

CIRCULAR DATED 26 JUNE 2014

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, or CHESS Units of Foreign Securities relating to ordinary shares ("CUFS"), in the capital of Singapore Telecommunications Limited (the "**Company**"), you should immediately forward this Circular and the Proxy Form enclosed with this Circular 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 assumes no responsibility for the correctness of any statements made or opinions expressed in this Circular.



SINGAPORE TELECOMMUNICATIONS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 199201624D
Australian Registered Body Number: 096 701 567

CIRCULAR TO SHAREHOLDERS AND CUFS HOLDERS IN RELATION TO

- (1) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE;**
- (2) THE PROPOSED ALTERATIONS TO THE SINGTEL PERFORMANCE SHARE PLAN 2012; AND**
- (3) THE PROPOSED APPROVAL FOR PARTICIPATION BY THE RELEVANT EXECUTIVE DIRECTOR AND THE RELEVANT NON-EXECUTIVE DIRECTOR IN THE SINGTEL PERFORMANCE SHARE PLAN 2012 FOR THE PURPOSES OF THE LISTING RULES OF ASX LIMITED.**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	23 July 2014 at 3.30 p.m.
Date and time of Extraordinary General Meeting	:	25 July 2014 at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the 22nd Annual General Meeting of the Company to be held at 3.00 p.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	Suntec Singapore Convention and Exhibition Centre Level 4, Hall 404 1 Raffles Boulevard, Suntec City Singapore 039593

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DEFINITIONS

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

"Articles"	:	The Articles of Association of the Company.
"ASX"	:	ASX Limited (ABN 98 008 624 691) or the securities market conducted by ASX Limited, as the context requires.
"ASX Associate"	:	An associate of a Director for the purposes of the ASX Listing Rules as described in paragraph 4.1 of the Letter to Shareholders and CUFS Holders contained in this Circular.
"Broadcasting Act"	:	The Broadcasting Act, Chapter 28 of Singapore.
"CDP"	:	The Central Depository (Pte) Limited.
"2013 Circular"	:	The Company's Circular to Shareholders and CUFS Holders dated 26 June 2013.
"Committee"	:	A committee comprising Directors duly authorised and appointed by the Board of Directors to administer the SingTel PSP 2012.
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore.
"Company" or "SingTel"	:	Singapore Telecommunications Limited.
"CUFS"	:	CHESS Units of Foreign Securities relating to Shares.
"CUFS Holders"	:	Holders of CUFS.
"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 28 to 30 of this Circular.
"2013 EGM"	:	The extraordinary general meeting of the Company held on 26 July 2013.
"Group"	:	The Company and its subsidiaries.
"IDA"	:	Info-communications Development Authority of Singapore.
"Individual Shareholding Limit"	:	The limit of 15% of the issued Shares prescribed by the Articles in which any person or related group of persons (other than a person or persons approved by the Directors) may have an interest.
"Latest Practicable Date"	:	The latest practicable date prior to the printing of this Circular, being 30 April 2014.
"Market Day"	:	A day on which the SGX-ST is open for trading in securities.
"Market Purchase"	:	An on-market purchase of Shares by the Company effected on the SGX-ST, or on any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose.
"Maximum Price"	:	The maximum price to be paid for the Shares as determined by the Directors under paragraph 2.3.4 of the Letter to Shareholders and CUFS Holders contained in this Circular.
"Minister"	:	The Minister referred to in the Broadcasting Act.
"Off-Market Purchase"	:	An off-market purchase of Shares by the Company effected otherwise than on a stock exchange, in accordance with an equal access scheme.
"Prescribed Limits"	:	Limits as to interests in shares 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, directives, guidelines, notices and/or codes of practice promulgated or issued thereunder from time to time.

DEFINITIONS

"Relevant Executive Director"	:	The person named in paragraph 4.2.1 of the Letter to Shareholders and CUFS Holders contained in this Circular in relation to whom approval to participate in the SingTel PSP 2012 in the Relevant Period is being sought.
"Relevant Non-Executive Director"	:	The person named in paragraph 4.3.1 of the Letter to Shareholders and CUFS Holders contained in this Circular in relation to whom approval to participate in the SingTel PSP 2012 (as proposed to be altered) in the Relevant Period is being sought.
"Relevant Period"	:	The period from the date of the 22nd Annual General Meeting of the Company until the date of the 23rd Annual General Meeting of the Company or the date falling 12 months after the date of the 22nd Annual General Meeting of the Company, whichever is the earlier.
"SGX Listing Manual"	:	The listing manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date.
"SGX-ST"	:	Singapore Exchange Securities Trading Limited.
"Share Purchase Mandate"	:	The mandate to enable the Company to purchase or otherwise acquire its issued Shares.
"Shareholders"	:	Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares.
"Shares"	:	Ordinary shares in the capital of the Company.
"SingTel PSP 2003"	:	The SingTel Performance Share Plan adopted by Shareholders at an extraordinary general meeting of the Company held on 29 August 2003.
"SingTel PSP 2012"	:	The SingTel Performance Share Plan 2012 adopted by Shareholders at an extraordinary general meeting of the Company held on 27 July 2012.
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers.
"Telecom Competition Code"	:	Code of Practice for Competition in the Provision of Telecommunication Services 2012.
"Telecommunications Act"	:	The Telecommunications Act, Chapter 323 of Singapore.
"Temasek"	:	Temasek Holdings (Private) Limited.
"S\$", "\$" and "cents"	:	Singapore dollars and cents, respectively.
"%" or "per cent."	:	Per centum or percentage.

The terms **"Depositor"**, **"Depository"** and **"Depository Register"** shall have the meanings ascribed to them respectively in Section 130A of the Companies 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 any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory 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 discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

LETTER TO SHAREHOLDERS AND CUPS HOLDERS

SINGAPORE TELECOMMUNICATIONS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 199201624D
Australian Registered Body Number: 096 701 567

Directors:

Simon Israel (*Non-executive Chairman*)
Chua Sock Koong (*Group CEO*)
Bobby Chin (*Independent Director*)
Fang Ai Lian (*Independent Director*)
David Gonski AC⁽¹⁾ (*Independent Director*)
Dominic Ho (*Independent Director*)
Low Check Kian (*Independent Director*)
Peter Mason AM⁽²⁾ (*Independent Director*)
Kai Nargolwala (*Lead Independent Director*)
Christina Ong (*Independent Director*)
Peter Ong (*Non-executive Director*)

Registered Office:

31 Exeter Road
Comcentre
Singapore 239732

⁽¹⁾ Companion of the Order of Australia

⁽²⁾ Member of the Order of Australia

26 June 2014

To: The Shareholders and CUPS Holders of
Singapore Telecommunications Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 **EGM.** The Directors are convening an EGM to be held on 25 July 2014 to seek Shareholders' approval for the following proposals:

- (a) the proposed renewal of the Share Purchase Mandate;
- (b) the proposed alterations to the SingTel PSP 2012; and
- (c) the proposed approval for participation by the Relevant Executive Director and the Relevant Non-Executive Director in the SingTel PSP 2012 for the purposes of the Listing Rules of ASX,

(together, the "**Proposals**").

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

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 **Background.** Shareholders had approved the renewal of the Share Purchase Mandate at the 2013 EGM. The rationale for, the authority and limits on, and the financial effects of, the Share Purchase Mandate were set out in the 2013 Circular and Ordinary Resolution 1 set out in the Notice of the 2013 EGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 1 at the 2013 EGM and will expire on the date of the forthcoming 22nd Annual General Meeting to be held on 25 July 2014. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the EGM, immediately following the 22nd Annual General Meeting of the Company convened to be held on the same date.

2.2 **Rationale for the 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 strives to increase shareholders' value by improving, *inter alia*, the return on equity of the Group. Share purchases is one of the ways through which the return on equity of the Group may be enhanced.
- (b) The Share Purchase Mandate is an expedient, effective and cost-efficient way for the Company to return surplus cash which is in excess of the financial and possible investment needs of the Group to Shareholders. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy.
- (c) Share repurchase programmes help buffer short-term share price volatility and off-set the effects of short-term speculators and investors and, in turn, bolster shareholder confidence and employee morale.

LETTER TO SHAREHOLDERS AND CUFH HOLDERS

- (d) Repurchased Shares which are held in treasury may be transferred for the purposes of or pursuant to employees' share schemes implemented by the Company.

The approval of the renewal of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the 5% limit described in paragraph 2.3.1 below, it should be noted that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 5% limit as authorised, and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company.

- 2.3 **Authority and Limits of the Share Purchase Mandate.** The authority and limits placed on purchases or acquisitions of Shares by the Company under the proposed Share Purchase Mandate, if renewed at the EGM, are substantially the same as were previously approved by Shareholders at the 2013 EGM, and, for the benefit of Shareholders and CUFH Holders, are summarised below:

2.3.1 **Maximum Number of Shares**

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 5% of the total number of issued Shares of the Company as at the date of the EGM. Any of the Company's Shares which are held as treasury shares will be disregarded for purposes of computing the 5% 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 renewal of the Share Purchase Mandate is approved, up to:

- (a) the date on which the next Annual General Meeting 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; or
- (c) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full 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) Market Purchases; and/or
- (b) Off-Market Purchases.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the SGX Listing Manual, the ASX Listing Rules, the listing rules of any other stock exchange on which the Shares may for the time being be listed and quoted, 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. 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 (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, and (2) 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) terms and conditions of the offer;
- (2) period and procedures for acceptances;

LETTER TO SHAREHOLDERS AND CUFH HOLDERS

- (3) reasons for the proposed Share purchases;
- (4) consequences, if any, of Share purchases by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (5) whether the Share purchases, if made, could affect the listing of the Shares on the SGX-ST;
- (6) details of any Share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 **Purchase Price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. The Maximum Price to be paid for the Shares as determined by the Directors 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 either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

“Average Closing Price” means the average of the last dealt prices (excluding any transaction that the SGX-ST or other stock exchange on which the Shares may for the time being be listed or quoted (as the case may be) requires to be excluded for this purpose) of a Share for the five consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such stock exchange on which the Shares are listed or quoted, 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 listing rules of the SGX-ST, for any corporate action that occurs after the relevant five-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 Shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Source of Funds.** Under the Companies Act, the Company may purchase or acquire its Shares out of its distributable profits, as well as out of capital.

The Company intends to use internal and external sources of funds to finance its purchase or acquisition of Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the working capital requirements of the Group would be materially affected.

2.5 **Status of Purchased Shares.** Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to those Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. 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.

2.6 **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:

2.6.1 **Maximum Holdings**

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

2.6.2 **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 is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

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2.6.3 **Disposal and Cancellation**

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (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 SGX 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 the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, 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 the value of the treasury shares if they are used for a sale or transfer, or cancelled.

- 2.7 **Financial Effects.** The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the proposed 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 in treasury or cancelled.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital 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 (excluding brokerage, commission, goods and services tax and other related expenses) 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.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 March 2014, are based on the assumptions set out below.

2.7.1 **Number of Shares Acquired or Purchased**

Purely for illustrative purposes, on the basis of 15,943,576,949 Shares in issue as at the Latest Practicable Date and disregarding the 401,522 Shares held in treasury as at the Latest Practicable Date, and assuming no further Shares are issued, and no further Shares are purchased or acquired by the Company, or held as treasury shares, on or prior to the EGM, the purchase by the Company of 5% of its issued Shares will result in the purchase or acquisition of 797,158,771 Shares.

2.7.2 **Maximum Price Paid for Shares Acquired or Purchased**

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 797,158,771 Shares at the maximum price of S\$3.9396 for one Share (being the price equivalent to 5% above the Average Closing Price 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 797,158,771 Shares is S\$3,140,486,694.23.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 797,158,771 Shares at the maximum price of S\$4.1272 for one Share (being the price equivalent to 10% above the Average Closing Price 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 797,158,771 Shares is S\$3,290,033,679.67.

2.7.3 **Illustrative Financial Effects**

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 2.7.1 and 2.7.2 above, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 March 2014 are set out below and assuming the following:

- (a) the purchase or acquisition of 797,158,771 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases, made as to half out of profits and as to half out of capital and cancelled or held in treasury; and
- (b) the purchase or acquisition of 797,158,771 Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases, made as to half out of profits and as to half out of capital and cancelled or held in treasury.

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Scenario 1(A)

Market Purchases of up to 5% made as to 2.5% out of profits and as to 2.5% out of capital and cancelled

	Group		Company	
	Before Market Purchase S\$ million	After Market Purchase S\$ million	Before Market Purchase S\$ million	After Market Purchase S\$ million
As at 31 March 2014				
Shareholders' Funds	23,902.8	20,762.3	16,899.3	13,758.8
Treasury Shares Held by Trust	(34.6)	(34.6)	–	–
Treasury Shares Held/Purchased by the Company	–	–	–	–
Total Shareholders' Funds	23,868.2	20,727.7	16,899.3	13,758.8
Current Assets	4,351.3	4,246.3	2,712.8	2,607.8
Current Liabilities	5,690.0	5,690.0	1,963.0	1,963.0
Total Borrowings	8,040.1	11,075.6	956.6	3,992.1
Cash and Cash Equivalents	622.5	517.5	105.0	–
Number of Shares ('000)	15,933,450	15,136,291	15,943,577	15,146,418
Financial Ratios				
Net Assets per Share (S\$)	1.50	1.37	1.06	0.91
Gearing (%)	33.69	53.43	5.66	29.01
Current Ratio (times)	0.76	0.75	1.38	1.33

Scenario 1(B)

Market Purchases of up to 5% made as to 2.5% out of profits and as to 2.5% out of capital and held in treasury

	Group		Company	
	Before Market Purchase S\$ million	After Market Purchase S\$ million	Before Market Purchase S\$ million	After Market Purchase S\$ million
As at 31 March 2014				
Shareholders' Funds	23,902.8	23,902.8	16,899.3	16,899.3
Treasury Shares Held by Trust	(34.6)	(34.6)	–	–
Treasury Shares Held/Purchased by the Company	–	(3,140.5)	–	(3,410.5)
Total Shareholders' Funds	23,868.2	20,727.7	16,899.3	13,758.8
Current Assets	4,351.3	4,246.3	2,712.8	2,607.8
Current Liabilities	5,690.0	5,690.0	1,963.0	1,963.0
Total Borrowings	8,040.1	11,075.6	956.6	3,992.1
Cash and Cash Equivalents	622.5	517.5	105.0	–
Number of Shares ('000)	15,933,450	15,136,291	15,943,577	15,146,418
Financial Ratios				
Net Assets per Share (S\$)	1.50	1.37	1.06	0.91
Gearing (%)	33.69	53.43	5.66	29.01
Current Ratio (times)	0.76	0.75	1.38	1.33

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Scenario 2(A)

Off-Market Purchases of up to 5% made as to 2.5% out of profits and as to 2.5% out of capital and cancelled

	Group		Company	
	Before Off-Market Purchase S\$ million	After Off-Market Purchase S\$ million	Before Off-Market Purchase S\$ million	After Off-Market Purchase S\$ million
As at 31 March 2014				
Shareholders' Funds	23,902.8	20,612.8	16,899.3	13,609.3
Treasury Shares Held by Trust	(34.6)	(34.6)	–	–
Treasury Shares Held/Purchased by the Company	–	–	–	–
Total Shareholders' Funds	23,868.2	20,578.2	16,899.3	13,609.3
Current Assets	4,351.3	4,246.3	2,712.8	2,607.8
Current Liabilities	5,690.0	5,690.0	1,963.0	1,963.0
Total Borrowings	8,040.1	11,225.1	956.6	4,141.6
Cash and Cash Equivalents	622.5	517.5	105.0	–
Number of Shares ('000)	15,933,450	15,136,291	15,943,577	15,146,418
Financial Ratios				
Net Assets per Share (S\$)	1.50	1.36	1.06	0.90
Gearing (%)	33.69	54.55	5.66	30.43
Current Ratio (times)	0.76	0.75	1.38	1.33

Scenario 2(B)

Off-Market Purchases of up to 5% made as to 2.5% out of profits and as to 2.5% out of capital and held in treasury

	Group		Company	
	Before Off-Market Purchase S\$ million	After Off-Market Purchase S\$ million	Before Off-Market Purchase S\$ million	After Off-Market Purchase S\$ million
As at 31 March 2014				
Shareholders' Funds	23,902.8	23,902.8	16,899.3	16,899.3
Treasury Shares Held by Trust	(34.6)	(34.6)	–	–
Treasury Shares Held/Purchased by the Company	–	(3,290.0)	–	(3,290.0)
Total Shareholders' Funds	23,868.2	20,578.2	16,899.3	13,609.3
Current Assets	4,351.3	4,246.3	2,712.8	2,607.8
Current Liabilities	5,690.0	5,690.0	1,963.0	1,963.0
Total Borrowings	8,040.1	11,225.1	956.6	4,141.6
Cash and Cash Equivalents	622.5	517.5	105.0	–
Number of Shares ('000)	15,933,450	15,136,291	15,943,577	15,146,418
Financial Ratios				
Net Assets per Share (S\$)	1.50	1.36	1.06	0.90
Gearing (%)	33.69	54.55	5.66	30.43
Current Ratio (times)	0.76	0.75	1.38	1.33

LETTER TO SHAREHOLDERS AND CUFH HOLDERS

SHAREHOLDERS AND CUFH HOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE FOR ILLUSTRATION PURPOSES ONLY (BASED ON THE ABOVEMENTIONED ASSUMPTIONS). Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 5% of the issued Shares (excluding Shares held in treasury), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 5% of the issued Shares (excluding Shares held in treasury). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

- 2.8 **Reporting Requirements.** Rule 886(1) of the SGX 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. (i) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its shares, and (ii) 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 (which must be in the form of Appendix 8.3.1 to the SGX Listing Manual (or Appendix 8.3.2 for a company with a dual-listing on another stock exchange)) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.
- 2.9 **No Purchases During Price Sensitive Developments.** While the SGX 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 particular, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of two weeks immediately preceding the announcement of the Company’s results for each of the first three quarters of the financial year, and during the period of one month immediately preceding the announcement of the full year results.
- 2.10 **Listing Status of the Shares.** The SGX Listing Manual requires a listed company to ensure that at least 10% of equity securities (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. As at the Latest Practicable Date, Temasek had an interest (both direct and deemed) in 8,282,764,870 Shares representing approximately 52.0% of the issued Shares (excluding Shares held in treasury) as at that date. Approximately 48.0% of the issued Shares (excluding Shares held in treasury) were held by public Shareholders as at that date. 401,522 Shares were held by the Company as treasury shares as at the Latest Practicable Date. Assuming the Company had purchased or acquired Shares from the public up to the full 5% limit pursuant to the proposed Share Purchase Mandate on the Latest Practicable Date, approximately 45.3% of the issued Shares (excluding Shares held in treasury) would have been held by public Shareholders as at that date.

The Company will ensure 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 5% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

- 2.11 **ASX Listing Rules.** The ASX Listing Rules set out certain requirements that may be additional to the requirements of the SGX Listing Manual unless the Company has obtained a waiver from that rule. ASX Listing Rule 7.29 has as a condition for an on-market buy-back that there must have been transactions in a company’s shares on ASX on at least five days in the three months preceding the buy-back. ASX Listing Rule 7.33 requires an on-market buy-back to only be effected at a price which is not more than 5% above the average market price for the buy-back securities calculated over the last five days on which sales were recorded before the day on which the purchase under the buy-back was made. This is similar to Rule 884 of the SGX Listing Manual, although ASX excludes certain transactions (special crossings, overnight sales and exercises of exchange traded options) from the definition of “market price” and Rule 884 provides that the average market price is deemed to be adjusted for any corporate action that occurs after the relevant five-day period. Further, ASX Listing Rule 7.36 requires consultation by the Company with ASX (because it is not subject to the Australian Corporations Act 2001) before any buy-back and allows ASX to impose requirements on the buy-back as if it were a company incorporated in Australia.

The Company has consulted with ASX under ASX Listing Rule 7.36 concerning share buy-backs carried out by the Company. ASX has agreed that, until there is a change to the Companies Act, the SGX Listing Manual, the Australian Corporations Act 2001 or the ASX Listing Rules in relation to share buy-backs, the Company will comply with the ASX Listing Rules relating to on-market buy-backs (by companies) as if the references to a company making a buy-back under the Australian Corporations Act 2001 included a reference to the Company making a buy-back permitted by the Companies Act and accordingly the Company will give the notices in relation to buy-backs required by ASX Listing Rules including ASX Listing Rules 3.8A, 3.9 and 4.10.18.

- 2.12 **Shareholding Limits.** The Articles prescribe an Individual Shareholding Limit of 15% of the issued Shares in which any person or related group of persons (other than a person or persons approved by the Directors) may have an interest. The Articles also empower the Directors to require the sale of Shares, if it shall come to their notice that the Individual Shareholding Limit is exceeded.

The Company holds various broadcasting and telecommunications licenses, and is regulated under the Broadcasting Act and the Telecommunications Act.

The Broadcasting Act provides that no person may become:

- (a) a substantial shareholder (as defined under the Companies Act);

LETTER TO SHAREHOLDERS AND CUFH HOLDERS

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

of a broadcasting company (as defined under the Broadcasting Act) without first obtaining the approval of the Minister.

In addition, under the Broadcasting Act, the Company cannot, unless the Minister otherwise approves, be granted or hold a relevant licence (as defined under the Broadcasting Act) if the Minister is satisfied that any foreign source (as defined under the Broadcasting Act), alone or together with one or more other foreign sources, holds not less than 49% of the shares, or is in a position to control voting power of not less than 49%, in the Company or its holding company.

The Telecommunications Act provides that:

- (a) no person shall, whether through a series of transactions over a period of time or otherwise, become a 12% controller (as defined under the Telecommunications Act) or a 30% controller (as defined under the Telecommunications Act) of a designated telecommunication licensee (as defined under the Telecommunications Act); and
- (b) no person shall obtain effective control (as defined under the Telecommunications Act) over a designated telecommunication licensee, without obtaining the prior approval of the IDA.

The Telecom Competition Code provides that:

- (a) for the purposes of the Telecommunications Act:
 - (i) every Acquiring Party (as defined under the Telecom Competition Code) and the Designated Telecommunication Licensee (as defined under the Telecom Competition Code) must seek the IDA's approval in connection with such Acquiring Party acquiring Voting Shares (as defined under the Telecom Competition Code) or Voting Power (as defined under the Telecom Competition Code) that results in such Acquiring Party becoming a 12% Controller (as defined under the Telecom Competition Code) of the Designated Telecommunication Licensee; and
 - (ii) every Acquiring Party and the Designated Telecommunication Licensee must seek the IDA's approval in connection with such Acquiring Party acquiring Voting Shares or Voting Power that results in such Acquiring Party becoming a 30% Controller (as defined under the Telecom Competition Code) of the Designated Telecommunication Licensee or entering into any other transaction that constitutes a Consolidation (as defined under the Telecom Competition Code) with the Designated Telecommunication Licensee;
- (b) the term "Consolidation" includes any transaction that results in a person:
 - (i) becoming a 30% Controller of a Designated Telecommunication Licensee; or
 - (ii) obtaining Effective Control (as defined under the Telecom Competition Code) over a Designated Telecommunication Licensee; and
- (c) every Acquiring Party and the Designated Telecommunication Licensee must *jointly* file a Consolidation Application (as defined under the Telecom Competition Code) in respect of such Acquiring Party becoming a 30% Controller of the Designated Telecommunication Licensee or otherwise entering into a Consolidation with the Designated Telecommunication Licensee.

Pursuant to the Broadcasting Act and the Telecommunications Act, if the Minister and/or the applicable regulatory authority, as the case may be, is satisfied that a person and/or his associates have acquired Shares which reach or exceed the Prescribed Limits in contravention of the Broadcasting Act and/or the Telecommunications Act, as the case may be, or in other specified circumstances, the Minister and/or the applicable regulatory authority, as the case may be, may make certain directions, including but not limited to requiring such person and/or his associates to dispose of all or part of the Shares which it may have acquired in the Company, or restrict the voting rights or dividend rights that the Shareholder has obtained through the acquisition of such Shares.

As a result of a purchase or acquisition of Shares 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 in the capital of the Company immediately following any purchase or acquisition of Shares by the Company may increase correspondingly.

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

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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 AND/OR THE INDIVIDUAL SHAREHOLDING LIMIT, AS THE CASE MAY BE (IN PARTICULAR, A PERSON WHOSE INTEREST IN SHARES IS CURRENTLY CLOSE TO ANY OF THE PRESCRIBED LIMITS AND/OR THE INDIVIDUAL SHAREHOLDING LIMIT, AS THE CASE MAY BE).

IN RELATION TO THE INDIVIDUAL SHAREHOLDING LIMIT, THE DIRECTORS ARE EMPOWERED TO SERVE NOTICE ON SUCH PERSON REQUIRING A DISPOSAL OF THE INTEREST IN THE AFFECTED SHARES WITHIN 21 DAYS OF THE GIVING OF SUCH NOTICE OR SUCH LONGER PERIOD AS THE DIRECTORS CONSIDER REASONABLE TO A PERSON QUALIFIED TO HAVE AN INTEREST IN THE AFFECTED SHARES.

IN RELATION TO THE PRESCRIBED LIMITS, PERSONS WHOSE SHAREHOLDINGS (AT ANY TIME DURING THE PERIOD WHEN THE SHARE PURCHASE MANDATE IS IN FORCE) ARE CLOSE TO AND MAY REACH OR EXCEED ANY OF THE PRESCRIBED LIMITS BY REASON OF A PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY, ARE ADVISED TO NOTIFY THE COMPANY AND 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 SUCH PURCHASE OR ACQUISITION.

THE COMPANY WILL, TO THE EXTENT REQUIRED, PRIOR TO A PURCHASE OR ACQUISITION OF SHARES PURSUANT TO THE SHARE PURCHASE MANDATE, CALCULATE THE INTERESTS OF EACH SHAREHOLDER TO DETERMINE WHETHER SUCH INTERESTS MAY, FOLLOWING SUCH PURCHASE OR ACQUISITION, REACH OR EXCEED THE PRESCRIBED LIMITS. IF, FOLLOWING SUCH CALCULATION, THE COMPANY BELIEVES THAT THE INTERESTS OF A SHAREHOLDER MAY, FOLLOWING SUCH PURCHASE OR ACQUISITION, REACH OR EXCEED ANY OF THE PRESCRIBED LIMITS REQUIRING THE PRIOR APPROVAL OF THE MINISTER (OR, AS THE CASE MAY BE, THE APPLICABLE REGULATORY AUTHORITY), THE COMPANY WILL NOTIFY SUCH SHAREHOLDER AND SUCH SHAREHOLDER MAY BE ADVISED TO EITHER (1) ESTABLISH TO THE COMPANY'S SATISFACTION THAT THE INTERESTS OF SUCH SHAREHOLDER WILL NOT REACH OR EXCEED SUCH PRESCRIBED LIMITS, OR (2) SUBMIT AN APPLICATION FOR APPROVAL (TOGETHER WITH THE COMPANY, IF SO REQUIRED) TO 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 SUCH PURCHASE OR ACQUISITION.

2.13 **Take-over Implications.** Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.13.1 **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. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.13.2 **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), co-operate, 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 persons acting in concert with each other:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the companies referred to above for the purchase of voting rights; and
- (b) 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).

The circumstances under which Shareholders (including Directors), CUFH Holders 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.

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2.13.3 *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 under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if 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 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 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 the resolution authorising the Share Purchase Mandate.

Based on the interests of substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date as set out in paragraph 5.2 below, the substantial Shareholder would not 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 or acquisition by the Company of the maximum limit of 5% of its issued Shares (excluding Shares held in treasury) as at the Latest Practicable Date.

SHAREHOLDERS AND CUFs HOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKE-OVER OFFER UNDER THE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THE SECURITIES INDUSTRY COUNCIL AND/OR THEIR PROFESSIONAL ADVISERS AT THE EARLIEST OPPORTUNITY.

- 2.14 **Previous Purchases.** The following are details of purchases or acquisitions of Shares made by the Company during the period from 26 July 2013, being the date of the 2013 EGM, to 19 May 2014:

Date of purchase or acquisition	Number of Shares purchased or acquired	Highest price paid per Share	Lowest price paid per Share	Total consideration paid
17 Feb 2014	401,522	S\$3.62	S\$3.59	S\$1,442,659.31
19 May 2014	594,965	S\$3.85	S\$3.84	S\$2,286,224.32

3. THE PROPOSED ALTERATIONS TO THE SINGTEL PERFORMANCE SHARE PLAN 2012

- 3.1 **SingTel PSP 2012.** The SingTel PSP 2012 was adopted by Shareholders at the extraordinary general meeting of the Company held on 27 July 2012. Awards granted under the SingTel PSP 2012 represent the right of a participant to receive fully paid Shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions (if any) are met and/or upon expiry of the prescribed vesting periods.

- 3.2 **Proposed Alterations.** The following persons are currently eligible to participate in the SingTel PSP 2012, at the absolute discretion of the Committee:

- Group employees (including Group executive directors) who have attained the age of twenty-one years; and
- employees who qualify under (a) above and are seconded to any associated company of the Company or any other company in which the Company holds shares.

The SingTel PSP 2012 is proposed to be altered to enable non-executive directors of the Company and/or its subsidiaries ("**Non-Executive Directors**") to participate in the SingTel PSP 2012.

- 3.3 **Rationale.** The purpose of the proposed alterations to the SingTel PSP 2012 is to permit grants of fully paid Shares to be made to Non-Executive Directors as part of their remuneration in respect of their office as such in lieu of cash, in order to improve the alignment of the interests of the Non-Executive Directors with the interests of Shareholders. Currently, the only Non-Executive Director to which awards are being proposed to be made is the Chairman of the Board of Directors.

Where an award is to be made to a Non-Executive Director under the SingTel PSP 2012 as part of his directors' remuneration in lieu of cash, the current intention is that not more than one-third (or such other proportion as may be determined by the Committee) of his remuneration for a particular financial year will be paid out in the form of Shares comprised in such awards. The formula for converting the relevant amount from cash into Shares will be disclosed as and when such awards are made. The current intention is that these awards will consist of the grant of fully paid Shares outright, with no performance conditions attached and no vesting periods imposed. However, a retention period, currently intended to be two years, during which the Shares awarded under the SingTel PSP 2012 as part of the Non-Executive Director's remuneration may not be transferred or otherwise disposed of (except to the extent set out in the award letter or with the prior approval of the Committee), will be imposed in respect of such Shares.

LETTER TO SHAREHOLDERS AND CUFH HOLDERS

3.4 **SGX-ST.** The SGX-ST has granted in-principle approval for the listing and quotation of the new Shares to be issued pursuant to the SingTel PSP 2012, as proposed to be altered. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the SingTel PSP 2012, the new Shares to be issued pursuant to the SingTel PSP 2012, the Company and/or its subsidiaries.

3.5 **The Appendix.** The proposed alterations to the SingTel PSP 2012 are set out in the Appendix to this Circular. The proposed alterations to the SingTel PSP 2012 are subject to Shareholders' approval. Resolution 2, being the Ordinary Resolution relating to the proposed alterations to the SingTel PSP 2012 to be proposed at the EGM, also includes an authorisation to the Directors to offer and grant awards pursuant to the SingTel PSP 2012 (as altered) and to issue shares in the capital of the Company pursuant to the vesting of awards granted pursuant to the SingTel PSP 2012 (as altered) provided that: (a) the aggregate number of new Shares which may be issued under the SingTel PSP 2012 (as altered) does not exceed 5% of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time, and (b) the aggregate number of new Shares under awards which may be granted pursuant to the SingTel PSP 2012 (as altered) from the EGM to the next Annual General Meeting shall not exceed 0.5% of the total number of issued Shares (excluding treasury shares) in the capital of the Company from time to time.

4. **THE PROPOSED APPROVAL FOR PARTICIPATION BY THE RELEVANT EXECUTIVE DIRECTOR AND THE RELEVANT NON-EXECUTIVE DIRECTOR IN THE SINGTEL PERFORMANCE SHARE PLAN 2012 FOR THE PURPOSES OF THE LISTING RULES OF ASX LIMITED**

4.1 **ASX Listing Rules.** Under Listing Rule 10.14 of the ASX Listing Rules, a Director, an ASX Associate of a Director or a person whose relationship with the Company, or with a Director or an ASX Associate of a Director, is in ASX's opinion such that approval should be obtained, may only participate in an employee incentive scheme if the Shareholders approve that participation by Ordinary Resolution. This rule does not apply to securities purchased on-market under the terms of a scheme that provides for purchase of securities by or on behalf of employees or directors. On-market purchases do not include purchases effected through special crossings, crossings during the pre-open phase, the enquire phase, the after hours adjust phase and trades during the enquire phase.

Under the Rules of the SingTel PSP 2012, awards of Shares may be satisfied by the purchase of Shares on-market or by the issue of Shares. The Company seeks approval under ASX Listing Rule 10.14, to give it flexibility to satisfy awards by either method. Awards of Shares under the SingTel PSP 2012 are typically satisfied by the purchase of Shares on-market.

For the purposes of the ASX Listing Rule 10.14, an ASX Associate is interpreted by reference to section 11 and sections 13 to 17 of the Australian Corporations Act 2001, and includes a person in concert with whom the Director is acting or proposing to act or with whom the Director is or proposes to become associated whether formally or informally in any other way, in respect of the matter to which the associate reference relates (in this case, the acquisition of Shares under the SingTel PSP 2012).

A Director of the Company, an ASX Associate of a Director of the Company, or a person whose relationship with the Director, an ASX Associate of the Director, or the Company is in ASX's opinion such that approval should be obtained, would be eligible to participate in the SingTel PSP 2012 only if he satisfies the eligibility requirements of the SingTel PSP 2012 to begin with.

4.2 **Relevant Executive Director.** In accordance with ASX requirements, the following information is provided in relation to the proposed participation by the Relevant Executive Director in the SingTel PSP 2012:

4.2.1 **Relevant Executive Director**

The Relevant Executive Director in relation to whom approval to participate in the SingTel PSP 2012 in the Relevant Period is being sought is:

Chua Sock Koong

4.2.2 **Maximum Number of Shares**

The maximum number of Shares which may be comprised in an award or awards that may be granted (subject to the terms and conditions of the SingTel PSP 2012) to the Relevant Executive Director during the Relevant Period is:

Maximum number of Shares which may be awarded

2,000,000

Under the SingTel PSP 2012, awards granted to a participant who is an employee represent the right of the participant to receive fully paid Shares, their equivalent cash value or combinations thereof, free of charge, upon meeting any performance conditions and expiry of vesting periods.

The award or awards will be subject to performance conditions prescribed on the date of grant, and the actual number of Shares which may be released to the Relevant Executive Director (which may be in the form of new Shares allotted and issued to the Relevant Executive Director) will be determined depending on the extent of achievement of the performance conditions over the prescribed performance period. The maximum number of Shares which may be released will, however, be capped at 150% of the Shares comprised in the award.

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4.2.3 **Terms and Conditions**

The award, if any, will be granted prior to the end of the Relevant Period (that is, prior to the date of the 23rd Annual General Meeting of the Company or prior to the date falling 12 months after the date of the 22nd Annual General Meeting of the Company, whichever is the earlier). The Shares to be awarded and subsequently released (subject to the terms and conditions of the SingTel PSP 2012) to the Relevant Executive Director will be awarded and released at no cost to the Relevant Executive Director. No loan will be made available by SingTel in connection with this award.

The other terms and conditions (including vesting conditions) upon which the Shares may be acquired by the Relevant Executive Director will be subject to the Rules of the SingTel PSP 2012.

4.3 **Relevant Non-Executive Director.** In accordance with ASX requirements, the following information is provided in relation to the proposed participation by the Relevant Non-Executive Director in the SingTel PSP 2012 (as proposed to be altered):

4.3.1 **Relevant Non-Executive Director**

Subject to Shareholders' approval being obtained for Resolution 2, being the Ordinary Resolution relating to (*inter alia*) the proposed alterations to the SingTel PSP 2012 to be proposed at the EGM, the Relevant Non-Executive Director in relation to whom approval to participate in the SingTel PSP 2012 in the Relevant Period is being sought is:

Simon Israel

4.3.2 **Maximum Number of Shares**

It is proposed that the Relevant Non-Executive Director receives one-third of his proposed Directors' fees for the financial year ending 31 March 2015 (one-third is estimated to be S\$320,000) in the form of an award of Shares granted pursuant to the SingTel PSP 2012. The actual number of Shares to be awarded (subject to the terms and conditions of the SingTel PSP 2012, as proposed to be altered) to the Relevant Non-Executive Director will be determined by reference to the volume-weighted average price of a Share on the SGX-ST over the 10 trading days immediately following the date of the 22nd Annual General Meeting of the Company, rounded down to the nearest Share (and any residual balance will be settled in cash). The award will consist of fully paid Shares, with no performance conditions attached and no vesting periods imposed, but there will be a moratorium on the sale of such Shares for a period of two years after the grant of the award.

4.3.3 **Terms and Conditions**

The award, if any, will (subject to the terms and conditions of the SingTel PSP 2012, as proposed to be altered) be granted to the Relevant Non-Executive Director prior to the end of the Relevant Period (that is, prior to the date of the 23rd Annual General Meeting of the Company or prior to the date falling 12 months after the date of the 22nd Annual General Meeting of the Company, whichever is the earlier). No loan will be made available by SingTel in connection with this award.

The other terms and conditions upon which the Shares may be acquired by the Relevant Non-Executive Director will be subject to the Rules of the SingTel PSP 2012 (as proposed to be altered).

4.4 **Directors and ASX Associates.** Executive Directors are and, subject to Shareholders' approval being obtained for Resolution 2, being the Ordinary Resolution relating to (*inter alia*) the proposed alterations to the SingTel PSP 2012 to be proposed at the EGM, Non-Executive Directors will be, eligible to participate in the SingTel PSP 2012. The Directors are named at the beginning of this Letter. Participation by any Director other than the Relevant Executive Director and the Relevant Non-Executive Director in the SingTel PSP 2012 will be subject to further Shareholder approval.

Since the 21st Annual General Meeting and the approval obtained at the 2013 EGM which was held on the same date, and as at the Latest Practicable Date, none of the Directors have received any Shares under the SingTel PSP 2012 for the purposes of ASX Listing Rule 10.14. The Company intends to make a grant of an award under the SingTel PSP 2012 to the Relevant Executive Director before the 22nd Annual General Meeting. Details of the Directors' interests in Shares are set out in paragraph 5.1 below.

No ASX Associate of a Director is entitled to participate in, or has received any awards of Shares since the last approval under, the SingTel PSP 2012.

4.5 **Voting Exclusion.** In relation to Resolutions 3 and 4, being the Ordinary Resolutions relating to the proposed participation by the Relevant Executive Director and the Relevant Non-Executive Director respectively in the SingTel PSP 2012 to be proposed at the EGM, the Company will disregard any votes cast on the resolution by:

- (a) a Director; and
- (b) an ASX Associate of that person (or those persons).

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However, the Company need not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 **Directors' Interests.** The interests of the Directors in the Shares, as extracted from the Register of Directors' Shareholdings, as at the Latest Practicable Date, are set out below:

	Number of Shares			Total Percentage Interest
	Direct Interest	Deemed Interest	Total Interest	
Simon Israel	602,820 ⁽¹⁾	1,360 ⁽²⁾	604,180	nm ⁽⁸⁾
Chua Sock Koong	4,390,513	4,604,495 ⁽³⁾	8,995,008	0.1
Bobby Chin	–	–	–	–
Fang Ai Lian	91,930	–	91,930	nm ⁽⁸⁾
David Gonski AC	–	–	–	–
Dominic Ho	15,000	–	15,000	nm ⁽⁸⁾
Low Check Kian	1,490	–	1,490	nm ⁽⁸⁾
Peter Mason AM	100,000 ⁽⁴⁾	–	100,000	nm ⁽⁸⁾
Kai Nargolwala	400,000 ⁽⁵⁾	–	400,000	nm ⁽⁸⁾
Christina Ong ⁽⁶⁾	–	–	–	–
Peter Ong	870	1,537 ⁽⁷⁾	2,407	nm ⁽⁸⁾

Notes:

⁽¹⁾ Held in the name of Citibank Nominees Singapore Pte. Ltd.

⁽²⁾ Held by spouse of Mr Simon Israel.

⁽³⁾ This comprises:

(a) 28,137 Shares held by spouse of Ms Chua Sock Koong; and

(b) an aggregate of up to 4,576,358 Shares awarded to Ms Chua Sock Koong pursuant to the SingTel PSP 2003 and the SingTel PSP 2012, subject to certain performance criteria being met and other terms and conditions. Depending on the extent of the satisfaction of the relevant performance criteria, up to an aggregate of 5,987,061 Shares may be released pursuant to the conditional awards granted.

According to the Register of Directors' Shareholdings, Ms Chua had a deemed interest in 10,836,742 Shares held by DBS Trustee Limited, the trustee of a trust established for the purposes of the SingTel PSP 2003 and the SingTel PSP 2012 for the benefit of eligible employees of the Group, as at 19 November 2012, being the date on which the Securities and Futures (Disclosure of Interests) Regulations 2012 (the "**SFA (DOI) Regulations**") came into operation. Under regulation 6 of the SFA (DOI) Regulations, Ms Chua is exempted from reporting interests, and changes in interests, in Shares held by the trust, with effect from 19 November 2012.

⁽⁴⁾ Held by Burgoyne Investments Pty Ltd as trustee for Burgoyne Superannuation Fund. Both Mr Peter Mason AM and spouse are directors of Burgoyne Investments Pty Ltd and beneficiaries of Burgoyne Superannuation Fund.

⁽⁵⁾ Held in the name of HSBC (Singapore) Nominees Pte Ltd.

⁽⁶⁾ Mrs Christina Ong was appointed to the Board on 7 April 2014.

⁽⁷⁾ Held by spouse of Mr Peter Ong.

⁽⁸⁾ "nm" means not meaningful.

LETTER TO SHAREHOLDERS AND CUFH HOLDERS

- 5.2 **Substantial Shareholders' Interests.** The interests of the substantial Shareholder in the Shares, as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date, are set out below:

	Number of Shares		
	Direct Interest	Deemed Interest	Total Percentage Interest
Temasek Holdings (Private) Limited	8,271,325,982	11,438,888 ⁽¹⁾	52.0

Note:

⁽¹⁾ Deemed through interests of an associated company and subsidiaries.

6. DIRECTORS' RECOMMENDATIONS

- 6.1 **The 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 to be proposed at the EGM.
- 6.2 **The Proposed Alterations to the SingTel PSP 2012.** All the Directors will be eligible to participate in the SingTel PSP 2012 (as proposed to be altered). Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Resolution 2, being the Ordinary Resolution relating to (*inter alia*) the proposed alterations to the SingTel PSP 2012 to be proposed at the EGM.
- 6.3 **The Proposed Approval for Participation by the Relevant Executive Director in the SingTel PSP 2012.** The Directors (other than Chua Sock Koong) are of the opinion that the proposed participation by the Relevant Executive Director in the SingTel PSP 2012 is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 3, being the Ordinary Resolution relating to the proposed approval for participation by the Relevant Executive Director in the SingTel PSP 2012 for the purposes of the ASX Listing Rules to be proposed at the EGM.
- 6.4 **The Proposed Approval for Participation by the Relevant Non-Executive Director in the SingTel PSP 2012.** The Directors (other than Simon Israel) are of the opinion that the proposed participation by the Relevant Non-Executive Director in the SingTel PSP 2012 (as proposed to be altered) is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 4, being the Ordinary Resolution relating to the proposed approval for participation by the Relevant Non-Executive Director in the SingTel PSP 2012 for the purposes of the ASX Listing Rules to be proposed at the EGM.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 28 to 30 of this Circular, will be held at Suntec Singapore Convention and Exhibition Centre, Level 4, Hall 404, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 25 July 2014 at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the 22nd Annual General Meeting of the Company to be held at 3.00 p.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.

8. ACTION TO BE TAKEN BY SHAREHOLDERS AND CUFH HOLDERS

- 8.1 **Action to be Taken by Shareholders.** If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend, speak and vote on his behalf, he should complete, sign and return the Proxy Form enclosed with this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Singapore registry, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902, by not later than 48 hours before the time appointed for the EGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.
- 8.2 **Action to be Taken by CUFH Holders.** If a CUFH Holder wishes to speak and vote at the EGM, or wishes to nominate a proxy to attend, speak and vote at the EGM in his place as proxy for CHES Depositary Nominees Pty Ltd, he should, where relevant, complete, sign and return the Proxy Form enclosed with this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Australian registry, Computershare Investor Services Pty Limited at Level 4, 60 Carrington Street, Sydney NSW 2000, Australia or GPO Box 242, Melbourne VIC 8060, Australia, by not later than 48 hours before the time appointed for the EGM.
- 8.3 **Abstention from Voting.** Any Shareholder who is eligible to participate in the SingTel PSP 2012 (as proposed to be altered) will abstain from voting in respect of Resolution 2, being the Ordinary Resolution relating to (*inter alia*) the proposed alterations to the SingTel PSP 2012 to be proposed at the EGM. Such Shareholder will also decline to accept appointment as proxy for any Shareholder to vote in respect of Resolution 2, unless the Shareholder concerned shall have given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Resolution 2.

LETTER TO SHAREHOLDERS AND CUFH HOLDERS

9. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 31 Exeter Road, Comcentre, Singapore 239732 and at the office of the Company's Australian registry, Computershare Investor Services Pty Limited at Level 4, 60 Carrington Street, Sydney NSW 2000, Australia, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Annual Report of the Company for the financial year ended 31 March 2014;
- (b) the 2013 Circular;
- (c) the Memorandum and Articles of Association of the Company; and
- (d) the Rules of the SingTel PSP 2012.

10. 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 Proposals, and the Company and its subsidiaries which are relevant to the Proposals, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Yours faithfully
for and on behalf of
the Board of Directors of
SINGAPORE TELECOMMUNICATIONS LIMITED



SIMON ISRAEL
Chairman

THE APPENDIX

THE PROPOSED ALTERATIONS TO THE SINGTEL PERFORMANCE SHARE PLAN 2012

The alterations which are proposed to be made to the SingTel PSP 2012 are set out below. For ease of reference, the full text of the existing Rules which are proposed to be altered have also been reproduced and the alterations underlined.

1. Proposed Alteration to Existing Rule 2.1

By:

- (a) Inserting the following new definition of "Non-Executive Director" in Rule 2.1 immediately after the existing definition of "Market Value":

"Non-Executive Director" A director of the Company and/or its subsidiaries, other than a Group Executive Director.

- (b) Deleting the existing definition of "Participant" in Rule 2.1 and substituting therefor the following:

"Participant" A Group Executive or Non-Executive Director who has been granted an Award.

2. Existing Rule 3

3. OBJECTIVES OF THE PLAN

The Plan is a share incentive scheme. The Plan is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding executives and executive directors of the Group who have contributed to the growth of the Group. The Plan will give Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

- (a) *the motivation of the Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;*
- (b) *the retention of key executives and executive directors of the Group whose contributions are essential to the long-term growth and profitability of the Group;*
- (c) *to instil loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company;*
- (d) *to attract potential employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company; and*
- (e) *to align the interests of employees with the interests of the shareholders of the Company.*

Proposed Alteration to Existing Rule 3

By deleting Rule 3 in its entirety and substituting therefor the following:

3. OBJECTIVES OF THE PLAN

The Plan is a share incentive scheme. The Plan is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding executives and executive directors of the Group who have contributed to the growth of the Group. The Plan will also enable grants of fully paid Shares to be made to non-executive directors of the Group as part of their remuneration in respect of their office as such in lieu of cash or, where the Committee deems appropriate, to give recognition to the contributions made or to be made by such non-executive directors to the success of the Group. The Plan will give Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

- (a) the motivation of ~~the Participant~~ employees to optimise ~~his~~ their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) the retention of key executives and executive directors of the Group whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instil loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company; and
- (e) to align the interests of employees and non-executive directors with the interests of the shareholders of the Company.

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3. Existing Rule 4

4. ELIGIBILITY OF PARTICIPANTS

The following persons, unless they are also controlling shareholders (as defined in the Listing Manual) of the Company or associates (as defined in the Listing Manual) of such controlling shareholders, shall be eligible to participate in the Plan, at the absolute discretion of the Committee:

- (a) employees of the Company and its subsidiaries (including any Group Executive Directors) who have attained the age of twenty-one (21) years; and*
- (b) employees who qualify under paragraph (a) above and are seconded to any associated company of the Company or any other company in which the Company holds shares.*

Proposed Alteration to Existing Rule 4

By deleting Rule 4 in its entirety and substituting therefor the following:

4. ELIGIBILITY OF PARTICIPANTS

The following persons, unless they are also controlling shareholders (as defined in the Listing Manual) of the Company or associates (as defined in the Listing Manual) of such controlling shareholders, shall be eligible to participate in the Plan, at the absolute discretion of the Committee:

- (a) employees of the Company and its subsidiaries (including any Group Executive Directors) who have attained the age of twenty-one (21) years; ~~and~~
- (b) employees who qualify under paragraph (a) above and are seconded to any associated company of the Company or any other company in which the Company holds shares; ~~and~~
- (c) Non-Executive Directors.

4. Existing Rule 5

5. GRANT OF AWARDS

5.1 *Subject as provided in Rule 7A, the Committee may grant Awards to Group Executives, as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.*

5.2 *The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, year(s) of service and potential for future development, his contribution to the success and development of the Group and (in the case of a Performance-related Award) the difficulty with which the Performance Condition(s) may be achieved within the Performance Period.*

5.3 *The Committee, in its absolute discretion, shall decide in relation to an Award:*

- (a) the Participant;*
- (b) the Award Date;*
- (c) the number of Shares which are the subject of the Award;*
- (d) in the case of a Performance-related Award:
 - (i) the Performance Period;*
 - (ii) the Performance Condition(s); and*
 - (iii) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;**
- (e) the Vesting Period(s);*
- (f) the Release Schedule;*

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- (g) *the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and*
- (h) *any other condition which the Committee may determine in relation to that Award.*

5.4 *The Committee may amend or waive the Vesting Period(s), the Release Schedule, the Retention Period and/or any condition applicable to an Award and, in the case of a Performance-related Award, the Performance Period and/or the Performance Condition(s) and/or the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period in respect of that Award:*

- (a) *in the event of a take-over offer being made for the Shares or if, under the Act, a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies is approved by shareholders of the Company and/or sanctioned by the court or in the event of an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(d) or for reconstruction or amalgamation) or in the event of a proposal to sell all or substantially all of the assets of the Company;*
- (b) *in the case of a Performance-related Award, if anything happens which causes the Committee to conclude that:*
 - (i) *a changed Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or*
 - (ii) *a Performance Condition should be waived,*

and shall notify the Participants of such change or waiver.

5.5 *As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:*

- (a) *the Award Date;*
- (b) *the number of Shares which are the subject of the Award;*
- (c) *in the case of a Performance-related Award:*
 - (i) *the Performance Period;*
 - (ii) *the Performance Condition(s); and*
 - (iii) *the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;*
- (d) *the Vesting Period(s);*
- (e) *the Release Schedule;*
- (f) *the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and*
- (g) *any other condition which the Committee may determine in relation to that Award.*

5.6 *Participants are not required to pay for the grant of Awards.*

5.7 *An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.*

Proposed Alteration to Existing Rule 5

By deleting Rule 5 in its entirety and substituting therefor the following:

5. GRANT OF AWARDS

5.1 Subject as provided in Rule 7A, the Committee may grant Awards to Group Executives and/or Non-Executive Directors, in each case, as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.

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5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account such criteria ~~such~~ as it considers fit, including (but not limited to), in the case of a Group Executive, his rank, job performance, year(s) of service and potential for future development, his contribution to the success and development of the Group and (in the case of a Performance-related Award) the difficulty with which the Performance Condition(s) may be achieved within the Performance Period and, in the case of a Non-Executive Director, his board and board committee appointments and attendance, and his contribution to the success and development of the Group. No Performance-related Awards may be granted to Non-Executive Directors under the Plan.

5.3 The Committee, in its absolute discretion, shall decide in relation to an Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the number of Shares which are the subject of the Award;
- (d) in the case of a Performance-related Award:
 - (i) the Performance Period;
 - (ii) the Performance Condition(s); and
 - (iii) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
- (e) the Vesting Period(s), if any;
- (f) the Release Schedule, if any;
- (g) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and
- (h) any other condition which the Committee may determine in relation to that Award.

5.4 The Committee may amend or waive the Vesting Period(s), the Release Schedule, the Retention Period and/or any condition applicable to an Award and, in the case of a Performance-related Award, the Performance Period and/or the Performance Condition(s) and/or the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period in respect of that Award:

- (a) in the event of a take-over offer being made for the Shares or if, under the Act, a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies is approved by shareholders of the Company and/or sanctioned by the court or in the event of an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 6.1(d) or for reconstruction or amalgamation) or in the event of a proposal to sell all or substantially all of the assets of the Company; or
- (b) in the case of a Performance-related Award, if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) a Performance Condition should be waived,

and shall notify the Participants of such change or waiver.

5.5 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Award Date;
- (b) the number of Shares which are the subject of the Award;
- (c) in the case of a Performance-related Award:
 - (i) the Performance Period;

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- (ii) the Performance Condition(s); and
- (iii) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
- (d) the Vesting Period(s), if any;
- (e) the Release Schedule, if any;
- (f) the Retention Period in relation to any or all of the Shares comprised in the Award, if any; and
- (g) any other condition which the Committee may determine in relation to that Award.

5.6 Participants are not required to pay for the grant of Awards.

5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

5. Existing Rule 6.2

6.2 *In any of the following events, namely:*

- (a) *where the Participant ceases at any time to be in the employment of any company within the Group by reason of:*
 - (i) *ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);*
 - (ii) *redundancy;*
 - (iii) *retirement at or after the legal retirement age;*
 - (iv) *retirement before the legal retirement age with the consent of the Committee;*
 - (v) *the company by which he is employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group; or*
 - (vi) *any other event approved by the Committee;*
- (b) *the death of a Participant; or*
- (c) *any other event approved by the Committee,*

then the Committee may, in its absolute discretion but shall not be obliged to, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of each Vesting Period and subject to the provisions of the Plan.

Proposed Alteration to Existing Rule 6.2

By deleting Rule 6.2 in its entirety and substituting therefor the following:

6.2 In any of the following events, namely:

- (a) where the Participant ceases at any time to be in the employment of any company within the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;

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- (v) the company by which he is employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group; or
- (vi) any other event approved by the Committee;
- (b) where a Participant, being a Non-Executive Director, ceases to be a director of the Company or the relevant subsidiary of the Company, for any reason whatsoever;
- (c) the death of a Participant; or
- (ed) any other event approved by the Committee,

then the Committee may, in its absolute discretion but shall not be obliged to, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of each Vesting Period and subject to the provisions of the Plan.

6. Existing Rule 7.2

7.2 ***Vesting Period(s)***

- 7.2.1** *Subject, in relation to a Performance-related Award, to the Committee having determined that the Performance Condition(s) has been satisfied and provided, in relation to all Awards, that the relevant Participant has continued to be a Group Executive from the Award Date up to the end of the relevant Vesting Period and provided further that, in the opinion of the Committee, the job performance of the relevant Participant has been satisfactory, upon the expiry of each Vesting Period in relation to an Award, the Company shall Release to the relevant Participant the relevant number of Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date.*
- 7.2.2** *Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the last day of the relevant Vesting Period and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares (which may, in the case of a transfer of Shares and to the extent permitted by law, include Shares held by the Company as treasury shares) so determined.*
- 7.2.3** *Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the Singapore Exchange (and any other stock exchange on which the Shares are quoted or listed) for permission to deal in and for quotation of such Shares.*

Proposed Alteration to Existing Rule 7.2

By deleting Rule 7.2 in its entirety and substituting therefor the following:

7.2 Vesting Period(s)of Award

- 7.2.1** Subject, in relation to a Performance-related Award, to the Committee having determined that the Performance Condition(s) has been satisfied and provided, in relation to all Awards, that the relevant Participant has continued to be a Group Executive or a Non-Executive Director, as the case may be, from the Award Date up to the end of the relevant Vesting Period (if any) and provided further that, in the opinion of the Committee, the job performance of the relevant Participant has been satisfactory, upon the expiry of each Vesting Period in relation to an Award (if any), the Company shall Release to the relevant Participant the relevant number of Shares to which his Award relates in accordance with the Release Schedule (if any) specified in respect of his Award on the Vesting Date.
- 7.2.2** Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be:
- (a) in the case of an Award which is subject to a Vesting Period or Vesting Periods, a Trading Day falling as soon as practicable after the last day of the relevant Vesting Period;
 - (b) in the case of a Performance-related Award which is not subject to any Vesting Period, a Trading Day falling as soon as practicable after the last day of the relevant Performance Period; and
 - (c) in the case of an Award (other than a Performance-related Award) which is not subject to any Vesting Period, a Trading Day falling as soon as practicable after the last day of the relevant Award Date,

and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares (which may, in the case of a transfer of Shares and to the extent permitted by law, include Shares held by the Company as treasury shares) so determined.

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7.2.3 Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the Singapore Exchange (and any other stock exchange on which the Shares are quoted or listed) for permission to deal in and for quotation of such Shares.

7. Existing Rule 7.5

7.5 Cash Awards

The Committee, in its absolute discretion, may determine to make a Release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive on the Vesting Date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on Release of his Award, the aggregate Market Value of such Shares on the Vesting Date.

Proposed Alteration to Existing Rule 7.5

By deleting Rule 7.5 in its entirety and substituting therefor the following:

7.5 Cash Awards

The Committee, in its absolute discretion, may determine to make a Release of an Award (other than an Award granted to a Non-Executive Director as part of his directors' remuneration in lieu of cash), wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive on the Vesting Date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on Release of his Award, the aggregate Market Value of such Shares on the Vesting Date.

8. Existing Rule 11.1

11.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, in its absolute discretion, except that:

- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the expiry of all the Vesting Periods applicable to their Awards, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the expiry of all the Vesting Periods applicable to all such outstanding Awards;
- (b) the definitions of "Group Executive", "Group Executive Director", "Participant", "Performance Period" and "Vesting Period" and the provisions of Rules 4, 5, 6, 7, 7A, 8, 9, 10 and this Rule 11 shall not be altered to the advantage of Participants except with the prior approval of the Company's shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the Singapore Exchange, or any other stock exchange on which the Shares are quoted or listed (where the approval of such other stock exchange is required), and such other regulatory authorities as may be necessary.

For the purposes of Rule 11.1(a), the opinion of the Committee as to whether any modification or alteration would adversely alter the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 11.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

Proposed Alteration to Existing Rule 11.1

By deleting Rule 11.1 in its entirety and substituting therefor the following:

11.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, in its absolute discretion, except that:

- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the expiry of all the Vesting Periods applicable to their Awards, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the expiry of all the Vesting Periods applicable to all such outstanding Awards;

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- (b) the definitions of "Group Executive", "Group Executive Director", "Non-Executive Director", "Participant", "Performance Period" and "Vesting Period" and the provisions of Rules 4, 5, 6, 7, 7A, 8, 9, 10 and this Rule 11 shall not be altered to the advantage of Participants except with the prior approval of the Company's shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the Singapore Exchange, or any other stock exchange on which the Shares are quoted or listed (where the approval of such other stock exchange is required), and such other regulatory authorities as may be necessary.

For the purposes of Rule 11.1(a), the opinion of the Committee as to whether any modification or alteration would adversely alter the rights attached to any Award shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 11.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

NOTICE OF EXTRAORDINARY GENERAL MEETING

SINGAPORE TELECOMMUNICATIONS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 199201624D
Australian Registered Body Number: 096 701 567

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Singapore Telecommunications Limited (the "**Company**") will be held at Suntec Singapore Convention and Exhibition Centre, Level 4, Hall 404, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 25 July 2014 at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the 22nd Annual General Meeting of the Company to be held at 3.00 p.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, all of which will be proposed as Ordinary Resolutions:

Resolution 1: Ordinary Resolution **The Proposed Renewal of the Share Purchase Mandate**

THAT:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**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:
- (i) market purchase(s) on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and/or any other stock exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) 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 or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company 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 earliest of:
- (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
 - (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

- (c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices (excluding any transaction that the SGX-ST or Other Exchange (as the case may be) requires to be excluded for this purpose) of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange immediately preceding the date of 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 listing rules of the SGX-ST, for any corporate action which occurs after the relevant five-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;

"**Maximum Limit**" means that number of issued Shares representing 5% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

NOTICE OF EXTRAORDINARY GENERAL MEETING

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

- (i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and
 - (ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 110% of the Average Closing Price of the Shares; and
- (d) the Directors of the Company 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 Alterations to the SingTel Performance Share Plan 2012**

THAT:

- (a) the Rules of the SingTel Performance Share Plan 2012 (the “**SingTel PSP 2012**”) be altered in the manner as set out in the Appendix to the Circular to Shareholders and CUFS Holders dated 26 June 2014 (the “**Circular**”); and
- (b) approval be and is hereby given to the Directors to grant awards in accordance with the provisions of the SingTel PSP 2012 (as altered) and to allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of awards under the SingTel PSP 2012 (as altered), provided that:
 - (i) the aggregate number of new Shares to be issued pursuant to the vesting of awards granted or to be granted under the SingTel PSP 2012 (as altered) shall not exceed 5% of the total number of issued shares (excluding treasury shares) from time to time; and
 - (ii) the aggregate number of new Shares under awards to be granted pursuant to the SingTel PSP 2012 (as altered) during the period commencing from the date of this Extraordinary General Meeting and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 0.5% of the total number of issued Shares (excluding treasury shares) from time to time.

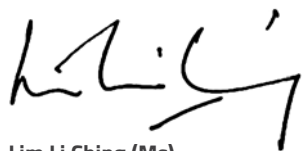
Resolution 3: Ordinary Resolution **The Proposed Approval for Participation by the Relevant Executive Director in the SingTel Performance Share Plan 2012 for the purposes of the Listing Rules of ASX Limited**

THAT, for the purposes of Rule 10.14 of the ASX Listing Rules, the participation by the Relevant Executive Director in the Relevant Period specified in paragraph 4.2 of the Circular in the SingTel Performance Share Plan 2012, on the terms as set out in that paragraph, be and is hereby approved.

Resolution 4: Ordinary Resolution **The Proposed Approval for Participation by the Relevant Non-Executive Director in the SingTel Performance Share Plan 2012 for the purposes of the Listing Rules of ASX Limited**

THAT, subject to and contingent upon the passing of Resolution 2 above, for the purposes of Rule 10.14 of the ASX Listing Rules, the participation by the Relevant Non-Executive Director in the Relevant Period specified in paragraph 4.3 of the Circular in the SingTel Performance Share Plan 2012, on the terms as set out in that paragraph, be and is hereby approved.

By Order of the Board



Lim Li Ching (Ms)
Assistant Company Secretary
Singapore, 26 June 2014

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. With the exception of the Central Provident Fund Board and CHESS Depository Nominees Pty Ltd (who may each appoint more than two proxies), a member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. The instrument appointing the proxy that has been executed by a member must be lodged at the office of the Company's Singapore registry, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902, not less than 48 hours before the time appointed for the Extraordinary General Meeting.

The instrument appointing the proxy that has been executed by or on behalf of CHESS Depository Nominees Pty Ltd and, where relevant, by a holder of CHESS Units of Foreign Securities relating to Shares, must be lodged at the office of the Company's Australian registry, Computershare Investor Services Pty Limited at Level 4, 60 Carrington Street, Sydney NSW 2000, Australia or GPO Box 242, Melbourne VIC 8060, Australia, not less than 48 hours before the time appointed for the Extraordinary General Meeting.

3. The Company intends to use internal and external sources of funds to finance its purchase or acquisition of 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, whether the purchase or acquisition is made out of profits or capital, 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 of the Company as at 30 April 2014 (the "**Latest Practicable Date**") and disregarding the 401,522 shares held in treasury as at that date, and assuming no further Shares are issued, and no further Shares are purchased or acquired by the Company, or held as treasury shares, on or prior to the Extraordinary General Meeting, the purchase by the Company of 5% of its issued Shares will result in the purchase or acquisition of 797,158,771 Shares. In the case of market purchases by the Company and assuming that the Company purchases or acquires the 797,158,771 Shares at the Maximum Price of S\$3.9396 for one Share (being the price equivalent to 5% above the average of the last dealt 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 the 797,158,771 Shares is S\$3,140,486,694.23. In the case of off-market purchases by the Company and assuming that the Company purchases or acquires the 797,158,771 Shares at the Maximum Price of S\$4.1272 for one Share (being the price equivalent to 10% above the average of the last dealt 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 the 797,158,771 Shares is S\$3,290,033,679.67.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 March 2014 based on these assumptions are set out in paragraph 2.7 of the Company's Circular to Shareholders and CUFH Holders dated 26 June 2014.

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) for the purpose of the processing and administration by the Company (or its agents) 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) to comply with any applicable laws, listing 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), 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) 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.