

SINGAPORE TELECOMMUNICATIONS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 199201624D

ANNOUNCEMENT

- (1) **PROPOSED AMALGAMATION OF INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED**
- (2) **PROPOSED CONDITIONAL VOLUNTARY TENDER OFFER FOR ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED**

1. INTRODUCTION

- 1.1 On 16 July 2024 (“**Announcement Date**”), Intouch Holdings Public Company Limited (“**Intouch**”), an indirect associated company of Singapore Telecommunications Limited (“**Singtel**” and together with its subsidiaries, the “**Singtel Group**”), announced that it had entered into an amalgamation agreement (the “**Amalgamation Agreement**”) with Gulf Energy Development Public Company Limited (“**Gulf**”) to effect an amalgamation between Intouch and Gulf (the “**Amalgamation**”) under the Public Company Limited Act B.E. 2535 (1992) (as amended) of Thailand.

The Amalgamation, when completed, will result in Intouch and Gulf being dissolved and a new legal entity being formed with the status of a public limited company in Thailand (“**NewCo**”). It is intended that the shares of NewCo will thereafter be listed and traded on the Stock Exchange of Thailand (“**SET**”).

- 1.2 In connection with the Amalgamation, Intouch and Gulf (as the companies to be amalgamated into NewCo) as well as Gulf’s major shareholder, Mr. Sarath Ratanavadi (“**Gulf’s Major Shareholder**”), are required to conduct a conditional voluntary tender offer (the “**VTO**”) for all of the issued shares in Advanced Info Service Public Company Limited (“**AIS**” and such issued shares, the “**AIS Shares**”)¹.

Singtel Strategic Investments Pte. Ltd. (“**SSI**”), a wholly-owned subsidiary of Singtel, and a shareholder of AIS holding approximately 23.3 per cent. of all the AIS Shares, intends to participate in the VTO as a joint offeror with Gulf, Intouch and Gulf’s Major Shareholder.

Further information on the Amalgamation and the VTO (collectively, the “**Restructuring Transaction**”) is set out in the announcements released on SET by Intouch and Gulf on 16 July 2024².

A summary of the Restructuring Transaction is contained in this Announcement.

¹ Excluding the AIS Shares held by Intouch and the Singtel Group.

² These announcements are available at: <https://www.set.or.th/en/market/product/stock/quote/INTUCH/news>.

2. INFORMATION ON GULF, INTOUCH, AIS AND NEWCO³

- 2.1 Gulf.** Gulf is a holding company incorporated in Thailand and is listed on the SET. Gulf invests in energy, infrastructure, utilities and digital businesses.
- 2.2 Intouch.** Intouch is listed on the SET and has investments in telecommunications via its 40.4 per cent. equity interest in AIS, as well as in media, technology and digital businesses. As at the Announcement Date, Gulf holds 1,519 million shares in Intouch (“**Intouch Shares**”), representing approximately 47.4 per cent. equity interest in Intouch, and Singtel Global Investment Pte. Ltd. (“**SGI**”), a wholly-owned subsidiary of Singtel, holds 801 million Intouch Shares, representing approximately 24.99 per cent. equity interest in Intouch.
- 2.3 AIS.** AIS has been a regional associate of Singtel since 1999 and is a major telecommunications operator in Thailand listed on the SET. As at the Announcement Date, Intouch holds approximately 40.4 per cent. of all the AIS Shares, and SSI holds approximately 23.3 per cent. of all the AIS Shares.
- 2.4 NewCo.** NewCo will be a newly formed legal entity incorporated in Thailand resulting from the Amalgamation and shall assume all assets, liabilities, rights, duties and responsibilities of both Intouch and Gulf by operation of law in Thailand.

3. AMALGAMATION

- 3.1** The Amalgamation is conditional on the satisfaction of certain conditions precedent, including the receipt of regulatory approvals and waivers, approval of the shareholders of Gulf and Intouch, completion of the VTO, and there being no objections from the creditors of Gulf and Intouch. The Amalgamation will result in Intouch being dissolved and accordingly, the 801 million Intouch Shares held by SGI will be extinguished on completion of the Amalgamation.
- 3.2** In exchange for extinguishing all outstanding Intouch Shares and all outstanding shares in Gulf (“**Gulf Shares**”), shares in NewCo (“**NewCo Shares**”) will be allotted and issued to the shareholders of Intouch and Gulf as follows (the “**NewCo Share Allocation Ratios**”):
- (i) one Intouch Share to 1.69335 NewCo Shares (which excludes Intouch Shares held by Gulf, such that NewCo Shares will be allotted to all shareholders of Intouch except Gulf⁴); and
 - (ii) one Gulf Share to 1.02974 NewCo Shares.

The NewCo Share Allocation Ratios were determined based on various valuation methodologies (including, market price, discounted cash flow and analysis of comparable companies) to derive the fair value of Intouch and Gulf. An independent financial adviser will be appointed by each of Intouch and Gulf to opine on the Amalgamation (including, the appropriateness of the NewCo Share Allocation Ratios), and the opinion of the independent financial adviser of each of Intouch and Gulf will be provided to the respective shareholders of

³ For the purposes of this Announcement, percentage shareholdings in Intouch and AIS are calculated based on a total of 3,207 million Intouch Shares (as defined in paragraph 2.2 of this Announcement) and 2,974 million AIS Shares in issue respectively, as disclosed on the SET as at 15 July 2024.

⁴ Gulf, as a shareholder of Intouch, would have otherwise received such number of NewCo Shares which is proportional to the number of Intouch Shares it holds. However, as Gulf will cease to exist as a legal entity upon completion of the Amalgamation, the NewCo Shares allotted to shareholders of Gulf will take into account Gulf's interest in Intouch.

each of Intouch and Gulf, prior to the shareholders' meetings of Intouch and Gulf to approve the Restructuring Transaction.

In connection with the Amalgamation, Intouch is proposing to pay a special cash dividend of THB 4.50 (or approximately S\$ 0.17⁵) for each Intouch Share before completion of the Amalgamation.

3.3 It is envisaged that SGI will receive approximately 1,357 million NewCo Shares, representing approximately 9.1⁶ per cent. of all NewCo Shares, on completion of the Amalgamation, and a special cash dividend of THB 3.64 billion (or approximately S\$ 0.14 billion) from Intouch.

3.4 The Amalgamation is expected to be completed by the second quarter of 2025.

4. VTO

4.1 Pursuant to the Amalgamation, NewCo will assume Intouch's 40.4 per cent. equity interest in AIS by operation of law in Thailand. As a result, NewCo will hold AIS Shares exceeding the threshold requiring a mandatory tender offer to be made, according to the relevant securities law in Thailand, and will be obliged to make a mandatory tender offer for all the AIS Shares it does not own after the completion of the Amalgamation. Additionally, as Gulf's Major Shareholder will hold more than 50 per cent. of all NewCo Shares on completion of the Amalgamation, he is also obliged to make a mandatory tender offer for all the AIS Shares after the completion of the Amalgamation in accordance with the "chain principle" under the relevant securities law and regulations in Thailand.

4.2 Intouch and Gulf have obtained a waiver from the Office of Securities and Exchange Commission, Thailand, (the "**SEC**") and the Takeover Panel for NewCo in relation to its obligation to make the mandatory tender offer for AIS, on condition that Intouch and Gulf will carry out the VTO on behalf of NewCo. Gulf's Major Shareholder has also obtained a waiver from the SEC and the Takeover Panel in relation to his obligation to conduct a mandatory tender offer for AIS, on condition that he participates in the VTO together with Intouch and Gulf.

4.3 The VTO is conditional on the satisfaction of certain conditions precedent, including the receipt of regulatory approvals and waivers, approval of the shareholders of Gulf and Intouch, as well as Gulf, Intouch and Gulf's Major Shareholder securing sufficient credit facilities to fund the VTO.

4.4 SSI will participate in the VTO as a joint offeror with Gulf, Intouch and Gulf's Major Shareholder, on the same conditions and at the same offer price of THB 216.30 (or approximately S\$ 8.01) per AIS Share, payable in cash. The offer price per AIS Share was determined using various valuation methodologies (including, market price, discounted cash flow and analysis of comparable companies) to derive the fair value of AIS. An independent financial adviser will be appointed by each of Intouch and Gulf to opine on the offer price per AIS Share, and the opinion of the independent financial adviser of each of Intouch and Gulf will be provided to the respective shareholders of each of Intouch and Gulf, prior to the shareholders' meetings of Intouch and Gulf to approve the Restructuring Transaction.

⁵ For the purposes of this Announcement, amounts in Thai baht have been converted to Singapore dollars based on an exchange rate of THB 26.99 to S\$ 1 as at the Latest Practicable Date (as defined in paragraph 6.1(ii) of this Announcement).

⁶ For the purposes of this Announcement, percentage shareholdings in NewCo are calculated based on a total of 14,940 million NewCo Shares to be issued on completion of the Amalgamation.

The offer price per AIS Share is subject to certain adjustments, and will be reduced to take into account any dividends or other distributions paid or payable by AIS after the Announcement Date, where the record date for such dividends or distributions falls before the settlement date under the VTO.

- 4.5** Excluding the AIS Shares currently held by SSI and Intouch, the joint offerors will make the tender offer for 1,078 million AIS Shares, representing approximately 36.25 per cent. equity interest in AIS.
- 4.6** In relation to the AIS Shares which may be tendered in acceptance of the VTO, (a) the first 5 per cent. of all AIS Shares will be allocated to SSI, (b) thereafter, the next 5 per cent. will be allocated to Intouch, (c) thereafter, the next 5 per cent. will be allocated to Gulf. Any additional AIS Shares tendered in acceptance of the VTO in excess of the aforesaid 15 per cent. but not exceeding 36 per cent. of all AIS Shares, will be allocated to SSI, Gulf and Intouch in equal proportion, provided that the maximum number of AIS Shares which SSI will acquire pursuant to the VTO will be the lower of (i) 10 per cent. of all AIS Shares or (ii) the remaining foreign shareholding headroom available in AIS at the relevant time. AIS Shares tendered in acceptance of the VTO in excess of 36 per cent. but not exceeding 36.25 per cent. of all AIS Shares will be allocated to Gulf's Major Shareholder.
- 4.7** On the assumption that SSI acquires 10 per cent. of all the AIS Shares (based on the maximum limits set out in paragraph 4.6 of this Announcement), SSI will have acquired 297 million AIS Shares ("**Maximum VTO Shares**") at an aggregate consideration of THB 64.33 billion⁷ (or approximately S\$ 2.38 billion). SSI intends to fund the VTO with internal cash and loans. On completion of the VTO, taking into account the existing AIS Shares held by SSI as at the Announcement Date and assuming SSI acquires the Maximum VTO Shares, SSI would hold 991 million AIS Shares in aggregate, representing approximately 33.3 per cent. equity interest in AIS.
- 4.8** The VTO is expected to be made in the second half of 2024. The terms and conditions of the VTO will be set out in an announcement to be made by Intouch and Gulf on the SET in due course.
- 4.9** In connection with its participation in the VTO, SSI shall, before the commencement of the VTO, deposit all of the AIS Shares held by it into escrow with a brokerage agent. Additionally, SSI shall adhere to a moratorium on the disposal of its AIS Shares until the completion of the VTO.

5. RATIONALE FOR THE RESTRUCTURING TRANSACTION

- 5.1** The Amalgamation aims to simplify the existing shareholding structure of the two holding companies, namely, Intouch and Gulf, which are both listed on the SET. This will result in the removal of Intouch as the intermediate holding company of AIS, improving efficiencies and eliminating costs from Intouch's listing obligations.
- 5.2** The VTO offers an opportunity for the Singtel Group to increase its direct stake in AIS which has consistently been a strong brand and business. Singtel sees growth potential with the rapid digitalisation and 5G adoption in Thailand and the industry's return to a more sustainable

⁷ Based on the offer price of THB 216.30 (or approximately S\$ 8.01) per AIS Share, as stated in paragraph 4.4 of this Announcement.

structure. Singtel expects AIS to strengthen its market position as it executes its fixed mobile convergence strategy to deliver greater digital access to its customers.

6. FINANCIAL INFORMATION

6.1 Amalgamation.

In relation to the Intouch Shares

- (i) **Net Asset / Book Value.** The net asset / book value of the Intouch Shares held by SGI in the audited consolidated financial statements of Singtel as at 31 March 2024 is approximately S\$1.74 billion.
- (ii) **Open Market Value.** Based on the volume weighted average price of THB 76.32 (or approximately S\$ 2.83) per Intouch Share traded on the SET on 15 July 2024, being the market day immediately preceding the Announcement Date (the “**Latest Practicable Date**”), the aggregate open market value of the Intouch Shares held by SGI is approximately THB 61.15 billion (or approximately S\$ 2.27 billion).
- (iii) **Estimated Net Gain on Disposal.** The estimated net gain on disposal over the book value for the Singtel Group pursuant to the Amalgamation is approximately S\$ 0.4 billion⁸, after considering (a) the expected special cash dividend of THB 3.64 billion (or approximately S\$ 0.14 billion) from Intouch and (b) the latest open market value of the Intouch Shares held by SGI of approximately THB 61.15 billion (or approximately S\$ 2.27 billion) as at the Latest Practicable Date, which is deemed to be the aggregate value of the approximately 1,357 million NewCo Shares to be received by SGI on completion of the Amalgamation.
- (iv) **Net Profit.** The net profit attributable to the Intouch Shares held by SGI in the audited consolidated financial statements of Singtel for the financial year ended 31 March 2024 is S\$0.1 billion.

6.2 VTO.

In relation to the Maximum VTO Shares

- (i) **Net Asset / Book Value.** The net asset / book value of AIS attributable to the Maximum VTO Shares as at 31 March 2024 is THB 8.54 billion (or approximately S\$ 0.32 billion).
- (ii) **Open Market Value.** Based on the volume weighted average price of THB 222.55 (or approximately S\$ 8.24) per AIS Share traded on the SET on the Latest Practicable Date, the Maximum VTO Shares have an aggregate open market value of THB 66.19 billion (or approximately S\$ 2.45 billion).
- (iii) **Net Profit.** The net profit attributable to the Maximum VTO Shares would be approximately S\$ 37 million, based on the consolidated financial statements of Singtel for the financial year ended 31 March 2024, assuming that the VTO had been completed on 1 April 2023.

⁸ Including currency translation loss.

7. DISCLOSEABLE TRANSACTIONS

Relative Figures. The relative figures for the Amalgamation and the VTO⁹, and for the Restructuring Transaction as a whole, computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

Bases	Relative Figures		
	Amalgamation	VTO	Restructuring Transaction
Rule 1006(a) Net asset value of assets to be disposed of, compared with the net asset value of the Singtel Group as at 31 March 2024	7.0% ⁽ⁱ⁾	N.A.	7.0%
Rule 1006(b) Net profits attributable to the assets acquired or disposed of, compared with the net profits of the Singtel Group for the financial year ended 31 March 2024	12.1% ⁽ⁱⁱ⁾	3.8% ⁽ⁱⁱⁱ⁾	8.3% ^(iv)
Rule 1006(c) Aggregate value of the consideration given or received, compared with Singtel's market capitalisation ^(v) based on the total number of issued shares excluding treasury shares	4.8% ^(vi)	4.8% ^(vii)	9.6%
Rule 1006(d) Number of equity securities issued by Singtel as consideration for an acquisition, compared with the number of equity securities previously in issue	N.A.		
Rule 1006(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Singtel Group's proved and probable reserves	N.A.		

N.A. denotes not applicable.

Notes:

- (i) Calculated as Intouch's net asset value as at 31 March 2024 attributable to SGI's 801 million Intouch Shares to be disposed of pursuant to the Amalgamation, divided by the net asset value of the Singtel Group as at 31 March 2024.
- (ii) Calculated as Intouch's net profits for the 12 months ended 31 March 2024 attributable to SGI's 801 million Intouch Shares to be disposed of pursuant to the Amalgamation, divided by the net profits of the Singtel Group for the financial year ended 31 March 2024.
- (iii) Calculated as AIS's net profits for the 12 months ended 31 March 2024 attributable to the Maximum VTO Shares, divided by the net profits of the Singtel Group for the financial year ended 31 March 2024.
- (iv) The aggregate relative figure under Rule 1006(b) for the Restructuring Transaction is not a straight addition of the relative figures under Rule 1006(b) for the Amalgamation and the VTO. The completion of the Amalgamation will result in a decrease in the net profits of the Singtel Group as the Singtel Group will thereafter cease to equity account for the profits of Intouch, while completion of the VTO will result in an increase in the net profits

⁹ Based on the acquisition by SSI of the Maximum VTO Shares.

of the Singtel Group as the Singtel Group will thereafter equity account for the profits attributable to the Maximum VTO Shares.

- (v) Singtel's market capitalisation is based on 16,513 million ordinary shares at a weighted average price of S\$3.00 per Singtel share transacted on the Latest Practicable Date.
- (vi) The aggregate value of the consideration to be received by SGI under the Amalgamation is deemed to be the aggregate value of (a) the expected special cash dividend of THB 3.64 billion (or approximately S\$ 0.14 billion) from Intouch and (b) the latest open market value of the Intouch Shares held by SGI of S\$ 2.27 billion as at the Latest Practicable Date.
- (vii) The aggregate value of the consideration to be paid by SSI under the VTO is S\$ 2.38 billion, which is computed based on the Maximum VTO Shares multiplied by the offer price of THB 216.30 (or approximately S\$ 8.01) per AIS Share.

8. PRO FORMA FINANCIAL EFFECTS OF THE RESTRUCTURING TRANSACTION

8.1 Illustrative Financial Effects. For illustrative purposes only, the financial effects of the Restructuring Transaction on the (a) net tangible assets ("**NTA**") per Singtel share, and (b) earnings per Singtel share ("**EPS**"), based on the audited consolidated financial statements of Singtel for the financial year ended 31 March 2024, are set out below.

8.2 NTA. Assuming that the Restructuring Transaction had been completed on 31 March 2024, being the end of the most recently completed financial year of the Singtel Group, the proforma financial effects on the consolidated NTA per Singtel share as of 31 March 2024 are as follows:

	Before the Restructuring Transaction	After the Restructuring Transaction
NTA (S\$ million)	16,762	17,406
NTA per Singtel share (S\$)	1.02	1.05

8.3 EPS. Assuming that the Restructuring Transaction had been completed on 1 April 2023, being the beginning of the most recently completed financial year of the Singtel Group, the proforma financial effects on the consolidated EPS are as follows:

	Before the Restructuring Transaction	After the Restructuring Transaction
Profits attributable to shareholders ⁽ⁱ⁾ (S\$ million)	795	1,228
EPS (Singapore cents)	4.82	7.44

Note:

- (i) "Profits attributable to shareholders" means profits after tax and minority interests.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER

9.1 Directors' Interests. Save for any Singtel shares which they may hold, none of the directors of Singtel (each, a "**Director**") has any interest, direct or indirect, in the Restructuring Transaction.

9.2 Controlling Shareholder's Interests. Temasek Holdings (Private) Limited ("**Temasek**"), Singtel's controlling shareholder, has a direct interest in 8.3 billion Singtel shares and a deemed interest (through interests of subsidiaries and associated companies) in 237 million Singtel shares, representing an aggregate interest of approximately 51.72% in all Singtel shares as at

8 July 2024. Save for its indirect interest in Intouch and AIS through its Singtel shares, Temasek does not have any interest, direct or indirect, in the Restructuring Transaction.

10. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the Restructuring Transaction. Accordingly, no service contract is proposed to be entered into between Singtel and any such person.

Issued by Singapore Telecommunications Limited on 16 July 2024.