## GENERAL ANNOUNCEMENT: PARTIAL DIVESTMENT OF SHARES IN BHARTI AIRTEL LIMITED

### Issuer & Securities

#### Issuer/Manager

SINGAPORE TELECOMMUNICATIONS LIMITED

#### Securities

SINGTEL - SG1T75931496 - Z74

### Stapled Security

No

### Announcement Details

#### Announcement Title

General Announcement

#### Date & Time of Broadcast

25-Aug-2022 07:20:27

#### Status

New

#### Announcement Sub Title

Partial Divestment of Shares in Bharti Airtel Limited

#### Announcement Reference

SG220825OTHRU074

#### Submitted By (Co./Ind. Name)

Lim Li Ching (Ms)

#### Designation

Assistant Company Secretary

#### Description (Please provide a detailed description of the event in the box below)

Please see attachments

### Attachments

- [NR-20220824-BAL_ann.pdf](https://sgx.com/1.0.0/corporate-announcements/2DJK5YOWAZV9KV5M/cd99d4052a9f9387050423db0ad002c82d8a53f225d17886992b2194...)
- [NR-20220824-BAL_NR.pdf](https://sgx.com/1.0.0/corporate-announcements/2DJK5YOWAZV9KV5M/cd99d4052a9f9387050423db0ad002c82d8a53f225d17886992b2194...)

Total size = 433K MB
PARTIAL DIVESTMENT OF SHARES IN BHARTI AIRTEL LIMITED

1. THE TRANSACTION

Singapore Telecommunications Limited ("Singtel" and together with its subsidiaries, the "Singtel Group") wishes to announce that its indirect wholly-owned subsidiaries, Pastel Limited ("Pastel") and Viridian Limited ("Viridian"), have today entered into a share purchase agreement (the "BTL SPA") with Bharti Telecom Limited ("BTL") in respect of the sale and transfer of an aggregate of 198 million shares (the "Sale Shares") of Bharti Airtel Limited ("BAL") to BTL (the "Sale").

As at the date of this Announcement, the Sale Shares represent approximately 3.3% of the total number of equity shares of BAL (the "BAL Shares")\(^1\).

Prior to completion of the Sale ("Completion"), Singtel has an effective stake of approximately 31.4% in the share capital of BAL\(^2\).

The sale and transfer of the Sale Shares will be executed any time before 23 November 2022 and the aggregate consideration will be approximately SGD2.25 billion.

Following Completion of the Sale, Singtel’s effective stake in BAL will decrease to 29.7%\(^3\).

2. INFORMATION ON BAL

BAL is a public limited company incorporated in India under the Companies Act, 1956 of India. The BAL Shares are listed and traded on the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Ltd ("NSE"). BAL is a global communications solutions provider with over 491 million customers in 17 countries across South Asia and Africa. BAL has four business segments, namely, mobile services, home services, digital television services and Information and Communication Technology (ICT) business services.

---

\(^1\) The percentage of BAL Shares indicated here and the percentages of BAL Shares indicated elsewhere in this Announcement are based on the issued share capital of BAL as at 30 June 2022 as extracted from the Bombay Stock Exchange Limited/National Stock Exchange of India Ltd, and taking into account BAL’s disclosures on 11 July 2022 (on allotment of equity shares upon conversion of USD1,000 million 1.50% Convertible Bonds due 2025) and on 14 July 2022 (on allotment of equity shares on preferential basis to Google International LLC).

\(^2\) This comprises a 13.9% direct stake owned by Pastel and Viridian, and an approximately 17.5% effective stake through BTL via a 49.4% holding (through several wholly-owned subsidiaries) in BTL, which in turns holds approximately 35.4% of the BAL Shares.

\(^3\) Assumes Completion in accordance with the BTL SPA. Following Completion, Singtel’s effective stake in BAL will comprise a 10.5% direct stake owned by Pastel and Viridian, and an approximately 19.2% effective stake through BTL.
3. RATIONALE AND BENEFITS

The partial divestment of the Singtel Group’s effective stake in BAL is part of the Singtel Group’s overall capital recycling strategy and underscores its capital management initiatives to rebalance and optimise the Singtel Group’s portfolio of investments in investee companies within the telecommunications sector. This is aligned with Singtel’s strategy to crystallise and unlock value from its latent assets to fund new growth engines and improve total shareholder return.

4. CONSIDERATION

The aggregate consideration for the Sale (the “Sale Proceeds”) is approximately SGD2.25 billion and was agreed on upon an arm’s length and willing-buyer willing-seller basis, taking into consideration the volume weighted average price of each BAL Share on the BSE and NSE calculated for 30 trading days prior to (and excluding) the date of this Announcement.

The Sale Proceeds will be satisfied in full in cash in Indian Rupees.

5. NET ASSET VALUE/ OPEN MARKET VALUE, NET GAIN ON DISPOSAL AND USE OF SALE PROCEEDS

5.1 Net Asset Value. Based on the unaudited consolidated financial statements of the Singtel Group as at 30 June 2022, the net asset value of the Sale Shares is SGD453 million.

5.2 Open Market Value. Based on the volume weighted average price of the BAL Shares on the BSE and the NSE on 24 August 2022 (being the trading day immediately preceding the date of this Announcement on which the BAL Shares were traded on the BSE and the NSE), the latest open market value of each BAL Share is approximately INR738.8 (or approximately SGD12.85, based on an exchange rate of INR57.5 to SGD1).

Accordingly, the aggregate open market value of the Sale Shares as at the date of this Announcement is approximately INR146.3 billion or approximately SGD2.54 billion, based on an exchange rate of INR57.5 to SGD1.

5.3 Net Gain on Disposal. BTL is a joint venture company of Singtel and the realised difference between the Sale Proceeds and net asset value of the Sale Shares will be offset against the Singtel Group’s share of the reduction in net assets of BTL, resulting in an estimated net gain on disposal of approximately SGD0.6 billion.

5.4 Use of Sale Proceeds. The Sale Proceeds of approximately SGD2.25 billion will enhance the cash flow and balance sheet flexibility of the Singtel Group, and may be used to reduce the debts of the Singtel Group and/or fund the Group’s needs for 5G capital expenditures and growth initiatives.
6. DISCLOSEABLE TRANSACTION

6.1 Relative Figures. The relative figures for the Sale computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) are set out below:

| Rule 1006 | Bases                                                                 | Relative Figures (%)
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>Net asset value of the assets to be disposed of, compared with the Singtel Group’s net asset value</td>
<td>1.5(a)</td>
</tr>
<tr>
<td>(b)</td>
<td>Net profits attributable to the assets disposed of, compared with the Singtel Group’s net profits</td>
<td>0.6(b)</td>
</tr>
<tr>
<td>(c)</td>
<td>Aggregate value of the consideration received, compared with Singtel’s market capitalisation based on the total number of issued shares as at 24 August 2022, being the market day preceding the date of the BTL SPA</td>
<td>5.2(c)</td>
</tr>
<tr>
<td>(d)</td>
<td>Number of equity securities issued by Singtel as consideration for an acquisition, compared with the number of equity securities previously in issue</td>
<td>N.A.(d)</td>
</tr>
<tr>
<td>(e)</td>
<td>Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Singtel Group’s proved and probable reserves</td>
<td>N.A.(e)</td>
</tr>
</tbody>
</table>

Notes:

(a) Rule 1006(a) of the Listing Manual of the SGX-ST was computed based on the audited net asset value attributable to the Sale Shares as of 31 March 2022 of approximately SGD0.4 billion and the Singtel Group’s audited consolidated net asset value as of 31 March 2022 of approximately SGD28.11 billion.

(b) Under Rule 1002(3)(b) of the Listing Manual of the SGX-ST, “net profits” means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Rule 1006(b) of the Listing Manual of the SGX-ST was computed based on the audited net profits attributable to the Sale Shares for financial year ended 31 March 2022 (“FY2022”) of approximately SGD16 million, and the Singtel Group’s audited consolidated net profits for FY2022 of approximately SGD2.62 billion.

(c) Rule 1006(c) of the Listing Manual of the SGX-ST was computed based on the Sale Proceeds of SGD2.25 billion, and the market capitalisation of Singtel of SGD43.30 billion as at 24 August 2022, being the market day preceding the date of the BTL SPA. Singtel’s market capitalisation was determined by multiplying the number of shares in issue (excluding treasury shares) by the weighted average price of SGD2.62 per share on 24 August 2022.

(d) Rule 1006(d) of the Listing Manual of the SGX-ST is not applicable as no equity securities are being issued by Singtel pursuant to the Sale.

(e) Rule 1006(e) of the Listing Manual of the SGX-ST is not applicable as Singtel is not a mineral, oil and gas company.
6.2 **Discloseable Transactions.** As the relative figure for the Sale computed under Rule 1006(c) exceeds 5% but is less than 20%, the Sale constitutes a “discloseable transaction” for the purposes of Chapter 10 of the Listing Manual of the SGX-ST.

7. **FINANCIAL EFFECTS**

7.1 **Illustrative Financial Effects.** For illustrative purposes only, the financial effects of the Sale on the (a) net tangible assets (“**NTA**”) per share, and (b) earnings per share (“**EPS**”) of the Singtel Group, based on the audited consolidated financial statements of the Singtel Group for FY2022, are set out below.

7.2 **NTA.** Assuming that the Sale had been completed on 31 March 2022, being the end of the most recently completed financial year of the Singtel Group, the proforma financial effects on the consolidated NTA per share of the Singtel Group as of 31 March 2022 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Before the Sale</th>
<th>After the Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>NTA (SGD million)</td>
<td>16,136</td>
<td>16,800</td>
</tr>
<tr>
<td>NTA per share (Singapore cents)</td>
<td>98</td>
<td>102</td>
</tr>
</tbody>
</table>

7.3 **EPS.** Assuming that the Sale had been completed on 1 April 2021, being the beginning of the most recently completed financial year of the Singtel Group, the proforma financial effects on the consolidated EPS of the Singtel Group for FY2022 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Before the Sale</th>
<th>After the Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profits attributable to shareholders(^{(1)}) (SGD million)</td>
<td>1,949</td>
<td>2,541</td>
</tr>
<tr>
<td>EPS (Singapore cents)</td>
<td>12</td>
<td>15</td>
</tr>
</tbody>
</table>

Note:
(1) “Profits attributable to shareholders” means profits after tax and minority interests.

8. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER**

8.1 **Directors’ Interests.** Save for any Singtel shares which they may hold, none of the Directors has any interest, direct or indirect, in the Sale.

8.2 **Controlling Shareholder’s Interests.** Temasek Holdings (Private) Limited (“**Temasek**”), Singtel’s controlling shareholder, has a direct interest in 8.3 billion Singtel shares and a deemed interest (through interests of subsidiaries and associated companies) in 0.4 million Singtel shares, representing an aggregate interest of approximately 52.4% of the issued Singtel shares as at the date of this Announcement.

Save as disclosed in this Announcement, Temasek does not have any interest, direct or indirect, in the Sale.
9. GENERAL INFORMATION

9.1 Directors’ Service Contracts. No person is proposed to be appointed as a director of Singtel in connection with the Sale. Accordingly, no service contract is proposed to be entered into between Singtel and any such person.

9.2 Documents for Inspection. A copy of the BTL SPA is available for inspection during normal business hours at the registered office of Singtel at 31 Exeter Road, Comcentre, Singapore 239732 for three months from the date of this Announcement.

Issued by Singapore Telecommunications Limited on 25 August 2022.
Singtel to unlock S$2.25 billion from divestment of 3.3% direct stake in Airtel

- Proceeds raised will fully fund 5G capex needs and growth initiatives in the next few years
- Will retain 29.7% in Airtel and remain fully committed to Airtel's next phase of growth
- Share transfer will be between Airtel's promoter group from Singtel to Bharti Telecom

Singapore, 25 August 2022 – Singtel’s wholly-owned subsidiaries have entered into a share purchase agreement to sell a 3.3% direct stake in regional associate Airtel to Bharti Telecom, a joint venture between Bharti Enterprises and Singtel, at any time before 23 November 2022. The sale will unlock approximately S$2.25 billion as part of the Singtel Group’s capital management strategy.

The transaction is expected to crystallise an estimated S$0.6 billion net gain on divestment for Singtel. This will follow a number of recent capital management initiatives to rebalance and optimise Singtel's associates portfolio, including an increase in stake in Intouch Holdings, the parent company of Singtel's regional associate AIS, and a partial divestment of Airtel Africa.

Mr Arthur Lang, Singtel's Group Chief Financial Officer, said, "As long-term strategic investors and partners, the value of our stakes in our regional associates has risen substantially over the years but has not been properly reflected in our share price. This sale in Airtel will be our first ever and seeks to address this gap by illuminating the sizeable value of our holdings in Airtel. It is also part of our capital management approach to take monetisation opportunities that allow us to increase our return on invested capital and enhance total shareholder returns. With this transaction, we will raise over S$2 billion which will help to fully meet the Group’s needs for 5G and growth initiatives in the next few years, and put us in a strong position to grow our dividends in a sustainable way in line with our dividend policy."

After this transaction, the Singtel Group is expected to own an effective stake of 29.7%, which is estimated to be worth S$22 billion. This comprises a 19.2% indirect stake through Bharti Telecom and a 10.5% direct stake.

Mr Sunil Mittal, Chairman of Bharti Enterprises said, “Bharti Enterprises and Singtel have had two decades of an exceptional partnership based on mutual respect and trust. Over these years, Airtel has acquired a strong pan-India leadership position and also expanded to 16 countries in Africa and South Asia. After this inter-se transaction, Bharti Telecom will remain the principal vehicle to hold controlling shares in Airtel. Bharti Enterprises and Singtel have agreed to work towards equalising their effective stake in Airtel over time. Bharti Enterprises looks forward to working with Singtel over the long term in taking Airtel to an even greater position of success.”

Mr Lang added, “Bharti Enterprises has been a close partner for more than 20 years. From mobile operations serving some 300,000 customers when we made our first investment in Airtel in 2000, Airtel has seen phenomenal growth and now ranks amongst the world’s top three mobile operators, connecting millions across South Asia and Africa. With a more sustainable market structure after industry reforms and exciting new growth opportunities emerging from the government’s Digital India vision, we expect Airtel to become a significant contributor to Singtel. We remain committed long-term investors having invested approximately S$1.3 billion in Airtel over the last three years. We look
forward to unlocking Airtel’s significant long-term growth potential as Airtel further transforms India’s digital economy through 5G."

Airtel is a global communications solutions provider with over 491 million customers in 17 countries across South Asia and Africa. India’s digital economy has the potential to create up to US$1 trillion of economic value by 2025\(^1\). With the availability of affordable smartphone devices and the pandemic further accelerating digital lifestyles, the number of active internet users in the country is projected to grow nearly 45% from 2020 to 900 million by 2025\(^2\). 5G is anticipated to further boost demand for digital services and applications. Airtel plans to launch 5G services nationwide starting with key cities and further strengthen its leadership in the B2B market.

###

**About Singtel**

Singtel is Asia's leading communications technology group, providing a portfolio of services from next-generation communication, 5G and technology services to infotainment to both consumers and businesses. The Group has presence in Asia, Australia and Africa and reaches over 770 million mobile customers in 21 countries. Its infrastructure and technology services for businesses span 21 countries, with more than 428 direct points of presence in 362 cities.

For consumers, Singtel delivers a complete and integrated suite of services, including mobile, broadband and TV. For businesses, Singtel offers a complementary array of workforce mobility solutions, data hosting, cloud, network infrastructure, analytics and cyber security capabilities.

Singtel is dedicated to continuous innovation, harnessing technology to create new and exciting customer experiences and shape a more sustainable, digital future.

For more information, visit [www.singtel.com](http://www.singtel.com).

Follow us on Twitter at [www.twitter.com/SingtelNews](http://www.twitter.com/SingtelNews).

**Media Contacts**

Lian Pek  
Vice President, Group Strategic Communications and Brand  
Mobile: +65 9488 2696  
Email lianpek@singtel.com

Marian Boon  
Director, Group Strategic Communications and Brand  
Mobile: +65 8876 1753  
Email marian@singtel.com

---

\(^1\) India's Trillion-Dollar Digital Economy 2019 report by India's Ministry of Electronics and Information Technology  
\(^2\) Kantar ICUBE Report 2020