

STARHUB LTD

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

ANNOUNCEMENT

**PROPOSED ACQUISITION OF A MAJORITY INTEREST IN THE BROADBAND BUSINESS OF
MYREPUBLIC LIMITED**

1. INTRODUCTION

- 1.1 Proposed Transaction.** The Board of Directors (the “**Board**”) of StarHub Ltd (“**StarHub**” or the “**Company**”) wishes to announce that StarHub Online Pte. Ltd. (the “**Purchaser**”), a wholly-owned subsidiary of the Company, has on 21 September 2021 entered into a share purchase agreement (the “**Share Purchase Agreement**”) with MyRepublic Group Limited (“**MR GroupCo**”) and MyRepublic Holdings Ltd (“**MR HoldCo**”), to acquire a majority interest in the existing business and operations of MR HoldCo and its subsidiaries (the “**MR Group**”) which provide broadband services in Singapore for residential and enterprise customers (the “**MR Singapore Broadband Business**”).

Pursuant to the Share Purchase Agreement, MR GroupCo has agreed to sell, and the Purchaser has agreed to purchase, such number of ordinary shares (the “**Sale Shares**”) in the share capital of MyRepublic Broadband Pte. Ltd. (“**NewCo**”), representing approximately 50.1 per cent. of the issued share capital of NewCo (the “**Proposed Transaction**”).

The MR Singapore Broadband Business is currently a division of MyRepublic Limited (“**MR SG**”), a subsidiary of MR GroupCo. As a condition precedent to completion of the Proposed Transaction (“**Completion**”), the MR Singapore Broadband Business shall be transferred from MR SG to NewCo (the “**Business Transfer**”) pursuant to the terms of a business transfer agreement to be entered into between MR SG, MR HoldCo, NewCo and the Purchaser.

- 1.2 Completion.** Completion is subject to and conditional upon various conditions precedent (“**Conditions**”), including, *inter alia*, obtainment of the relevant approvals from the Infocomm Media Development Authority (the “**IMDA**”) in relation to, *inter alia*, the Proposed Transaction and completion of the Business Transfer.

- 1.3 Bridge Loan and First Call Option.** Concurrent with the entry into of the Share Purchase Agreement:

- (a) the Purchaser has on 21 September 2021 entered into a bridge loan agreement (the “**Bridge Loan Agreement**”) with MR HoldCo, pursuant to which the Purchaser will be extending a bridging loan of S\$105 million (the “**Bridge Loan**”) to MR HoldCo for the repayment of MR HoldCo’s existing debt. MR HoldCo is the holding company of MR GroupCo and MR SG; and

- (b) the Purchaser has on 21 September 2021 entered into a call option agreement (the “**First Call Option Deed**”) with MR GroupCo, MR HoldCo, MR SG, NewCo and StarHub, pursuant to which MR GroupCo has granted the Purchaser a call option overshares in the capital of MR SG and NewCo held by MR GroupCo (the “**First Call Option**”).

2. Information on the Parties

- 2.1 The Purchaser.** The Purchaser is a company incorporated in Singapore on 11 February 2005. The Purchaser is a wholly-owned subsidiary of StarHub and is engaged in the businesses of telecommunication activities, including provision of voice over internet protocol services and provision of internet access, including ISPS activities.

As at the date of this Announcement, the Purchaser has an issued and paid-up share capital of S\$100,000 comprising 100,000 ordinary shares, which is held by StarHub.

- 2.2 MR HoldCo / Guarantor.** MR HoldCo is an exempted company incorporated in the Cayman Islands. As at the date of this Agreement, MR HoldCo is the holding company of MR GroupCo and MR SG. The MR Group is engaged in the provision of fibre broadband and mobile telecommunications services.

- 2.3 MR GroupCo / Seller.** MR GroupCo is a company incorporated in Singapore on 24 March 2016 and is a wholly-owned subsidiary of MR HoldCo and is engaged in the business activities of head and regional head offices, centralised administrative offices and subsidiary management offices and development of e-commerce applications.

As at the date of this Announcement, MR GroupCo has an issued and paid-up share capital of S\$159,058,951.06 comprising S\$156,402,941.06 in respect of 165,144,206 ordinary shares, and S\$2,656,010 in respect of 37,950,000 preference shares, all of which are held by MR HoldCo.

- 2.4 MR SG.** MR SG is a company incorporated in Singapore on 25 July 2011 and is a wholly owned subsidiary of MR GroupCo. The existing business and operations of the MR Group in relation to the MR Singapore Broadband Business is currently a division of MR SG. Besides the MR Singapore Broadband Business, MR SG provides mobile telecommunications services for customers in Singapore.

As at the date of this Announcement, MR SG has an issued and paid-up share capital of S\$53,930,635 comprising 122,763,487 ordinary shares, which is held by MR GroupCo.

- 2.5 NewCo.** NewCo is a company which is newly incorporated in Singapore on 16 July 2021 and is a wholly-owned subsidiary of MR GroupCo. The business of NewCo is the provision of internet access, including ISPS activities. As a Condition, the MR Singapore Broadband Business will be transferred by MR SG to NewCo under the Business Transfer.

As at the date of this Announcement, NewCo has an issued and paid-up share capital of S\$1 comprising 1 ordinary share, which is held by MR GroupCo.

2.6 Asset Value. Based on MR SG's unaudited financial statements for the financial year ended 30 June 2021 ("**MR FY2021**"), the aggregate net asset value attributable to the Sale Shares is negative S\$1.2 million, assuming that the Business Transfer has been completed, and that the net assets of the MR Singapore Broadband Business have been transferred from MR SG to NewCo at book value.

2.7 Net Profits. Based on MR SG's unaudited financial statements for MR FY2021, the net profit attributable to the Sale Shares is S\$5.2 million, assuming that the Business Transfer has been completed.

3. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION

3.1 Share Purchase Agreement. Pursuant to the terms of the Share Purchase Agreement, MR GroupCo has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares free from any encumbrances and together with all rights attaching thereto as at the date of Completion (the "**Completion Date**"), including the right to receive all dividends and distributions declared, made or paid on or after the Completion Date.

3.2 Conditions Precedent. Pursuant to the terms of the Share Purchase Agreement, Completion is conditional upon the satisfaction or waiver (as the case may be) of the Conditions (or their satisfaction subject only to Completion), which include the following:

- (a) the execution of the business transfer agreement by MR SG, MR HoldCo, NewCo and the Purchaser in relation to the Business Transfer (the "**BTA**");
- (b) the execution of a shareholders agreement by the Purchaser, MR GroupCo and NewCo in relation to NewCo (the "**Shareholders Agreement**");
- (c) the execution of a loan agreement to be entered into between the Purchaser (as the lender) and MR HoldCo (as the borrower) in relation to a loan of S\$74.2 million for the purposes of partially refinancing the Bridge Loan and working capital requirements;
- (d) the execution of the call option agreement to be entered into between, *inter alia*, the Purchaser and MR GroupCo granting the Purchaser a call option over shares in NewCo held by MR GroupCo (the "**Second Call Option Deed**");
- (e) the execution of the wholesale agreement to be entered into between the Purchaser and NewCo (or an entity that is newly incorporated by MR GroupCo) for the provision of fibre broadband services (the "**StarHub Broadband Wholesale Agreement**");
- (f) the execution of the wholesale agreement for StarHub to provide wholesale network services to MR SG;
- (g) the execution of the procurement agreement to be entered into between the Purchaser and NewCo for NewCo to procure certain products or services through the Purchaser or a designated affiliate of the Purchaser;
- (h) completion of the Business Transfer in accordance with the terms of the BTA;

- (i) submission of the consolidation application in relation to the Proposed Transaction and receipt of the relevant approvals from the IMDA in relation to the Proposed Transaction without any conditions (or if approval is granted subject to terms and/or conditions, such terms and/or conditions being to the satisfaction of the Purchaser, and the satisfaction of MR GroupCo solely as to its ability to comply with such terms and/or conditions, to the extent imposed on MR GroupCo);
- (j) NewCo having received and maintaining in force and effect all licences necessary for the carrying on of the MR Singapore Broadband Business by NewCo (including a Facilities-Based Operations licence) without any onerous conditions (or if any licence is granted subject to onerous terms and/or conditions, such terms and/or conditions being to the satisfaction of the Purchaser, and the satisfaction of MR GroupCo solely as to its ability to comply with such terms and/or conditions, to the extent imposed on MR GroupCo), and all conditions applicable to any such licence having been and are being complied with;
- (k) MR SG having received and maintaining in force and effect all licences necessary for the carrying on of its business following the Business Transfer without any onerous conditions (or if any licence is granted subject to onerous terms and/or conditions, such terms and/or conditions being to the satisfaction of the Purchaser, and the satisfaction of MR GroupCo solely as to its ability to comply with such terms and/or conditions, to the extent imposed on MR GroupCo), and all conditions applicable to any such licence having been and are being complied with;
- (l) there being no acceleration by the Purchaser (as lender) or event of default under the Bridge Loan Agreement;
- (m) completion of the due diligence in respect of the MR Singapore Broadband Business to the satisfaction of the Purchaser with no material issues identified or if any material issues are identified, such issues being addressed by way of conditions precedent, warranties, indemnities and/or pre or post completion undertakings being provided for the benefit of NewCo and/or the Purchaser in the BTA on terms satisfactory to the Purchaser;
- (n) the approval by the shareholders, board of directors and auditors of MR SG of the audited financial statements of MR SG for the financial year ended 30 June 2020 (“**MR FY2020**”), where such approved audited financial statements shall be substantially in the same form as the draft audited financial statements of MR SG for MR FY2020 made available by or on behalf of MR GroupCo to the Purchaser or any of its agents, employees or professional advisers in the course of the due diligence carried out by or on behalf of the Purchaser on MR SG; and
- (o) the approval by the shareholders, board of directors and auditors of MR SG of the audited financial statements of MR SG for MR FY2021.

Pursuant to the terms of the Share Purchase Agreement, MR GroupCo shall use its reasonable endeavours to ensure the satisfaction of the Conditions and the Purchaser shall use its reasonable endeavours to ensure the satisfaction of the Conditions listed above (other than the Conditions in paragraphs (h), (j), (k), (l), (n) and (o)), in each case, as soon as possible and in any event by 31 March 2022 or such other date as may be agreed in writing between the Purchaser and MR GroupCo (the “**Cut-Off Date**”).

The Purchaser may at any time waive in whole or in part and conditionally or unconditionally any of the Conditions set out in paragraphs (e) and (i) to (o) by notice in writing to MR GroupCo. The Purchaser and MR GroupCo may waive any of the other Conditions by mutual agreement.

If the Conditions are not satisfied or waived on or before the Cut-Off Date, save as expressly provided in the Share Purchase Agreement, each of MR GroupCo or the Purchaser may, in its absolute discretion, terminate the Share Purchase Agreement by giving notice to the other parties.

3.3 Consideration. The consideration for the Sale Shares (the “**Acquisition Consideration**”) was arrived at on a willing seller willing buyer basis after taking into account the historical financial performance and growth potential of the MR Singapore Broadband Business. The Acquisition Consideration will be funded by the Purchaser using internal cash resources.

Pursuant to the terms of the Share Purchase Agreement, the amount of the Acquisition Consideration shall be the aggregate of the following:

3.3.1 S\$70,836,125 (the “**Initial Consideration**”);

3.3.2 the “**Net Closing Adjustment**”, which shall be determined based on a specific formula depending on:

- (i) the difference between: (a) the net working capital of NewCo as at the applicable closing balance sheet date as set out in statements drawn up in accordance with the terms of the Share Purchase Agreement and (b) the initial net working capital attributable to the MR Singapore Broadband Business, being negative S\$3,714,617;
- (ii) the difference between: (a) the net debt of NewCo as at the applicable closing balance sheet date as set out in statements drawn up in accordance with the terms of the Share Purchase Agreement and (b) the initial net debt attributable to the MR Singapore Broadband Business, being S\$7,266,680;
- (iii) the difference between: (a) the final earnings before income, tax, depreciation and amortisation (“**EBITDA**”) attributable to the MR Singapore Broadband Business based on the audited financial statements of MR SG for MR FY2021 in statements drawn up in accordance with the terms of the Share Purchase Agreement (the “**Final EBITDA**”) and (b) the initial EBITDA attributable to the MR Singapore Broadband Business, being S\$18,582,019;

- (iv) the difference between: (a) the annualised year-to-date actual personnel cost of the relevant employees of MR SG who are immediately prior to closing under the BTA employed or engaged by MR SG in connection with the MR Singapore Broadband Business (the “**Relevant Employees**”) based on the closing profit and loss statement and (b) 103 per cent. multiplied by the personnel cost of the Relevant Employees (being S\$5,620,828) which is considered as part of the initial EBITDA of the MR Singapore Broadband Business under the pro-forma management accounts of the MR Singapore Broadband Business drawn up to 30 June 2021; and
- (v) the difference between (a) the annualised year to date revenue of the MR Singapore Broadband Business as derived from the closing profit and loss statement and (b) the annual revenue for MR FY2021 attributable to the MR Singapore Broadband Business in the Acquisition Consideration, being S\$63.867 million.

The Net Closing Adjustment payable by the Purchaser to MR GroupCo as an increase on the Acquisition Consideration shall be capped at a maximum amount of S\$5,000,000; and

- 3.3.3 the “**Deferred Consideration**”, which shall be calculated based on a specific formula depending on the EBITDA of NewCo for the financial year ending 30 June 2023 and the Final EBITDA of the MR Singapore Broadband Business for MR FY2021. The Deferred Consideration payable by the Purchaser to MR GroupCo as an increase on the Acquisition Consideration shall be capped at a maximum amount of S\$92,000,000. In the event that the Deferred Consideration is zero or a negative figure, the Deferred Consideration shall be treated as zero for the purposes of the Share Purchase Agreement, and the Purchaser shall not be required to pay to MR GroupCo, and MR GroupCo shall not be entitled to receive, any Deferred Consideration.

3.4 Payment of the Acquisition Consideration. The Acquisition Consideration is payable in the following manner:

- 3.4.1 the Purchaser shall pay S\$65,836,125 to MR GroupCo on the Completion Date as part of the Initial Consideration (the “**Closing Amount**”) and withhold the remaining S\$5,000,000 of the Initial Consideration (the “**Holdback Amount**”), which shall be payable or set-off against the Net Closing Adjustment;
- 3.4.2 within five business days of the date in which the Net Closing Adjustment is determined in accordance with the terms of the Share Purchase Agreement:
 - (i) if the Net Closing Adjustment amount is positive, the Purchaser shall pay the aggregate of the Net Closing Adjustment amount (as an increase in the consideration for the Sale Shares subject to a maximum cap of S\$5 million) and the Holdback Amount to MR GroupCo;
 - (ii) if the Net Closing Adjustment amount is zero, the Purchaser shall pay the Holdback Amount to MR GroupCo;

- (iii) if the Net Closing Adjustment amount is negative, the Purchaser shall be entitled to set-off the Net Closing Adjustment amount against the Holdback Amount and if
 - (a) any portion of the Holdback Amount remains after such set off, the Purchaser shall pay such remaining amount to MR GroupCo as an increase in the consideration for the Sale Shares; or
 - (b) any portion of the negative Net Closing Adjustment amount remains after such set off, MR GroupCo shall pay such remaining amount to the Purchaser (as a reduction in the consideration for the Sale Shares); and

3.4.3 in the event that the Deferred Consideration is a positive figure, the Purchaser shall pay the Deferred Consideration to MR GroupCo on or before the date falling 30 days after the latest to occur of:

- (i) the approval by the board of NewCo of the audited financial statements of NewCo for the financial year ending 30 June 2023; and
- (ii) the finalisation of the report by the auditors of NewCo or the appointed independent chartered accounting setting out the adjusted audited EBITDA,

or such other date as may be agreed in writing between the Purchaser and MR GroupCo.

3.5 Right of Termination. The Share Purchase Agreement may be terminated in the following circumstances:

3.5.1 as set out above in paragraph 3.2, in the event that any Condition is not satisfied or waived on or before the Cut-Off Date, save as expressly provided in the Share Purchase Agreement, each of MR GroupCo or the Purchaser may, in its absolute discretion, terminate the Share Purchase Agreement;

3.5.2 in the event that MR GroupCo is in material breach of any of its pre-closing obligations or undertakings as provided in the Share Purchase Agreement, the Purchaser shall be entitled to terminate the Share Purchase Agreement;

3.5.3 if prior to Completion any event shall occur which has or is likely to have a material effect on the turnover, profitability or financial position of NewCo, not being an event affecting or likely to affect generally all companies carrying on similar businesses in countries in which they carry on business, the Purchaser shall be entitled to terminate the Share Purchase Agreement; and

3.5.4 in the event that the Purchaser or MR GroupCo does not comply with any of its material closing obligations as provided in the Share Purchase Agreement on the Completion Date, the non-defaulting party shall be entitled to, *inter alia*, terminate the Share Purchase Agreement.

3.6 MR HoldCo Guarantee. In consideration of the Purchaser entering into the Share Purchase Agreement with MR GroupCo, MR HoldCo: (i) unconditionally and irrevocably guarantees to the Purchaser the due and punctual performance and observance by MR GroupCo of all its obligations, commitments, undertakings, warranties and indemnities under or pursuant to the Share Purchase Agreement (the “**Guaranteed Obligations**”); and (ii) agrees to indemnify the Purchaser against all losses, liabilities, costs (including without limitation legal costs), charges, expenses, action, proceedings, claims and demands which the Purchaser may suffer through or arising from any breach by MR GroupCo of the Guaranteed Obligations.

3.7 Bridge Loan. Concurrent with the entry into of the Share Purchase Agreement, the Purchaser and MR HoldCo have on 21 September 2021 entered into the Bridge Loan Agreement where the Purchaser will be extending the Bridge Loan of S\$105 million to MR HoldCo for the repayment of MR HoldCo’s existing debt.

The disbursement of the Bridge Loan is subject to the fulfilment or waiver of certain conditions, including: (i) the delivery of the necessary corporate authorisations, duly executed originals of the relevant security documents, the Share Purchase Agreement, the BTA, the First Call Option Deed and other relevant transaction documents; (ii) satisfactory due diligence on certain existing indebtedness incurred by MR HoldCo and its subsidiaries; (iii) the delivery of consents from third parties (including governmental agencies where relevant) required by law or contract and legal due diligence; and (iv) evidence that the proceeds of the Bridge Loan will be utilised in accordance with agreed funds flow. The Bridge Loan will mature on the Completion Date or the date falling six months after either the Purchaser or MR GroupCo notifies the other in writing that it does not wish to proceed with the Proposed Transaction in accordance with the terms of the Share Purchase Agreement.

3.8 First Call Option. Concurrent with the entry into of the Share Purchase Agreement, the Purchaser, MR GroupCo, MR HoldCo, MR SG, NewCo and StarHub have on 21 September 2021 entered into a call option agreement where MR GroupCo has granted the Purchaser an irrevocable and unconditional right to require MR GroupCo to sell to the Purchaser, free from all encumbrances and with all rights and advantages attaching thereto:

3.8.1 all its shares in MR SG;

3.8.2 all its shares in NewCo; or

3.8.3 all its shares in NewCo and MR SG,

(collectively, the “**First Call Option Sale Shares**”).

The First Call Option shall be exercisable at the option of the Purchaser during a call option period which will commence on the first date on which MR HoldCo fails to repay any monies borrowed from the Purchaser or pay any interest, fee, commission or other indebtedness accrued on such monies borrowed on the relevant mutually agreed repayment or payment date and ending on the earlier of: (i) the Completion Date; and (ii) the date all monies borrowed by MR HoldCo from the Purchaser has been repaid in full and all interest, fees, commissions or other indebtedness accruing on such monies borrowed have been paid in full, provided, for the avoidance of doubt, that the term “monies borrowed” shall not include any monies owing by MR HoldCo to the Purchaser under the Share Purchase Agreement, the Shareholders Agreement, the BTA and the StarHub Broadband Wholesale Agreement (collectively, the “**Acquisition Documents**”).

The First Call Option Deed will be terminated on the earliest to occur of: (i) the date on which the First Call Option Deed is terminated by the written agreement of the parties; (ii) the date of the completion of the sale and purchase of the First Call Option Sale Shares; (iii) the Completion Date; and (iv) the date on which the Purchaser is satisfied that all monies borrowed by MR HoldCo from the Purchaser has been repaid in full and all interest, fees, commissions or other indebtedness accruing on such monies borrowed have been paid in full provided, for the avoidance of doubt, that the term “monies borrowed” shall not include any monies owing by MR HoldCo to the Purchaser under the Acquisition Documents.

The exercise price of each of the First Call Option Sale Shares under the First Call Option will be based on the fair market value of those shares, at the time when the Purchaser exercises the option. Such fair market value shall be determined by an independent valuer jointly appointed by the Purchaser and MR GroupCo at the relevant time.

3.9 Completion. On Completion, the Sale Shares will be transferred to the Purchaser and NewCo will be a subsidiary of the Purchaser and the Company. The following transactions will also take place on Completion:

3.9.1 Closing Amount. The Closing Amount will be paid by the Purchaser to MR GroupCo.

3.9.2 MR HoldCo Loan. The Purchaser will be extending a loan of S\$74.2 million to MR HoldCo (the “**MR HoldCo Loan**”). The disbursement of the MR HoldCo Loan on Completion is subject to the fulfilment or waiver of certain conditions, including: (i) the occurrence of Completion; and (ii) the obtaining of any corporate or regulatory approvals that may be required for the grant of the facility. The MR HoldCo Loan will mature on the date falling three years from the utilisation date, and shall be extendable for an additional two years at the sole discretion of the Purchaser.

3.9.3 Repayment of Bridge Loan / Set Off. The Bridge Loan shall be fully repaid through a set off against the Closing Amount and the MR HoldCo Loan, leaving the Purchaser to advance the remaining outstanding amount payable under the MR HoldCo Loan.

3.9.4 Termination of First Call Option. The First Call Option Deed shall be terminated.

3.9.5 Second Call Option. The Second Call Option Deed shall be on terms substantially similar to the First Call Option Deed, save that the Second Call Option Deed shall commence on the first date on which MR HoldCo fails to repay any monies borrowed from the Purchaser or pay any interest, fee, commission or other indebtedness accrued on such monies borrowed on the relevant mutually agreed repayment or payment date. Under the Second Call Option Deed, MR GroupCo shall grant the Purchaser an irrevocable and unconditional right to require MR GroupCo to sell all of its shares in NewCo to the Purchaser, free from all encumbrances and with all rights and advantages attaching thereto (the “**Second Call Option**”).

The exercise price of each of the NewCo shares under the Second Call Option will be based on the fair market value of those shares, at the time when the Purchaser exercises the option. Such fair market value shall be determined by an independent valuer jointly appointed by the Purchaser and MR GroupCo at the relevant time.

4. RATIONALE AND BENEFITS OF THE PROPOSED TRANSACTION

The acquisition of the MR Singapore Broadband Business will consolidate and strengthen StarHub's competitive position in the Singapore broadband market to steer long-term business growth. In addition, this acquisition also allows StarHub to accelerate its growing range of connectivity, Over-the-top content, cloud gaming and other experiences into MyRepublic's broadband customer base in Singapore. Through this investment, StarHub will be a strategic partner to MyRepublic. StarHub's investment could also potentially allow MyRepublic customers to access additional StarHub services (Pay-TV content, gaming, etc), and allow MyRepublic to invest in innovation (its platform and people).

5. FINANCIAL EFFECTS

5.1 Bases and Assumptions. The pro forma financial effects of the Proposed Transaction have been prepared based on the audited consolidated financial statements of the StarHub and its subsidiaries (the "**StarHub Group**") for the financial year ended 31 December 2020, and are purely **for illustrative purposes only and do not reflect the future actual financial position of the StarHub Group following completion of the Proposed Transaction**. The pro forma financial effects have also been prepared based on, *inter alia*, the following assumptions:

5.1.1 the Proposed Transaction had been effected on 31 December 2020, being the end of the most recently completed financial year of the StarHub Group and of which the statement of financial position of the StarHub Group has been publicly announced, for illustrating the financial effects on the consolidated NTA of the StarHub Group; and

5.1.2 the Proposed Transaction had been effected on 1 January 2020, being the beginning of the most recently completed financial year of the StarHub Group and of which the profit and loss of the StarHub Group has been publicly announced, for illustrating the financial effects on the consolidated earnings of the StarHub Group.

5.2 NTA. For illustrative purposes only and assuming that the Proposed Transaction had been completed on 31 December 2020, the pro forma financial effects of the Proposed Transaction on the consolidated NTA of the StarHub Group as at 31 December 2020 are as follows:

	Before the Proposed Transaction	After the Proposed Transaction
NTA (S\$' million) ⁽¹⁾	93.7	(4.1)
No. of issued ordinary shares in the capital of the Company (" Shares ") ('000)	1,730,154	1,730,154
NTA per Share (Singapore cents) ⁽²⁾	5.42	(0.24)

Note:

(1) Computed based on StarHub's total assets (excluding goodwill and customer contracts & relationships) less total liabilities and non-controlling interests

(2) Rounded to the nearest two decimal places.

5.3 Earnings per Share. For illustrative purposes only and assuming that the Proposed Transaction had been completed on 1 January 2020, the pro forma financial effects of the Proposed Transaction on the consolidated earnings of the StarHub Group for the financial year ended 31 December 2020 are as follows:

	Before the Proposed Transaction	After the Proposed Transaction
Profit attributable to shareholders (S\$' million)	150.0	155.6
Weighted average no. of Shares – Basic ('000)	1,731,327	1,731,327
Earnings per Share (Singapore cents) – Basic ⁽¹⁾	8.66	8.99

Note:

⁽¹⁾ Rounded to the nearest two decimal places.

6. DISCLOSEABLE TRANSACTION

6.1 Rule 1006. The relative figures for the Proposed Transaction computed on the applicable bases set out in Rule 1006 of the SGX-ST Listing Manual are as follows:

Rule 1006	Bases	Proposed Transaction (S\$' million)	The StarHub Group (S\$' million)	Relative Figures (%)⁽⁶⁾
(a)	Net asset value attributable to the Proposed Transaction compared with the Starhub Group's net asset value	N.A.	N.A.	N.A.
(b)	Net profits attributable to the Proposed Transaction ⁽²⁾ compared with the StarHub Group's net profits ⁽¹⁾⁽³⁾	5.2	186.1	2.79
(c)	Aggregate Consideration ⁽⁴⁾ compared with the Company's market capitalisation ⁽⁵⁾	334.9	2,135.9	15.68
(d)	The number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	N.A.	N.A.	N.A.

Notes:

- (1) Last 12 months profit before tax based on the unaudited consolidated financial statements of the StarHub Group for the half year ended 30 June 2021 and full year ended 31 December 2020.
- (2) Based on profit before tax attributable to the MR Singapore Broadband Business for MR FY2021.
- (3) The term “**net profits**” means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (4) The Company had made an application to the SGX-ST for the purposes of computing the aggregate value of consideration given under Rule 1006(c) of the SGX-ST Listing Manual and obtained confirmation that the Aggregate Consideration relating to the Proposed Transaction shall be S\$334.9 million which comprises of: (i) the Initial Consideration of S\$70.8 million; (ii) the maximum Net Closing Adjustment amount of S\$5 million payable by the Purchaser, (iii) the maximum Deferred Consideration of S\$92 million; and (iv) the highest of: the Bridge Loan of S\$105 million, the MR HoldCo Loan of S\$74.2 million or the maximum exposure under the First or Second Call Option should the options be exercised (i.e. S\$167.1 million).
- (5) StarHub’s market capitalisation is based upon 1,731,423,265 shares in issue (excluding treasury shares) (“**StarHub Shares**”), at the volume-weighted average price of S\$1.2336 per StarHub Share on 21 September 2021, being the last market day preceding the date of this Announcement.
- (6) Rounded to the nearest two decimal places.

As the relative figure under Rules 1006(c) exceeds five per cent. but does not exceed 20 per cent., the Proposed Transaction constitutes a discloseable transaction for StarHub as defined in Chapter 10 of the SGX-ST Listing Manual.

7. FURTHER INFORMATION

7.1 Interests of Directors and Controlling Shareholders of StarHub. Save for any shares in the capital of the Company in which the directors and the controlling shareholders of the Company may have an interest in, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction.

7.2 Directors’ Service Contracts. No person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction. Accordingly no service contract is proposed to be entered into between the Company and any such person.

7.3 Documents for Inspection. A copy of the Share Purchase Agreement is available for inspection during normal business hours at the registered office of the Company at 67 Ubi Avenue 1, #05-01 StarHub Green, Singapore 408942 for a period of three months commencing from the date of this Announcement.

BY ORDER OF THE BOARD

Veronica Lai
Company Secretary
Singapore, 22 September 2021