

CIRCULAR DATED 11 APRIL 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold your ordinary shares of StarHub Ltd (the “**Company**”), please immediately forward this Circular and the attached Proxy Form to the purchaser or to the stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the accuracy of any of the statements made or opinions expressed in this Circular.



CIRCULAR TO SHAREHOLDERS
IN RELATION TO

- (1) the proposed renewal of the Share Purchase Mandate; and**
- (2) the proposed renewal of the Shareholders’ Mandate for Interested Person Transactions.**

IMPORTANT DATES AND TIMES:

Last date and time for lodgment of Proxy Form : 27 April 2019 at 10.30 a.m.

Date and time of Extraordinary General Meeting : 30 April 2019 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Twenty-First Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)

Place of Extraordinary General Meeting : NTUC Centre
One Marina Boulevard, Level 7
Stephen Riady Auditorium @ NTUC
Singapore 018989

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

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|--|---|---|
| “2018 Circular to Shareholders” | : | The Company’s Circular to Shareholders dated 4 April 2018. |
| “2018 EGM” | : | The extraordinary general meeting of the Company held on 19 April 2018. |
| “AGM” | : | The annual general meeting of the Company. |
| “Broadcasting Act” | : | The Broadcasting Act, Chapter 28 of Singapore, as amended, supplemented or modified from time to time. |
| “CDP” | : | The Central Depository (Pte) Limited. |
| “Companies Act” | : | The Companies Act, Chapter 50 of Singapore, as amended, supplemented or modified from time to time. |
| “Company” or “StarHub” | : | StarHub Ltd. |
| “Constitution” | : | The Constitution of the Company. |
| “Directors” | : | The directors of the Company for the time being. |
| “EGM” | : | The extraordinary general meeting of the Company, notice of which is given on pages 35 to 38 of this Circular. |
| “Foreign Shareholding” | : | Shares held by, or in respect of which voting rights are controlled by, a foreign source. |
| “Foreign Shareholding Limit” | : | Subject to Article 12(G)(a) of the Constitution, 49% of the issued share capital of the Company, provided always that, subject to the prior approval of any stock exchange upon which Shares may be listed, the Directors may from time to time reduce the Foreign Shareholding Limit to below 49% of the issued share capital of the Company as the Directors may in their absolute discretion determine and may from time to time, following such reduction, increase the Foreign Shareholding Limit to up to 49% of the issued share capital of the Company. |
| “Group” or “StarHub Group” | : | The Company and its subsidiaries. |
| “IMDA” | : | Info-communications Media Development Authority of Singapore. |
| “Latest Practicable Date” | : | 12 March 2019. |

DEFINITIONS

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| “Listing Manual” | : | The listing manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date. |
| “Market Day” | : | A day on which the SGX-ST is open for trading in securities. |
| “Minister” | : | The Minister referred to in the Broadcasting Act and/or the Telecommunications Act, as the case may be. |
| “Prescribed Limits” | : | Subject to Article 1 of the Constitution, shareholding limits prescribed by the Broadcasting Act, the Telecommunications Act and/or any other legislation to which the Company is subject from time to time and/or any regulations, guidelines, notices and/or codes of conduct promulgated or issued thereunder from time to time and, unless and until approval shall have been obtained from the Minister under the Broadcasting Act, shall include the Foreign Shareholding Limit. |
| “Recommending Directors” | : | The Directors who are considered independent for the purposes of the proposed renewal of the Shareholders’ Mandate. |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited. |
| “Share Purchase Mandate” | : | The mandate to enable the Company to purchase or otherwise acquire Shares in accordance with, and in the manner prescribed by, the terms set out in this Circular, the Companies Act and the rules of the Listing Manual and such other laws and regulations as may, for the time being, be applicable. |
| “Shareholders” | : | Persons (other than CDP) who are registered as holders of Shares in the Register of Members of the Company and Depositors who have Shares entered against their names in the Depository Register. |
| “Shareholders’ Mandate” | : | The mandate to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual) to enter into certain interested person transactions, the terms of which are set out in this Circular. |
| “Shares” | : | Ordinary shares of the Company. |
| “Take-over Code” | : | The Singapore Code on Take-overs and Mergers, as amended, supplemented or modified from time to time. |

DEFINITIONS

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|---------------------------------|---|---|
| “Telco Competition Code” | : | Code of Practice for Competition in the Provision of Telecommunication Services 2012. |
| “Telecommunications Act” | : | The Telecommunications Act, Chapter 323 of Singapore, as amended, supplemented or modified from time to time. |
| “Voting Share” | : | Has the meaning given to “voting share” in Section 4(1) of the Companies Act. |
| “S\$”, “\$” and “cents” | : | Singapore dollars and cents, respectively. |
| “%” or “per cent.” | : | Per centum or percentage. |

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in the Securities and Futures Act, Chapter 289 of Singapore (the **“SFA”**).

The term **“foreign source”** shall have the meaning ascribed to it in Section 43 of the Broadcasting Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual, or any modification thereof and not otherwise defined in this Circular, shall have the same meaning assigned to it under the Companies Act or the Listing Manual or any modification thereof, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancy within the tables in this Circular between the listed amounts and the totals thereof is due to rounding.

LETTER TO SHAREHOLDERS

STARHUB LTD

(Incorporated in the Republic of Singapore)
Company Registration No. 199802208C

Directors:

Steven Terrell Clontz (Non-Executive Chairman)
Ma Kah Woh (Independent Director)
Nihal Vijaya Devadas Kaviratne CBE (Lead Independent Director)
Teo Ek Tor (Independent Director)
Stephen Geoffrey Miller (Non-Executive Director)
Michelle Lee Guthrie (Independent Director)
Nayantara Bali (Independent Director)
Ng Shin Ein (Independent Director)
Lionel Yeo Hung Tong (Independent Director)
Lim Ming Seong (Non-Executive Director)
Nasser Marafih (Non-Executive Director)
Naoki Wakai (Non-Executive Director)

Registered Office:

67 Ubi Avenue 1
#05-01 StarHub Green
Singapore 408942

11 April 2019

To: The Shareholders of
StarHub Ltd

Dear Sir/Madam

1. INTRODUCTION

1.1 **EGM.** The Directors are convening an EGM to be held on 30 April 2019 to seek Shareholders' approval for the following proposals:

- (a) the proposed renewal of the Share Purchase Mandate; and
- (b) the proposed renewal of the Shareholders' Mandate for Interested Person Transactions.

1.2 **Circular.** The purpose of this Circular is to provide Shareholders with information relating to the proposals to be tabled at the EGM.

1.3 **SGX-ST.** The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this Circular.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 **Background.** At the 2018 EGM, Shareholders had approved, *inter alia*, the Share Purchase Mandate to enable the Company to purchase or otherwise acquire the Shares in accordance with, and in the manner prescribed by, the Companies Act and the rules of the Listing Manual and such other laws and regulations as may, for the time being, be applicable. The authority and limitations on the Share Purchase Mandate were set out in the 2018 Circular to Shareholders and Resolution 1 set out in the Notice of the 2018 EGM.

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The Share Purchase Mandate was expressed to take effect on the date of the passing of Resolution 1 at the 2018 EGM and will expire on the date of the forthcoming Twenty-First AGM which will also be held on 30 April 2019 immediately preceding the EGM to be held on the same date. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the EGM immediately following the Twenty-First AGM.

2.2 **Rationale for Share Purchase Mandate.** The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) In managing the business of the Group, management will strive to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. In addition to growth and expansion of the business, share purchases at the appropriate price levels may be considered as one of the ways through which the return on equity of the Group may be enhanced.
- (b) In line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its possible financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner. A share repurchase programme will also allow management to effectively manage and minimise the dilution impact (if any) associated with the Company's share plans.
- (c) The Share Purchase Mandate will provide the Company with the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

The purchase or acquisition of Shares will only be undertaken if it can benefit the Company and Shareholders. While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the 10% limit described in paragraph 2.3.1 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised and no purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position or financial position of the Company or the Group as a whole.

LETTER TO SHAREHOLDERS

2.3 **Authority and Limits of the Share Purchase Mandate.** The authority relating to, and limitations placed on, the purchases or acquisitions of Shares by the Company under the Share Purchase Mandate, if renewed at the EGM, are substantially the same as previously approved by Shareholders at the 2018 EGM, and are summarised below:

2.3.1 *Maximum Number of Shares*

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the issued Shares as at the date of the EGM. Treasury shares and subsidiary holdings (as defined in the Listing Manual)¹ will be disregarded for the purposes of computing the 10% limit.

2.3.2 *Duration of Authority*

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the EGM at which the Share Purchase Mandate is approved, up to:

- (a) the date on which the next AGM of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in general meeting; or
- (c) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the fullest extent mandated,

whichever is the earliest.

2.3.3 *Manner of Purchases or Acquisitions of Shares*

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the SGX-ST's trading system, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchases**") effected otherwise than on a securities exchange, in accordance with an equal access scheme as defined in Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

¹ "Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

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An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (A) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements, (B) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid and (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances; and
- (3) the information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

2.3.4 **Purchase Price**

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors pursuant to the Share Purchase Mandate must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase or acquisition.

For the above purposes:

“Average Closing Price” means the average of the closing market prices of a Share over the last five Market Days, on which the Shares are transacted on the SGX-ST, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the

LETTER TO SHAREHOLDERS

Off-Market Purchase, and deemed to be adjusted in accordance with the Listing Manual for any corporate action that occurs after the relevant five-Market Day period; and

“**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of Purchased Shares.** A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

2.5 **Treasury Shares.** Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1 ***Maximum Holdings***

The number of Shares held as treasury shares² cannot at any time exceed 10% of the total number of issued Shares at that time.

2.5.2 ***Voting and Other Rights***

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully-paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 ***Disposal and Cancellation***

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

² For these purposes, “treasury shares” shall be read as including shares held by a subsidiary under Sections 21(4B) or 21(6C) of the Companies Act.

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- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as (i) the date of the sale, transfer, cancellation and/or use of such treasury shares, (ii) the purpose of such sale, transfer, cancellation and/or use of such treasury shares, (iii) the number of treasury shares which have been sold, transferred, cancelled and/or used, (iv) the number of treasury shares before and after such sale, transfer, cancellation and/or use, (v) the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and (vi) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

- 2.6 **Source of Funds.** In accordance with the current requirements of the Companies Act, any payment made by the Company in consideration of the purchase or acquisition of its own Shares may be made out of the Company's distributable profits as well as capital.

The Company may use internal sources of funds of the Group or external borrowings or a combination of both to fund the Company's purchases or acquisitions of Shares pursuant to the Share Purchase Mandate.

- 2.7 **Financial Effects.** The financial effects on the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled. The financial effects on the Company, based on the audited financial statements of the Company for the financial year ended 31 December 2018, are based on the assumptions set out below:

2.7.1 ***Purchase or Acquisition out of Capital or Profits***

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

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2.7.2 *Number of Shares Purchased or Acquired*

Based on approximately 1,730.22 million Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, and assuming no further Shares are issued, no further Shares are purchased or acquired and held by the Company as treasury shares and no Shares are held as subsidiary holdings, on or prior to the Twenty-First AGM, the purchase by the Company of 10% of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition of approximately 173.02 million Shares.

As approximately 1.43 million Shares were held as treasury shares as at the Latest Practicable Date, on the basis of paragraph 2.5.1, the maximum number of Shares the Company can acquire or purchase and hold as treasury shares is 171.73 million Shares. As at the Latest Practicable Date, the Company had no subsidiary holdings.

2.7.3 *Maximum Price Paid for Shares Purchased or Acquired*

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 171.73 million Shares at the maximum price of S\$1.64 for one Share (being the price equivalent to 105% of the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 171.73 million Shares is S\$281.6 million.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 171.73 million Shares at the maximum price of S\$1.71 for one Share (being the price equivalent to 110% of the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 171.73 million Shares is S\$293.7 million.

2.7.4 *Illustrative Financial Effects*

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 2.7.2 and 2.7.3 above, the financial effects of the:

- (a) purchase or acquisition of 171.73 million Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases made wholly out of profits and held as treasury shares or cancelled; and
- (b) purchase or acquisition of 171.73 million Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases made wholly out of profits and held as treasury shares or cancelled,

on the audited financial statements of the Company for the financial year ended 31 December 2018 are set out below.

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Scenarios 1(A) & 1(B)

Market Purchases made wholly out of profits and (a) held as treasury shares or (b) cancelled.

| | Company | |
|---|-------------------------------------|------------------------------------|
| | Before Share Purchase S\$'mil | After Share Purchase S\$'mil |
| <u>As at 31 December 2018</u> | | |
| Share Capital and Reserves | 2,617.4 | |
| (a) where Shares purchased were held as treasury shares | | 2,335.8 |
| (b) where Shares purchased were cancelled | | 2,335.8 |
| Shareholders' Funds | 2,617.4 | 2,335.8 |
| Net Tangible Assets | 2,515.3 | 2,233.7 |
| Current Assets | 369.5 | 369.5 |
| Current Liabilities | 603.4 | 603.4 |
| Total Borrowings | 1,027.5 | 1,309.1 |
| Cash and Cash Equivalents | 117.6 | 117.6 |
| Number of Shares ('mil) | 1,731.6 ⁽¹⁾ | |
| (a) where Shares purchased were held as treasury shares | | 1,731.6 ⁽²⁾ |
| (b) where Shares purchased were cancelled | | 1,559.9 ⁽³⁾ |
| <u>Financial Ratios</u> | | |
| Net Tangible Assets per Share ⁽⁴⁾ (cents) | 145.3 | 143.3 |
| Earnings per Share (cents) | 22.6 | 25.1 |
| Net Gearing ⁽⁵⁾ (%) | 35 | 49 |
| Current Ratio (times) | 0.61 | 0.61 |

Notes:

- ⁽¹⁾ Includes approximately 0.95 million Shares held as treasury shares as at 31 December 2018. As at the Latest Practicable Date, approximately 1.43 million Shares were held as treasury shares. For the purposes of this illustration, it is assumed that the Company can purchase approximately 171.73 million Shares and hold such Shares as treasury shares, on the basis of the number of Shares held as treasury shares as at the Latest Practicable Date and the assumptions set out in paragraph 2.7.2 above, notwithstanding that the number of Shares held as treasury shares as at 31 December 2018 is lower than the number of Shares held as treasury shares as at the Latest Practicable Date.
- ⁽²⁾ Includes approximately 173.16 million Shares held as treasury shares, comprising approximately 1.43 million Shares held as treasury shares as at the Latest Practicable Date and approximately 171.73 million Shares purchased and held as treasury shares.
- ⁽³⁾ Includes approximately 1.43 million Shares held as treasury shares as at the Latest Practicable Date and denotes the number of Shares outstanding after approximately 171.73 million Shares purchased were cancelled.
- ⁽⁴⁾ "Net Tangible Assets per Share" means the ratio of the Net Tangible Assets to number of Shares in issue (excluding treasury shares).
- ⁽⁵⁾ "Net Gearing" means the ratio of the total net borrowings to average shareholders' funds.

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Scenarios 2(A) & 2(B)

Off-Market Purchases made wholly out of profits and (a) held as treasury shares or (b) cancelled.

| | Company | |
|---|-------------------------------------|------------------------------------|
| | Before Share Purchase S\$'mil | After Share Purchase S\$'mil |
| <u>As at 31 December 2018</u> | | |
| Share Capital and Reserves | 2,617.4 | |
| (a) where Shares purchased were held as treasury shares | | 2,323.8 |
| (b) where Shares purchased were cancelled | | 2,323.8 |
| Shareholders' Funds | 2,617.4 | 2,323.8 |
| Net Tangible Assets | 2,515.3 | 2,221.6 |
| Current Assets | 369.5 | 369.5 |
| Current Liabilities | 603.4 | 603.4 |
| Total Borrowings | 1,027.5 | 1,321.2 |
| Cash and Cash Equivalents | 117.6 | 117.6 |
| Number of Shares ('mil) | 1,731.6 ⁽¹⁾ | |
| (a) where Shares purchased were held as treasury shares | | 1,731.6 ⁽²⁾ |
| (b) where Shares purchased were cancelled | | 1,559.9 ⁽³⁾ |
| <u>Financial Ratios</u> | | |
| Net Tangible Assets per Share ⁽⁴⁾ (cents) | 145.3 | 142.6 |
| Earnings per Share (cents) | 22.6 | 25.1 |
| Net Gearing ⁽⁵⁾ (%) | 35 | 50 |
| Current Ratio (times) | 0.61 | 0.61 |

Notes:

- ⁽¹⁾ Includes approximately 0.95 million Shares held as treasury shares as at 31 December 2018. As at the Latest Practicable Date, approximately 1.43 million Shares were held as treasury shares. For the purposes of this illustration, it is assumed that the Company can purchase approximately 171.73 million Shares and hold such Shares as treasury shares, on the basis of the number of Shares held as treasury shares as at the Latest Practicable Date and the assumptions set out in paragraph 2.7.2 above, notwithstanding that the number of Shares held as treasury shares as at 31 December 2018 is lower than the number of Shares held as treasury shares as at the Latest Practicable Date.
- ⁽²⁾ Includes approximately 173.16 million Shares held as treasury shares, comprising approximately 1.43 million Shares held as treasury shares as at the Latest Practicable Date and approximately 171.73 million Shares purchased and held as treasury shares.
- ⁽³⁾ Includes approximately 1.43 million Shares held as treasury shares as at the Latest Practicable Date and denotes the number of Shares outstanding after approximately 171.73 million Shares purchased were cancelled.
- ⁽⁴⁾ "Net Tangible Assets per Share" means the ratio of the Net Tangible Assets to number of Shares in issue (excluding treasury shares).
- ⁽⁵⁾ "Net Gearing" means the ratio of the total net borrowings to average shareholders' funds.

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SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE PURELY FOR ILLUSTRATIVE PURPOSES ONLY.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares (excluding treasury shares and subsidiary holdings). **IN PARTICULAR, THE DIRECTORS DO NOT INTEND TO EXERCISE THE SHARE PURCHASE MANDATE UP TO THE MAXIMUM LIMIT AND TO SUCH LIQUIDITY AND CAPITAL ADEQUACY POSITION OR AN EXTENT IF SUCH EXERCISE WOULD MATERIALLY AND ADVERSELY AFFECT THE FINANCIAL POSITION OF THE COMPANY OR THE GROUP AS A WHOLE.** In addition, the Company may cancel all or part of the Shares purchased or acquired, or hold all or part of the Shares purchased or acquired in treasury.

2.8 **Listing Rules.** Rule 886(1) of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of, *inter alia*, details of the total number of shares purchased, the purchase price per share or the highest and lowest prices paid per share, as applicable, the total number of issued shares (excluding treasury shares and subsidiary holdings) after purchase and the total number of treasury shares and subsidiary holdings held after purchase.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In addition, in line with the best practices set out in the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases during the period of one month immediately preceding the announcement of the Company’s quarterly and full-year results.

Rule 723 of the Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities (excluding treasury shares) must be held by public shareholders. As at the Latest Practicable Date, approximately 33.88% of the issued Shares (excluding treasury shares and subsidiary holdings) are held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

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2.9 **Shareholding Limits.** Article 12(A) of the Constitution provides that no person shall, whether alone or together with his associates (as defined in the Broadcasting Act or otherwise as applicable), hold or control Shares in excess of any of the Prescribed Limits without first obtaining the approval of the Minister or the applicable regulatory authority.

The Broadcasting Act provides that no person may become:

- (a) a substantial shareholder (as defined under the Companies Act);
- (b) a 12% controller (as defined under the Broadcasting Act); or
- (c) an indirect controller (as defined under the Broadcasting Act),

of the Company without first obtaining the approval of the Minister.

The Telco Competition Code provides that before entering into any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, the Company must calculate the percentage of Voting Shares in the Company held by each Shareholder following such purchase or acquisition and, if as a result of such purchase or acquisition, such Shareholder will become:

- (i) a 12% Controller of the Company; or
- (ii) a 30% Controller of the Company,

such Shareholder and the Company must seek the approval of the IMDA before the Company proceeds with such purchase or acquisition.

For the purposes of the Telco Competition Code:

- (A) “**12% Controller**” means a person who, alone or together with his associates (as defined under Section 32A(4) of the Telecommunications Act), (I) holds 12% or more but less than 30% of the total number of Voting Shares in the Company, or (II) is in a position to control 12% or more but less than 30% of the Voting Power (as defined below) in the Company;
- (B) “**30% Controller**” means a person who, alone or together with his associates, (I) holds 30% or more of the total number of Voting Shares in the Company, or (II) is in a position to control 30% or more of the Voting Power in the Company; and
- (C) “**Voting Power**” in an entity means control that is direct or indirect, including control that is exercisable as a result of or by means of arrangements or practices, whether or not having legal or equitable force and whether or not based on legal or equitable rights, of that percentage of the total number of votes that may be cast in a general meeting of that entity, as the case may be.

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Article 12(C) of the Constitution empowers the Directors, if it shall come to their notice that, *inter alia*, (aa) any person or, as the case may be, any person together with his associates, holds or controls Shares in excess of any of the Prescribed Limits without first obtaining the approval of the Minister or the applicable regulatory authority or (bb) any change in the nationality of an individual or in the constitution or the ownership of the shares of a corporation has caused the Foreign Shareholding to exceed the Foreign Shareholding Limit, to take all steps and do all acts or things as they may in their absolute discretion deem necessary to ensure that the provisions of the Broadcasting Act (including the Foreign Shareholding Limit), the Telecommunications Act and/or any other legislation to which the Company is subject from time to time and/or any regulations, guidelines, notices and/or codes of conduct promulgated or issued thereunder are or will be complied with, and requires the Directors to take such action as may be directed by the Minister or the applicable regulatory authority, including but not limited to requiring such person or persons or the holder or holders of the Shares concerned (as the case may be) to dispose such number of his or their Shares within such period of time as may be specified by the Minister or the applicable regulatory authority.

As the number of issued Shares of the Company may be diminished by the number of Shares purchased or acquired by the Company, the shareholding percentage of a holder of Shares (whose Shares were not the subject of a share purchase or acquisition by the Company) in the issued Shares of the Company immediately following any purchase or acquisition of Shares by the Company will increase correspondingly.

The Company wishes to draw the attention of Shareholders to the following consequences of a purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, if the proposed Share Purchase Mandate is approved by Shareholders:

A PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY MAY INADVERTENTLY CAUSE THE INTEREST IN THE SHARES OF ANY PERSON TO REACH OR EXCEED THE PRESCRIBED LIMITS (IN PARTICULAR, A PERSON WHOSE INTEREST IN SHARES IS CURRENTLY CLOSE TO ANY PRESCRIBED LIMIT). SHAREHOLDERS WHOSE CURRENT SHAREHOLDINGS ARE CLOSE TO ANY OF THE PRESCRIBED LIMITS AND WHOSE SHAREHOLDINGS MAY EXCEED ANY SUCH LIMITS BY REASON OF A PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY ARE ADVISED TO CONSIDER SEEKING THE PRIOR APPROVAL OF THE MINISTER (OR, AS THE CASE MAY BE, THE APPLICABLE REGULATORY AUTHORITY) TO CONTINUE TO HOLD, ON SUCH TERMS AS MAY BE IMPOSED BY THE MINISTER (OR, AS THE CASE MAY BE, THE APPLICABLE REGULATORY AUTHORITY), THE SHARES WHICH THEY MAY HOLD IN EXCESS OF THE PRESCRIBED LIMITS AS A CONSEQUENCE OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY.

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2.10 **Take-over Implications.** Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.10.1 *Obligation to make a Take-over Offer*

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert (other than a Shareholder who is not acting in concert with the Directors) could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code. For this purpose, effective control means a holding, or aggregate holdings, of Shares carrying 30% or more of the voting rights of the Company, irrespective of whether that holding (or holdings) gives de facto control. The “acquisition of effective control” in the Company refers to a situation where a person and parties acting in concert with him, who previously held in aggregate less than 30% of the Company’s voting rights, increase their aggregate holding of voting rights in the Company to 30% or more. The “consolidation of effective control” in the Company refers to a situation where a person and parties acting in concert with him, who already owned between 30% and 50% of the Company’s voting rights, increase their aggregate holding of voting rights in the Company by more than 1% within a six-month period.

2.10.2 *Persons Acting in Concert*

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be acting in concert with each other:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies whose associated companies include any of the aforementioned, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforementioned for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

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The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.10.3 *Effect of Rule 14 and Appendix 2*

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if such Directors and their concert parties hold between (and including) 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between (and including) 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of Resolution 1 authorising the Share Purchase Mandate.

Based on the interests of the substantial Shareholders in Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date as set out in paragraph 4.2 below, none of the substantial Shareholders of the Company would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of the maximum limit of 10% of its issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any purchase or acquisition of Shares by the Company.

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- 2.11 **Details of Previous Share Purchases.** The following table sets out details of purchases or acquisitions of Shares made by the Company in the 12 months immediately preceding the Latest Practicable Date, pursuant to the Share Purchase Mandate approved by the Shareholders at the 2018 EGM:

| Date of purchase or acquisition | Total number of Shares purchased or acquired | Purchase price per Share (S\$) | Total consideration paid (including brokerage, clearing fees and other charges) (S\$) |
|---------------------------------|--|--------------------------------|---|
| 22 February 2019 | 250,000 | 1.61 | 403,016.81 |
| 25 February 2019 | 390,000 | 1.61 | 628,706.22 |
| 26 February 2019 | 300,000 | 1.59 | 477,612.46 |
| TOTAL | 940,000 | | 1,509,335.49 |

3. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

- 3.1 **Shareholders' Mandate.** At the 2018 EGM, approval of the Shareholders was obtained for the modifications to, and renewal of, the Shareholders' Mandate to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual) to enter into certain interested person transactions ("**Interested Person Transactions**") with the classes of interested persons as set out in the Shareholders' Mandate. Particulars of the Shareholders' Mandate were set out in Appendix 1 to the 2018 Circular to Shareholders.
- 3.2 **Proposed Renewal of the Shareholders' Mandate.** The Shareholders' Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the Twenty-First AGM which is scheduled to be held on 30 April 2019. Accordingly, the Directors propose that the Shareholders' Mandate which was approved at the 2018 EGM be renewed at the EGM, to take effect until the Twenty-Second AGM of the Company.
- 3.3 **Appendix 1.** The Shareholders' Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices and other general information relating to Chapter 9 of the Listing Manual, are set out in Appendix 1 to this Circular.
- 3.4 **Audit Committee Statement.** The Audit Committee of the Company, comprising Mr Ma Kah Woh, Mr Nihal Vijaya Devadas Kaviratne CBE, Ms Ng Shin Ein and Mr Lim Ming Seong, confirms that:
- (a) the methods and procedures for determining the transaction prices under the Shareholders' Mandate have not changed since the 2018 EGM; and
 - (b) the methods and procedures referred to in paragraph 3.4(a) above are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

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4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

4.1 **Directors' Interests.** As at the Latest Practicable Date, the Directors' interests in Shares as recorded in the Register of Directors' Shareholdings are as follows:

| Directors | Number of Shares | | | |
|------------------------------------|------------------|-------------------|------------------------|-------------------|
| | Direct Interest | % | Deemed Interest | % |
| Steven Terrell Clontz | 143,600 | nm ⁽¹⁾ | – | – |
| Ma Kah Woh | 117,680 | nm ⁽¹⁾ | – | – |
| Nihal Vijaya Devadas Kaviratne CBE | 46,800 | nm ⁽¹⁾ | 67,600 ⁽²⁾ | nm ⁽¹⁾ |
| Teo Ek Tor | 206,038 | nm ⁽¹⁾ | – | – |
| Stephen Geoffrey Miller | 22,700 | nm ⁽¹⁾ | – | – |
| Michelle Lee Guthrie | 4,900 | nm ⁽¹⁾ | – | – |
| Nayantara Bali | – | – | – | – |
| Ng Shin Ein | – | – | – | – |
| Lionel Yeo Hung Tong | – | – | – | – |
| Lim Ming Seong | 177,736 | nm ⁽¹⁾ | 100,000 ⁽³⁾ | nm ⁽¹⁾ |
| Nasser Marafih | 94,930 | nm ⁽¹⁾ | – | – |
| Naoki Wakai | – | – | – | – |

Notes:

- (1) Percentage not meaningful.
- (2) Held by a nominee on behalf of a company wholly-owned by a trust in which the Director is a named beneficiary.
- (3) Held by a nominee on behalf of the Director and his son as joint beneficial owners.

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- 4.2 **Substantial Shareholders' Interests.** As at the Latest Practicable Date, the interests of the substantial Shareholders in Shares as recorded in the Register of Substantial Shareholders are as follows:

| Substantial Shareholders | Number of Shares | | % of issued share capital ⁽⁵⁾ |
|--|------------------|----------------------------|--|
| | Direct Interest | Deemed Interest | |
| Temasek Holdings (Private) Limited | – | 970,855,461 ⁽¹⁾ | 56.11 |
| Singapore Technologies Telemedia Pte Ltd | – | 965,845,290 ⁽²⁾ | 55.82 |
| STT Communications Ltd | – | 965,845,290 ⁽²⁾ | 55.82 |
| Asia Mobile Holding Company Pte. Ltd. | – | 965,845,290 ⁽²⁾ | 55.82 |
| Asia Mobile Holdings Pte. Ltd. | 965,845,290 | – | 55.82 |
| Ooredoo Q.S.C. | – | 965,845,290 ⁽³⁾ | 55.82 |
| Ooredoo Investment Holding S.P.C. | – | 965,845,290 ⁽³⁾ | 55.82 |
| Nippon Telegraph and Telephone Corporation | – | 171,490,520 ⁽⁴⁾ | 9.91 |
| NTT Communications Corporation | 171,490,520 | – | 9.91 |

Notes:

- (1) Temasek Holdings (Private) Limited ("**Temasek**") is deemed to have an interest in 970,855,461 Shares in which Singapore Technologies Telemedia Pte Ltd ("**ST Telemedia**") group and other associated companies of Temasek have direct or deemed interests.
- (2) ST Telemedia is deemed to have an interest in 965,845,290 Shares held by Asia Mobile Holdings Pte. Ltd. ("**AMH**"), a subsidiary of Asia Mobile Holding Company Pte. Ltd. ("**AMHC**"), which is in turn a wholly-owned subsidiary of STT Communications Ltd, a wholly-owned subsidiary of ST Telemedia. AMHC holds approximately 75% of the total issued share capital of AMH.
- (3) Ooredoo Investment Holding S.P.C. ("**OIH**") and Ooredoo Q.S.C. ("**Ooredoo**") are deemed to have an interest in 965,845,290 Shares held by AMH. OIH holds approximately 25% of the total issued share capital of AMH. OIH is a wholly-owned subsidiary of Ooredoo.
- (4) Nippon Telegraph and Telephone Corporation ("**NTT**") is deemed to have an interest in 171,490,520 Shares held by NTT Communications Corporation, a wholly-owned subsidiary of NTT.
- (5) The shareholding percentage is based on the number of issued Shares excluding treasury shares.

- 4.3 **Abstention from voting.** Mr Steven Terrell Clontz, Mr Ma Kah Woh, Mr Nihal Vijaya Devadas Kaviratne CBE, Mr Stephen Geoffrey Miller, Mr Lim Ming Seong and Dr Nasser Marafih, who hold directorships and/or executive positions in the Temasek Group (as defined in paragraph 3 of Appendix 1 to this Circular), will abstain from voting, whether in person or by representative or proxy, and will procure that their respective associates will abstain from voting, their respective shareholdings, if any, in respect of Resolution 2, being the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate at the EGM, and will not accept any appointment as proxies, unless specific instructions as to voting are given. Temasek and AMH, being Mandated Interested Persons (as defined in paragraph 3 of Appendix 1 to this Circular), will also abstain from voting, whether in person or by representative or proxy, and will procure that their respective associates will abstain from voting, their respective shareholdings, if any, in respect of Resolution 2, and will not accept any appointment as proxies, unless specific instructions as to voting are given.

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5. DIRECTORS' RECOMMENDATIONS

5.1 **Proposed Renewal of the Share Purchase Mandate.** The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 1, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate, at the EGM.

5.2 **Proposed Renewal of the Shareholders' Mandate.** The Directors who are considered independent for the purposes of the proposed renewal of the Shareholders' Mandate are Mr Teo Ek Tor, Ms Michelle Lee Guthrie, Ms Nayantara Bali, Ms Ng Shin Ein, Mr Lionel Yeo Hung Tong and Mr Naoki Wakai (the "**Recommending Directors**"). The Recommending Directors are of the opinion that the entry into the Interested Person Transactions between the EAR Group and the Mandated Interested Persons in the ordinary course of its business will enhance the efficiency of the EAR Group and is in the best interests of the Company.

For the reasons set out in paragraphs 4 and 5 of Appendix 1 to this Circular, the Recommending Directors recommend that Shareholders vote in favour of Resolution 2, being the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate, at the EGM.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 35 to 38 of this Circular, will be held at NTUC Centre, One Marina Boulevard, Level 7, Stephen Riady Auditorium @ NTUC, Singapore 018989 on 30 April 2019 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Twenty-First AGM of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications the Ordinary Resolutions set out in the Notice of EGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

7.1 **Appointment of Proxies.** Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Share Registrar of the Company, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, not less than 72 hours before the time fixed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

7.2 **When Depositor regarded as Shareholder.** A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time fixed for the EGM, as certified by CDP to the Company.

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8. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 67 Ubi Avenue 1, #05-01 StarHub Green, Singapore 408942 during normal business hours from the date of this Circular up to the date of the EGM:

- 8.1 the Annual Report of the Company for the financial year ended 31 December 2018;
- 8.2 the 2018 Circular to Shareholders; and
- 8.3 the Constitution.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the proposed renewal of the Shareholders' Mandate and the StarHub Group which are relevant to the renewal of the Share Purchase Mandate and the renewal of the Shareholders' Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully
for and on behalf of
the Board of Directors
of StarHub Ltd

Steven Terrell Clontz
Chairman

APPENDIX 1

THE SHAREHOLDERS' MANDATE

1. Chapter 9 of the Listing Manual

- 1.1 Chapter 9 of the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company’s interested persons. When this Chapter applies to a transaction and the value of that transaction alone or in aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for that transaction.
- 1.2 Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and therefore are excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and shareholders’ approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company and its subsidiaries’ (the “**group’s**”) latest audited consolidated net tangible assets (“**NTA**”)) are reached or exceeded. In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or which exceeds:
- (i) 5% of the group’s latest audited consolidated NTA; or
 - (ii) 5% of the group’s latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.
- 1.3 The SGX-ST had on 16 January 2008, granted its approval to StarHub Ltd (“**StarHub**”) for the use of the market capitalisation of StarHub as at the end of the immediately preceding financial year, instead of the audited consolidated NTA of StarHub and its subsidiaries (the “**StarHub Group**”), as the basis for computing the materiality percentage in respect of Rules 905 and 906 of the Listing Manual, provided that this alternative reference point is to be used only until such time as the audited consolidated NTA of the StarHub Group turns positive.
- 1.4 Based on the audited consolidated financial statements of the StarHub Group for the financial year ended 31 December 2017, the consolidated NTA of the StarHub Group was S\$105.4 million. However, the SGX-ST had on 20 February 2018 granted its further approval to StarHub for the use of the market capitalisation of StarHub as an alternative reference point to be used for the financial years ending 31 December 2018 and 31 December 2019. StarHub will continue to use the market capitalisation of StarHub as at the end of the immediately preceding financial year as the basis for computing the materiality percentage in respect of Rules 905 and 906 of the Listing Manual.

For the avoidance of doubt, in the event the audited consolidated NTA of the StarHub Group is positive as at 31 December 2019, StarHub will revert to using the audited consolidated NTA of the StarHub Group as the basis for computing the materiality percentage in respect of Rules 905 and 906 of the Listing Manual unless otherwise permitted by SGX-ST.

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- 1.5 As at 31 December 2018, StarHub had an issued and paid-up capital of 1,730 million ordinary shares (“**Shares**”) (excluding treasury shares and subsidiary holdings). Based on the last trading price of the Shares at the close of trading on the SGX-ST on 31 December 2018, the market capitalisation of StarHub was S\$3,028 million. In relation to StarHub, for the purposes of Chapter 9 of the Listing Manual, in the current financial year i.e. until 31 December 2019, 5% of the market capitalisation of StarHub would be S\$151 million.
- 1.6 Chapter 9 of the Listing Manual permits a listed company (for example, StarHub), however, to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses which are not part of its day-to-day operations) which may be carried out with the listed company’s interested persons.
- 1.7 Under the Listing Manual:
- (i) an “**entity at risk**” means:
 - (a) the listed company;
 - (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;
 - (ii) an “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;
 - (iii) an “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder (being an individual) includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an aggregate interest of 30% or more;

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- (iv) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual; and
- (v) an “**interested person transaction**” means a transaction between an entity at risk and an interested person.

2. Entities At Risk

For the purposes of the Shareholders’ Mandate, an “entity at risk” means:

- StarHub;
- a subsidiary of StarHub that is not listed on the SGX-ST or an approved exchange; or
- an associated company of StarHub that is not listed on the SGX-ST or an approved exchange, provided that the StarHub Group and its interested person(s) have control over the associated company,

(together, the “**EAR Group**”).

3. Classes of Mandated Interested Persons

The Shareholders’ Mandate will apply to the EAR Group’s transactions with Temasek Holdings (Private) Limited and its associates (the “**Mandated Interested Persons**” or the “**Temasek Group**” and each, a “**Mandated Interested Person**”).

Transactions with Mandated Interested Persons which do not fall within the ambit of the Shareholders’ Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

4. Categories of Interested Person Transactions

The transactions with the Mandated Interested Persons which will be covered by the Shareholders’ Mandate and the benefits to be derived therefrom are as follows:

(a) General Transactions

This category relates to general transactions (“**General Transactions**”) by the EAR Group relating to the provision to, or obtaining from, Mandated Interested Persons of products and services in the normal course of business of the EAR Group or which are necessary for the day-to-day operations of the EAR Group (but not in respect of the purchase or sale of assets, undertakings or businesses which are not part of the EAR Group’s day-to-day operations) comprising the following:

- (1) provision and obtaining of info-communications, broadcasting, production and fixed network services (including mobile, pay TV, over-the-top, broadband Internet, media and entertainment, and Internet of Things services), equipment, infrastructure, network, applications, products and content;

APPENDIX 1

- (2) sale and procurement of info-communications and broadcasting devices, accessories and pre-paid cards for distribution and trade;
- (3) provision, designing, building and obtaining of cyber and electronic security solutions, consulting services and managed cyber and electronic security services;
- (4) provision and obtaining of information and communication technology products, solutions, equipment, facilities and services (including internet-based business application services, provision of e-commerce and e-payment services and solutions, system integration, data management, hardware and software consultancy);
- (5) provision and obtaining of professional, consultancy, sub-contracting or outsourcing services;
- (6) provision and obtaining of sales and after-sales services;
- (7) provision and obtaining of warehousing, logistics, packing, handling, transportation and freight services;
- (8) obtaining licences to provide or resell info-communications and broadcasting services;
- (9) provision, obtaining, repair, maintenance and operation of info-communications, broadcasting and information and communication technology equipment, infrastructure, network and applications;
- (10) provision and obtaining of bill collection services;
- (11) engaging dealers to sell info-communications and broadcasting products (including pre-paid cards, SIM cards, calling cards and mobile handsets) and services;
- (12) provision and obtaining of printing, advertisement and marketing related services;
- (13) provision and obtaining of lease and/or rental of properties and equipment;
- (14) obtaining of utilities services;
- (15) obtaining of insurance and insurance related services;
- (16) obtaining of professional, administrative and support services including finance and treasury, business development, management information systems, human resource, corporate communications (including investor relations), taxation, internal audit, legal, corporate secretarial services and any other professional services; and
- (17) provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (1) to (16) above.

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The transactions set out in sub-paragraphs (1) to (16) arise in the normal course of business of the EAR Group, while the transactions set out in sub-paragraph (17) will be those which are necessary for the day-to-day operations of the EAR Group.

The EAR Group will benefit from having access to competitive quotes from the different companies in the different industries within the Temasek Group in addition to obtaining quotes from, or transacting with, non-interested persons.

(b) Treasury Transactions

Treasury transactions (“**Treasury Transactions**”) comprise:

- (1) the placement of funds with any Mandated Interested Person;
- (2) the borrowing of funds from any Mandated Interested Person;
- (3) the entry into with any Mandated Interested Person of forex, swaps and options transactions for hedging purposes; and
- (4) the subscription of debt securities and/or preference shares issued by any Mandated Interested Person and the issue of debt securities and/or preference shares to any Mandated Interested Person and the buying from, or the selling to, any Mandated Interested Person of debt securities and/or preference shares.

The EAR Group can benefit from obtaining competitive rates or quotes from Mandated Interested Persons in an expedient manner in addition to third party financial institutions. By transacting directly with a Mandated Interested Person, the EAR Group may also eliminate margins which third party intermediaries might ordinarily be expected to earn.

5. Rationale for and Benefits of the Shareholders’ Mandate

- 5.1 The transactions with Mandated Interested Persons are entered into or are to be entered into by the EAR Group in its ordinary course of business. They are recurring transactions which are likely to occur with some degree of frequency and arise at any time and from time to time. The directors of the Company (the “**Directors**” or “**Board of Directors**”) are of the view that it will be beneficial to the EAR Group to transact or continue to transact with the Mandated Interested Persons.
- 5.2 The Directors believe that the EAR Group will be able to benefit from its transactions with the Temasek Group. The Shareholders’ Mandate and the renewal of the Shareholders’ Mandate on an annual basis will eliminate the need to convene separate general meetings from time to time to seek shareholders’ approval as and when potential interested person transactions with the Mandated Interested Persons arise, thereby reducing substantially the administrative time and expenses incurred in convening such meetings, without compromising the corporate objectives or adversely affecting the business opportunities available to the EAR Group.

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- 5.3 The Shareholders' Mandate is intended to facilitate transactions in the EAR Group's normal course of business which are transacted from time to time with the Mandated Interested Persons, provided that they are carried out on normal commercial terms and are not prejudicial to the interests of StarHub and its minority shareholders.
- 5.4 Disclosure will be made, in the format required by the Listing Manual, of the aggregate value of interested person transactions conducted pursuant to the Shareholders' Mandate during the current financial year, and in the annual reports for the subsequent financial years during which a Shareholders' Mandate is in force.

6. Review Procedures for Transactions with the Mandated Interested Persons

The EAR Group has established the following procedures to ensure that the interested person transactions are undertaken on an arm's length basis and on normal commercial terms.

6.1 General Transactions

6.1.1 Review Procedures

In general, there are procedures established by the EAR Group to ensure that the General Transactions with Mandated Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the EAR Group's usual business practices and policies, which are generally no more favourable to the Mandated Interested Persons than those extended to unrelated third parties.

In particular, the following review procedures have been implemented:

(i) *Provision of services or the sale of products*

The review procedures are:

- (1) all contracts entered into or transactions with Mandated Interested Persons are to be carried out at the prevailing market rates or prices of the services or products to be provided, on terms which are no more favourable to the Mandated Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/process/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms; and
- (2) where the prevailing market rates or prices are not available due to the nature of services to be provided or the products to be sold, the EAR Group's pricing for such services to be provided or products to be sold to Mandated Interested Persons will be determined in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by Mandated Interested Persons for such services or products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account. A senior officer authorised by the EAR Group's management who does not have any conflict of interests, whether direct

APPENDIX 1

or indirect, in relation to the transaction, will determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable.

(ii) *Obtaining of services or purchasing of products*

The review procedures are:

- (1) all purchases made by the EAR Group, including purchases from Mandated Interested Persons, will be governed by internal control procedures which detail matters such as the constitution of internal approving authorities, their approval limits, the number of vendors from whom bids are to be obtained and the review procedures. The guiding principle is to objectively obtain the best goods and/or services on the best terms through competitive quotations, if appropriate. In determining whether the price and terms offered by the Mandated Interested Persons are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account. A senior officer authorised by the EAR Group's management who does not have any conflict of interests, whether direct or indirect, in relation to the transaction, will determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable; and
- (2) in the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), a senior officer authorised by the EAR Group's management who does not have any conflict of interests, whether direct or indirect, in relation to the transaction, will determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable.

6.1.2 *Threshold limits*

In addition to the review procedures, General Transactions entered into by the EAR Group are monitored, as individual transactions equal to or exceeding S\$100,000 in value will require the prior approval of the relevant approving authority in the EAR Group which does not have any conflict of interests, whether direct or indirect, in relation to the transaction to be approved. In particular:

- (i) individual transactions equal to or exceeding S\$100,000 and up to S\$10 million in value will be reviewed and approved by the Chief Executive Officer and the Chief Financial Officer of StarHub, or other officers as may be designated by the Chief Executive Officer and the Chief Financial Officer of StarHub;
- (ii) individual transactions exceeding S\$10 million and up to S\$50 million in value will be reviewed and approved by any two Directors; and
- (iii) individual transactions exceeding S\$50 million in value will be reviewed and approved by StarHub's audit committee (the "**Audit Committee**").

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6.2 Treasury Transactions

6.2.1 *Review Procedures*

Placements. Prior to the placement with any Mandated Interested Person by the EAR Group of its funds, StarHub will require that quotations be obtained from such Mandated Interested Person and at least two of the principal bankers of the EAR Group for rates for deposits with such bankers of an equivalent amount, and for the equivalent period, of the funds to be placed by the EAR Group. The EAR Group will only place its funds with such Mandated Interested Person, provided that the interest rate quoted is not less than the highest of the rates quoted by such principal bankers.

Borrowings. Prior to borrowing funds from any Mandated Interested Person by the EAR Group, StarHub will require that quotations be obtained from such Mandated Interested Person and at least two of the principal bankers of the EAR Group for rates of loans from such bankers of an equivalent amount, and for the equivalent period, of the funds to be borrowed. The EAR Group will only borrow funds from such Mandated Interested Person, provided that the interest rate quoted is not more than the lowest of the rates quoted by such principal bankers.

Forex, Swaps and Options. Prior to entering into forex, swaps and options transactions with any Mandated Interested Person by the EAR Group, StarHub will require that rate quotations be obtained from such Mandated Interested Person and at least two of the principal bankers of the EAR Group. The EAR Group will only enter into such forex, swaps and options transactions with such Mandated Interested Person, provided that such rates quoted are no less favourable than the rates quoted by such bankers.

Debt Securities and Preference Shares. Prior to the subscription of debt securities and preference shares issued by, or purchase of debt securities or preference shares from, Mandated Interested Persons, the EAR Group will only enter into the subscription or purchase of such debt securities or preference shares, provided that the price(s) at which the EAR Group subscribes for or purchases such debt securities or preference shares will not be higher than the price(s) at which such debt securities or preference shares are subscribed for or purchased by third parties.

Prior to the issue or sale to Mandated Interested Persons of debt securities or preference shares, the EAR Group will only issue or sell such debt securities or preference shares to Mandated Interested Persons provided that the price(s) at which the EAR Group issues or sells such debt securities or preference shares will not be lower than the price(s) at which such debt securities or preference shares are issued or sold to third parties. The EAR Group will also comply with all applicable laws and regulations in connection with the issue or sale of such debt securities or preference shares to Mandated Interested Persons.

For the purpose of the Shareholders' Mandate, any preference shares to be subscribed or purchased from Mandated Interested Persons, or to be issued or sold to Mandated Interested Persons, will not carry any voting rights, except in the circumstances set out in Sections 180(2)(a), (b) and (c) of the Companies Act, Chapter 50 of Singapore (being sections which were in force immediately before 3 January 2016).

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6.2.2 *Threshold limits*

In addition to the review procedures, the EAR Group will monitor the Treasury Transactions entered into by the EAR Group as follows:

Placement and Debt Securities and Preference Shares. Where the aggregate value of funds placed with, and debt securities or preference shares subscribed which are issued by, or purchased from, the same Mandated Interested Person shall at any time exceed an amount equivalent to 25% of the consolidated shareholders' funds of the StarHub Group (based on the StarHub Group's latest audited financial statements), each subsequent placement of funds with, or subscription or purchase of debt securities or preference shares issued by, the same Mandated Interested Person shall require the prior approval of the Audit Committee.

Placements of funds with, and subscription of debt securities or preference shares issued by, or purchased from, the same Mandated Interested Person which do not in the aggregate exceed the limit set out above will not require the prior approval of the Audit Committee and shall be reviewed on a quarterly basis by the Audit Committee.

Borrowings and Debt Securities and Preference Shares. Where the aggregate value of funds borrowed from, and debt securities or preference shares issued or sold to, the same Mandated Interested Person shall at any time exceed an amount equivalent to 25% of the consolidated shareholders' funds of the StarHub Group (based on the StarHub Group's latest audited financial statements), each subsequent borrowing of funds from and debt securities or preference shares issued or sold to, the same Mandated Interested Person shall require the prior approval of the Audit Committee.

Borrowing of funds from and debt securities or preference shares issued or sold to, the same Mandated Interested Person which do not in the aggregate exceed the limit set out above will not require the prior approval of the Audit Committee and shall be reviewed on a quarterly basis by the Audit Committee.

Forex, Swaps and Options. Where the aggregate of the principal amount of all forex, swaps and options transactions entered into with the same Mandated Interested Person exceeds at any one time the equivalent of 25% of the consolidated shareholders' funds of the StarHub Group (based on the StarHub Group's latest audited financial statements), each subsequent forex, swap and options transaction entered into with the same Mandated Interested Person shall require the prior approval of the Audit Committee.

Entry into of forex, swaps and options transactions with the same Mandated Interested Person where the principal amounts thereof do not in the aggregate exceed the limit set out above will not require the prior approval of the Audit Committee and shall be reviewed on a quarterly basis by the Audit Committee.

Transactions falling within the above categories, if any, will be reviewed at least quarterly by the Audit Committee to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account.

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6.3 *Other Review Procedures*

The EAR Group has also implemented the following procedures for the identification of Mandated Interested Persons and the recording of all the EAR Group's interested person transactions:

- (i) StarHub will maintain a register of all transactions carried out with Mandated Interested Persons, whether mandated or non-mandated. StarHub's internal audit plan will incorporate a review of all interested person transactions whether mandated or non-mandated; and
- (ii) on a quarterly basis, StarHub's internal auditors will submit a report to the Audit Committee of all recorded interested person transactions, and the basis of such transactions, entered into by the EAR Group.

In addition, the Audit Committee will include the review of the EAR Group's interested person transactions as part of its standard procedures while examining the adequacy of the EAR Group's internal controls.

In the event that a member of StarHub's Board of Directors, a member of the Audit Committee or an authorised reviewing officer (where applicable) has a conflict of interests in relation to any interested person transaction, he will abstain from reviewing that particular transaction. In such instances, an alternative approving authority will be responsible for reviewing the transaction. StarHub's Board of Directors will also ensure that all disclosure requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with. The annual internal audit plan shall incorporate a review of all interested person transactions entered into pursuant to the Shareholders' Mandate.

The Audit Committee shall review the internal audit reports to ascertain whether the guidelines and procedures established to monitor interested person transactions have been complied with. In addition, the Audit Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between the EAR Group and the Mandated Interested Persons are conducted on normal commercial terms. Further, if during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the guidelines and procedures as stated above are not sufficient to ensure that these interested person transactions will be on normal commercial terms and will not be prejudicial to StarHub and its minority shareholders, StarHub will (pursuant to Rules 920(1)(b)(iv) and (vii) of the Listing Manual) revert to shareholders for a fresh mandate based on new guidelines and procedures for transactions with Mandated Interested Persons.

StarHub's Board of Directors shall have overall responsibility for the determination of the review procedures with the authority to sub-delegate to individuals or committees within StarHub as they deem appropriate.

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7. Audit Committee's Statements

The Audit Committee (currently comprising Mr Ma Kah Woh, Mr Nihal Vijaya Devadas Kaviratne CBE, Ms Ng Shin Ein and Mr Lim Ming Seong) has reviewed the terms of the Shareholders' Mandate and is satisfied that the review procedures for interested person transactions with the EAR Group, as well as the reviews to be made periodically by the Audit Committee (with internal audit assistance) in relation thereto, are sufficient to ensure that such interested person transactions will be made with the relevant class of Mandated Interested Persons in accordance with normal commercial terms, and are hence not prejudicial to StarHub and its minority shareholders.

NOTICE OF EXTRAORDINARY GENERAL MEETING

STARHUB LTD

(Incorporated in the Republic of Singapore)
Co. Reg. No. 199802208C

NO SERVICE OF FOOD

Please be informed that StarHub Ltd will not be serving food at the Extraordinary General Meeting. Tea and coffee will be provided.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of StarHub Ltd (the “**Company**”) will be held at NTUC Centre, One Marina Boulevard, Level 7, Stephen Riady Auditorium @ NTUC, Singapore 018989 on 30 April 2019 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Twenty-First Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications the following Resolutions, which will be proposed as Ordinary Resolutions:

Resolution 1: Ordinary Resolution

The Proposed Renewal of the Share Purchase Mandate

That:

- (1) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the exercise by the directors of the Company (the “**Directors**”) of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (the “**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (a) on-market purchase(s) (“**Market Purchase**”), transacted on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) through the SGX-ST’s trading system, through one or more duly licensed dealers appointed by the Company for such purpose; and/or
 - (b) off-market purchase(s) (“**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (2) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
 - (a) the date on which the next Annual General Meeting of the Company is held; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the date by which the next Annual General Meeting of the Company is required by law to be held;
- (3) in this Resolution:

“Average Closing Price” means the average of the closing market prices of a Share over the last five Market Days, on which the Shares are transacted on the SGX-ST, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the rules of the SGX-ST for any corporate action which occurs after the relevant five-Market Day period;

“date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“Market Day” means a day on which the SGX-ST is open for trading in securities;

“Maximum Limit” means that number of issued Shares representing 10% of the issued ordinary shares of the Company as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings as at that date); and

“Maximum Price”, in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (b) in the case of an Off-Market Purchase, 110% of the Average Closing Price; and
- (4) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

Resolution 2: Ordinary Resolution

The Proposed Renewal of the Shareholders’ Mandate for Interested Person Transactions

That:

- (1) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (**“Chapter 9”**) of the SGX-ST, for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in Appendix 1 to the Circular to the shareholders of the Company dated 11 April 2019 (the **“Circular”**) with any party who is of the class of interested persons described in Appendix 1 to the Circular, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (2) the approval given in paragraph (1) above (the “**Shareholders’ Mandate**”) shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (3) the Directors be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders’ Mandate and/or this Resolution.

By Order of the Board

Veronica Lai
Company Secretary

Singapore, 11 April 2019

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

- (2) A proxy need not be a member of the Company.
- (3) The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, not less than 72 hours before the time appointed for the Extraordinary General Meeting. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Extraordinary General Meeting. In such event, the relevant instrument appointing a proxy or proxies will be deemed to be revoked.
- (4) The Company may use its internal sources of funds of the Group or external borrowings or a combination of both to finance the purchase or acquisition of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired and the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are held in treasury or cancelled.

Based on the existing issued Shares (excluding treasury shares and subsidiary holdings) as at 12 March 2019 (the "**Latest Practicable Date**"), the purchase by the Company of 10% of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition of approximately 173.02 million Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 171.73 million Shares at the Maximum Price of S\$1.64 for one Share (being the price equivalent to 105% of the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 171.73 million Shares is S\$281.6 million.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 171.73 million Shares at the Maximum Price of S\$1.71 for one Share (being the price equivalent to 110% of the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 171.73 million Shares is S\$293.7 million.

The illustrative financial effects of the purchase or acquisition of Shares by the Company pursuant to the proposed renewal of the Share Purchase Mandate on the audited financial statements of the Company for the financial year ended 31 December 2018 are set out in paragraph 2.7.4 of the Circular.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STARHUB LTD

(Incorporated in the Republic of Singapore)
Co. Reg. No. 199802208C

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore, may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS moneys to buy StarHub Ltd shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the Extraordinary General Meeting dated 11 April 2019.
4. **Please be informed that StarHub Ltd will not be serving food at the Extraordinary General Meeting. Tea and coffee will be provided.**

PROXY FORM

Extraordinary General Meeting

I/We, _____ NRIC/Passport/Co. Reg. No. _____
of _____ (Address)
being a member/members of StarHub Ltd (the "**Company**") hereby appoint:

| Name | Address | NRIC/Passport Number | Proportion of Shareholdings (%) |
|--------------------------------|---------|----------------------|---------------------------------|
| | | | |
| and/or (delete as appropriate) | | | |
| | | | |

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be held at NTUC Centre, One Marina Boulevard, Level 7, Stephen Riady Auditorium @ NTUC, Singapore 018989 on 30 April 2019 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Twenty-First Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the EGM as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the EGM and at any adjournment thereof.

| | For* | Against* |
|--|------|----------|
| <u>Resolution 1: Ordinary Resolution</u> To approve the proposed renewal of the Share Purchase Mandate. | | |
| <u>Resolution 2: Ordinary Resolution</u> To approve the proposed renewal of the Shareholders' Mandate for Interested Person Transactions. | | |

* If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the Resolution, please indicate the number of Shares in the boxes provided.

* Voting will be conducted by poll.

Dated this _____ day of _____ 2019.

Total Number of Shares Held

Signature(s) or Common Seal of member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF



1st fold here

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you only have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, not less than 72 hours before the time appointed for the Extraordinary General Meeting. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Extraordinary General Meeting. In such event, the relevant instrument appointing a proxy or proxies will be deemed to be revoked.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Affix
Postage
Stamp

STARHUB LTD
112 Robinson Road
#05-01
Singapore 068902
Attn: The Share Registrar

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As part of our Sustainability efforts, this Circular is printed using soy-based ink.