, forming part of Lot 4818N PT Mukim 3 at Portsdown Road / One-North, also known as Private Lot A3000718 at FH1-6 in Mediapolis at Portsdown Road / One-North (the “**Land**”) to develop the Land. Such development will include the construction of a building on the Land (the “**Building**”) with the intended use as a media headend, telecommunications facility and datacentre.

After completion of the development of the Land in accordance with the terms of the licence and agreement to lease, JTC will issue to SSAPL a lease of the Land to be registered with the Singapore Land Authority for 60 years from the Commencement Date. Upon issuance of the temporary occupation permit for the Building, it is intended that SSAPL will sub-lease space of not less than 65% of the total gross floor area of the Building (the “**Premises**”) to StarHub pursuant to the Sub-Lease Agreement. In connection with the sub-lease of the Premises, it is also intended that SSAPL will provide, *inter alia*, certain facility management services (“**Services**”) to StarHub pursuant to the Services Agreement.

It was and is StarHub’s intention to collaborate with STT APDC to invest in, own, develop and control the Building. To this end, StarHub entered into the Share Subscription Agreement and the Shareholders’ Agreement with SSAPL, STT APDC and STT GDC. As mentioned previously, Completion has taken place and STT APDC currently owns 70 per cent. of the shares in the capital of SSAPL, with StarHub owning the remaining 30 per cent.

3. Transaction Values

The Transaction does not constitute a “discloseable transaction” or “major transaction” under the Listing Manual of the Singapore Exchange Securities Trading Limited.

Pursuant to the Share Subscription Agreement, STT APDC has subscribed for the Subscription Shares at the issue price of S\$5.0148 for each Subscription Share, for an aggregate consideration of S\$36,859,055.85 (the “**Transaction Consideration**”). The Transaction Consideration was arrived at on a willing seller willing buyer commercial arms-length basis after taking into consideration the fair market value of the Land and works in progress for the construction of the Building based on the Valuation Reports (as defined below). The Transaction Consideration was fully paid in cash by STT APDC to SSAPL on Completion.

The valuation of SSAPL, based on the fair value of the net tangible assets used for the Subscription Shares is \$52.66 million.

In connection with the Transaction, StarHub and STT APDC engaged independent valuers, with StarHub engaging Jones Lang Lasalle Property Consultants Pte Ltd (“**JLL**”) and STT APDC engaging Colliers International Consultancy & Valuation (Singapore) Pte Ltd (“**Colliers**”) (collectively, the “**Valuers**”), to assess and determine the true and fair market value of the Land and works in progress for the construction of the Building.

Based on the valuation report from JLL and the valuation report from Colliers, both dated 30 April 2015 (collectively, the “**Valuation Reports**”) issued by the Valuers, the true and fair

market value of the Land and works in progress for the construction of the Building was S\$47 million.

JLL adopted the Residual Approach and the Direct Comparison Method, while Colliers adopted the Direct Comparison Method and the Residual Land Value Method, in arriving at the true and fair market value of the Land and works in progress for the construction of the Building.

BY ORDER OF THE BOARD

Veronica Lai / Kong Pooi Foong
Company Secretaries

22 July 2015