

 [Print this page](#)
Acquisitions and Disposals :: Changes in Company's Interest :: Sale of Shares in OpenNet Pte. Ltd.

* Asterisks denote mandatory information

Name of Announcer *	SINGTEL
Company Registration No.	199201624D
Announcement submitted on behalf of	SINGTEL
Announcement is submitted with respect to *	SINGTEL
Announcement is submitted by *	Chan Su Shan (Ms)
Designation *	Company Secretary
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	Sale of Shares in OpenNet Pte. Ltd.
Description	

Attachments

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

ANNOUNCEMENT PURSUANT TO RULE 704 OF THE SGX LISTING MANUAL

SALE OF SHARES IN OPENNET PTE. LTD.

Sale of OpenNet Shares

Singapore Telecommunications Limited ("SingTel") wishes to announce that its wholly-owned subsidiary, SingTel Interactive Pte. Ltd. ("STI"), has entered into a conditional sale and purchase agreement for the sale of its entire equity stake in OpenNet Pte. Ltd. ("OpenNet"), comprising approximately 30% of the issued ordinary shares in the capital of OpenNet ("ON Shares"), to CityNet Infrastructure Management Pte. Ltd. ("CityNet"), in its capacity as trustee-manager of NetLink Trust, for an aggregate cash consideration of S\$37.8 million (the "STI Sale").

The other shareholders of OpenNet have also entered into a conditional sale and purchase agreement for the sale of the remaining 70% of ON Shares to CityNet, in its capacity as trustee-manager of NetLink Trust, for an aggregate cash consideration of S\$88.2 million.

The principal activities of OpenNet are to design, build and operate the fibre network for Singapore's Next Generation Nationwide Broadband Network ("Next Gen NBN").

Upon completion of the sale transactions under the aforementioned agreements ("Completion"), NetLink Trust will become the sole owner of the Next Gen NBN fibre network, which will be integrated with its existing assets of ducts, manholes and exchange buildings within 12 months of Completion. Thereafter, it will also be responsible for the installation, operations and maintenance of fibre.

In connection with the transaction, SingTel has proposed, *inter alia*, to:

1. within 12 months of Completion, cease its role as the key subcontractor to OpenNet for the installation and maintenance of the Next Gen NBN fibre network; and
2. reduce its stake in NetLink Trust to less than 25% by 22 April 2018. The extension from the original deadline¹ is to allow time for NetLink Trust to integrate the operations of the Next Gen NBN fibre network and assets.

¹ In September 2008, when OpenNet was selected to become the network company for the Next Gen NBN, SingTel undertook to the IDA to reduce its stake in NetLink Trust to less than 25 per cent by April 2014, subject to relevant approvals being obtained.

Transaction Details

Completion is conditional upon, *inter alia*, the receipt of various regulatory consents from the Info-communications Development Authority of Singapore (“IDA”).

The aggregate consideration for the STI sale will be paid in cash at Completion and was arrived at through arm’s length negotiations on a willing buyer-willing seller basis based on, *inter alia*, various factors such as the existing financial position and business prospects of OpenNet.

As at 31 March 2013, the audited net asset value of OpenNet was S\$136.5 million. The STI Sale is not expected to have a material impact on the consolidated net profit or net assets of the SingTel Group for the current financial year ending 31 March 2014.

Background

SingTel is the sole unitholder, and retains a 100% economic interest in the business and assets, of NetLink Trust, a registered business trust established in compliance with the IDA’s effective open access requirements under the Next Gen NBN. SingTel has no effective control over NetLink Trust.

CityNet is a wholly-owned subsidiary of the CitySpring Infrastructure Trust, and is held by CitySpring Infrastructure Management Pte. Ltd., the trustee-manager of CitySpring Infrastructure Trust. CityNet is a neutral and independent trustee-manager of NetLink Trust. CityNet carries on the business and holds the assets of NetLink Trust, on trust, for the benefit of the unitholder of NetLink Trust.

Issued by Singapore Telecommunications Limited on 22 August 2013