TUAS

Building Better Connections

INFORMATION MEMORANDUM

RELATING TO THE PROPOSED DEMERGER OF THE TUAS GROUP BY WAY OF AN IN-SPECIE DIVIDEND OF TUAS SHARES

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents, or are in doubt as to the course that you should follow, you should consult your professional adviser.

FINANCIAL ADVISER

MACQUARIE

LEGAL ADVISER

HERBERT SMITH FREEHILLS

TPG TELECOM

Important notices

Demerger of the Tuas Group

This Information Memorandum is issued by Tuas Limited ACN 639 685 975 (**Tuas**), a company registered in Australia, for the purposes of its application for admission to the Official List of ASX and for Tuas Shares to be granted Official Quotation on the securities exchange conducted by ASX.

TPG Australia Shareholders are encouraged to read this Information Memorandum in its entirety. If you are in doubt about any of the matters detailed in this Information Memorandum, you should obtain independent professional advice.

Purpose of this Information Memorandum

The purpose of this Information Memorandum is to explain the terms of the Demerger and the manner in which the Demerger will be implemented and to provide certain information required by law.

This Information Memorandum does not contain detailed information on the TPG Australia Scheme. The TPG Australia Scheme is a separate transaction and detailed information about the TPG Australia Scheme is contained in the TPG Australia Scheme Booklet which was sent to TPG Australia Shareholders at the same time as this Information Memorandum. TPG Australia Shareholders should read the TPG Australia Scheme Booklet in its entirety.

This Information Memorandum:

- is not a prospectus or disclosure document lodged with ASIC under the Corporations Act; and
- does not constitute or contain any offer of Tuas Shares for subscription or purchase or any invitation to subscribe for or buy Tuas Shares.

ASX listing

This Information Memorandum is dated 19 May 2020 and was lodged with ASX on or about that date. This Information Memorandum contains all the information that would be required under section 710 of the Corporations Act if the Information Memorandum were a prospectus offering for subscription the same number of Tuas Shares as will be transferred pursuant to the Demerger and for which quotation on ASX will be sought.

Tuas has applied for admission to the Official List and for Official Quotation of all Tuas Shares on ASX.

Neither ASIC nor ASX, nor any of their respective officers, takes any responsibility for the contents of, or any statement in, this Information Memorandum. The fact that ASX may admit Tuas to the Official List should not be taken in any way as an indication of the merits of an investment in Tuas.

Capital raisings

Tuas has not raised any capital for the three months before the date of this Information Memorandum, and will not need to raise any capital for three months after the date of this Information Memorandum.[1]

Note to Shareholders

The information contained in this Information Memorandum is not investment or financial product advice and has been prepared as general information only, without consideration of your particular investment objectives, financial situation or needs.

It is important that you read this Information Memorandum carefully and in full.

In particular, you should consider the Financial Information presented in Section 5 and the risk factors that could affect the business, financial condition and future financial performance of TPG Singapore. You should carefully consider these risks in light of your particular investment objectives, financial situation and needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser if you do not understand the contents of this Information Memorandum. Some of the key risk factors that should be considered by holders of Tuas Shares are set out in Section 7 of this Information Memorandum. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Except as required by law (in which case, only to the extent required), no person named in this Information Memorandum, nor any other person, warrants or guarantees the performance of Tuas, the repayment of capital by Tuas or any return on investment in Tuas Shares made pursuant to this Information Memorandum.

No person is authorised to give any information or to make any representation in connection with the Demerger which is not contained in this Information Memorandum. Any information or representation not contained in this Information Memorandum may not be relied on as having been authorised by Tuas, the Tuas Directors, TPG Singapore, the TPG Singapore Directors, TPG Australia, the TPG Australia Directors or any other person in connection with the Demerger. You should rely only on information in this Information Memorandum.

Responsibility for information

The information contained in this Information Memorandum has been prepared by Tuas and is the responsibility of Tuas.

KPMG Transaction Services has prepared the Investigating Accountant's Report set out in Section 8 and takes responsibility for that report.

Obtaining a copy of this Information Memorandum

An electronic version of this Information Memorandum will be available at www.tuas.com.au to Eligible TPG Australia Shareholders. This Information Memorandum is not available to Ineligible TPG Australia Shareholders.

If you access the electronic version of this Information Memorandum, you should ensure that you download and read this Information Memorandum in its entirety.

You may obtain a paper copy of this Information Memorandum (free of charge) by telephoning the Shareholder Information Line on 1300 855 080 (within Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday. If you are an Eligible TPG Australia Shareholder and are calling from outside Australia, you should call +61 3 9415 4000 between 8:30am and 5:00pm (Sydney time), Monday to Friday.

Statement of past performance

This Information Memorandum includes information regarding the past performance of TPG Singapore. You should be aware that past performance should not be relied upon as being indicative of future performance.

Financial Information

Section 5 sets out in detail the Financial Information referred to in this Information Memorandum and the basis of preparation of that Financial Information.

Investigating Accountant's Report on the Tuas Group Pro Forma Historical Statement of Financial Position and financial services guide

The provider of the Investigating Accountant's Report on the Tuas Group Pro Forma Historical Statement of Financial Position is required to provide Australian retail clients with a financial services guide in relation to the

1. As part of preparing for the implementation of the Demerger, Tuas may issue Tuas Shares to TPG Australia as part of the pre-Demerger restructure steps summarised in Section 2.3.2.

review under the Corporations Act. The Investigating Accountant's Report and accompanying financial services guide are provided in Section 8.

Forward looking statements

This Information Memorandum contains forward looking statements, which may be identified by words such as "anticipates", "may", "should", "could", "likely", "believes", "estimates", "expects", "targets", "predicts", "projects", "forecasts", "intends", "guidance", "plan" and other similar words that involve risks and uncertainties.

These forward looking statements are based on an assessment of current economic and operating conditions, and on a number of assumptions regarding future events and actions that, at the date of this Information Memorandum, are expected to take place. Tuas does not undertake to, and does not intend to, update or revise any forward looking statements, or publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Information Memorandum, except where required by law.

Any forward looking statements are subject to various risks that could cause Tuas's actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Section 7, the general and specific assumptions contained in the Financial Information as set out in Section 5, and other information in this Information Memorandum. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the control of Tuas and its directors and management and TPG Singapore and its directors and management. Tuas and its directors and management and TPG Singapore and its directors and management cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Information Memorandum will actually occur and investors are cautioned not to place undue reliance on these forward looking statements.

Industry and market data

This Information Memorandum, including the Industry Overview in Section 3 and the Overview of the Tuas Group in Section 4, contains statistics, data and other information (including forecasts and projections) relating to markets, market sizes, market shares, market segments, market positions and other industry data pertaining to TPG Singapore's business and markets. Tuas has obtained significant portions of this information from market research prepared by third parties.

You should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. There is no assurance that any of the forecasts or projections in the surveys and reports of any third party that are referred to in this Information Memorandum will be achieved. Tuas has not independently verified, and cannot give any assurances to the accuracy or completeness of, this market and industry data or the underlying assumptions used in generating this market and industry data.

Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 7.

Foreign jurisdictions

Ineligible TPG Australia Shareholders will not receive Tuas Shares under the Demerger. The Tuas Shares to which those shareholders would otherwise be entitled under the Demerger will be transferred to the Sale Agent to be sold on the ASX. The Sale Agent will sell those Tuas Shares as soon as reasonably practicable after the Implementation Date and the Sale Agent will remit the Sale Facility Proceeds for the Tuas Shares to TPG Australia. TPG Australia will then remit to each Ineligible TPG Australia Shareholder their individual entitlement to the Sale Facility Proceeds (excluding any interest and after deducting any applicable withholding tax). Refer to Section 2.7 for further information.

This Information Memorandum does not constitute an offer of Tuas Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Information Memorandum may not be distributed to any person, and the Tuas Shares may not be offered or sold, in any country outside Australia and New Zealand. No action has been taken to register or qualify the Tuas Shares, this Information Memorandum, or any aspect of the Demerger, or to otherwise permit the Tuas Shares to be offered or sold, in any jurisdiction outside Australia or New Zealand.

The distribution of this Information Memorandum outside Australia or New Zealand (including electronically) may be restricted by law and persons who come into possession of this Information Memorandum outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Tuas disclaims all liabilities to such persons.

TPG Australia Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

This Information Memorandum may not be distributed to, or relied upon by, persons in the United States. Tuas Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred directly or indirectly, in the United States unless the Tuas Shares have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act and any other applicable US state securities laws is available. See Section 2.4.4 for more detail on restrictions that apply to the Demerger in jurisdictions outside Australia or New Zealand.

Important notice to New Zealand investors

This Information Memorandum has been prepared to comply with the requirements of the laws of Australia. The Tuas Shares to be distributed in New Zealand are to be distributed to Eligible TPG Australia Shareholders with registered addresses in New Zealand in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand)*.

This Information Memorandum is not a product disclosure statement under New Zealand law and has not been registered, filed with, or approved by, the Financial Markets Authority of New Zealand or any other New Zealand regulatory authority or under or in accordance with the *New Zealand Financial Markets Conduct Act 2013* or any other relevant law in New Zealand. It may not contain all the information that a product disclosure statement is required to contain under New Zealand law.

Defined terms and time

Defined terms and abbreviations used in this Information Memorandum have the meanings defined in the Glossary (set out in Section 11) or are defined in the context in which they appear.

Unless otherwise stated or implied, references to times in this Information Memorandum are to Sydney time. Unless otherwise stated or implied, references to dates or years are calendar year references.

Important notices

Privacy
TPG Australia and Tuas and their respective share registries may collect personal information in the process of implementing the Demerger and administering the shareholdings arising from the Demerger. The collection of some of this personal information is required or authorised by the Corporations Act. The primary purpose of collecting this personal information is to enable the Demerger to be implemented in the manner described in this Information Memorandum and to administer the shareholdings arising from the Demerger.

By acquiring and retaining Tuas Shares, you are taken to consent to the collection, use, processing and disclosure of your personal information by TPG Australia and Tuas and their respective share registries and all other professional and other advisers of Tuas on behalf of Tuas for:

- servicing your needs as a Tuas Shareholder, providing facilities and services that you request and carrying out appropriate administration;
- implementation and administration of any service provided by Tuas to its members to receive notices of general meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
- processing, administration and analysis by Tuas of proxies and representatives appointed for any general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any general meeting (including any adjournment thereof);
- facilitating communications with you, including responding to your queries and requests, and sending notices of general meetings, annual reports and shareholder circulars to you;
- compliance with any applicable laws, listing rules, takeover rules regulations and/or guidelines; and
- purposes which are reasonably related to any of the above purpose.

You are further taken to warrant that where you disclose the personal data of another person, such disclosure is in compliance with applicable law.

Your personal information may also be provided for purposes related to your shareholding to Tuas's other members or its agents and service providers. The types of organisations that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Tuas Share Registry for ongoing administration of the Tuas Register;
- printers and other companies for the purposes of preparation and distribution of statements and for handling mail;
- agents, legal and accounting firms, banks, auditors, contractors, company secretaries, consultants and other advisers for the purposes of administering, and advising on, the Demerger, the Tuas Shares and for associated actions; and
- relevant government regulators, statutory boards or authorities, or law enforcement agencies (including without limitation, the IMDA, Monetary Authority of Singapore, and Accounting and Corporate Regulatory Authority of Singapore) to comply with any applicable laws, rules, guidelines and regulations.

If you:

- have any questions or feedback relating to your personal data;
- would like to withdraw your consent to any use of your personal data (subject to applicable laws); or
- request access to or make corrections to your personal data records held by or on behalf of Tuas,

you may make such request by writing to or telephoning the Tuas Share Registry as follows:

Web:
www.investorcentre.com/au/contact;

Post:
GPO Box 2975, Melbourne VIC 3001; or

Telephone:
1300 855 080 (within Australia) or
+61 3 9415 4000 (outside Australia)
between 8:30am and 5:00pm (Sydney time), Monday to Friday.

You may be required to pay a reasonable charge to Tuas and its service providers in order to access your personal information.

If you withdraw or refuse your consent to use any or all of your personal data as required, depending on the nature of your request, Tuas and the Tuas Share Registry may not be able to administer your shareholding in Tuas.

Photographs and diagrams
Photographs and diagrams used in this Information Memorandum that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Information Memorandum or its contents or that the assets shown in them are owned by the Tuas Group. Diagrams and maps used in this Information Memorandum are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Information Memorandum.

Company website
Any references to documents included on Tuas's website at www.tuas.com.au are for convenience only, and none of the documents or other information available on Tuas's website is incorporated into this Information Memorandum by reference.

Questions
If you have any questions about the Demerger, call the Shareholder Information Line on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday.

This document is important and should be read in its entirety.

What is this document for?

This Information Memorandum relates to the demerger of the Tuas Group by TPG Australia. The purpose of this Information Memorandum is to provide TPG Australia Shareholders with information in relation to the Tuas Group as a standalone business and in relation to the listing of Tuas Shares.

The Demerger is conditional on the TPG Australia Scheme, which provides for the merger of TPG Australia and VHA, becoming Effective. The TPG Australia Scheme is conditional on a number of matters including TPG Australia Shareholder approval and Court approval. The TPG Australia Scheme is not conditional on the Demerger.

Full details of the TPG Australia Scheme and relevant information about VHA and TPG Australia can be found in the TPG Australia Scheme Booklet, which has been sent to TPG Australia Shareholders at the same time as this Information Memorandum.

You should read this Information Memorandum in conjunction with the TPG Australia Scheme Booklet.

The TPG Australia Scheme meeting is scheduled for Wednesday, 24 June 2020. If you have not received the TPG Australia Scheme Booklet please contact the Shareholder Information Line on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday.

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Chairman's letter

TUAS
Building Better Connections

Dear Shareholder,

On behalf of the Tuas Board, it gives me great pleasure to welcome you as a shareholder of Tuas, the parent company of the Tuas Group. Tuas is an Australian incorporated company whose shares are proposed to be listed on ASX and will own TPG Singapore.

On 30 August 2018, TPG Australia announced the proposed merger of equals between TPG Australia and Vodafone Hutchison Australia Pty Limited (**VHA**) (**Merger**).

In connection with the Merger and in recognition of the support and investment TPG Australia Shareholders have provided to TPG Singapore since 2016, TPG Australia announced the Demerger by the In-Specie Dividend of the Tuas Group. The Demerger allows TPG Australia's pre-Merger shareholders to retain the full value of the Tuas Group and to directly benefit from the growth potential of the Tuas Group.

As a shareholder of TPG Australia (and conditional on the Merger becoming Effective), you will receive one share in Tuas via an In-Specie Dividend of Tuas Shares for every two TPG Australia Shares you hold as at the In-Specie Dividend Record Date, provided you are an Eligible TPG Australia Shareholder. These Tuas Shares will be distributed to you and you will not need to pay any amount in return for these shares.

Overview of TPG Singapore

TPG Singapore is the newest mobile network operator to enter the Singapore telecommunications market having acquired a portfolio of wireless spectrum at the New Entrant Spectrum Auction in December 2016. TPG Singapore owns and operates a modern national 4G mobile network in Singapore and, as at the date of this Information Memorandum, has achieved nationwide outdoor mobile network coverage of greater than 99.7%.

Unencumbered by the need to maintain legacy mobile networks, TPG Singapore's modern network infrastructure and automated business support systems provide a cost advantage relative to its peers, which it will use to deliver what it considers to be a competitive mobile service offering to consumers. TPG Singapore launched a free trial service in December 2018 onto which it had on-boarded approximately 412,000 users by 31 March 2020. The free trial offering to new users ceased to be available on 31 March 2020. TPG Singapore's first paid plan was launched on 31 March 2020, and the number of new customers who had subscribed to that plan as at 30 April 2020 was approximately 7,000. Also on 31 March 2020, the first batch of approximately 186,000 free trial users were given 60 days' notice that their free trial period was ending and similar notices will be given to the remaining free trial users over 2020. TPG Singapore expects that many free trial users will sign up to Tuas's paid plan as their free trial periods progressively expire over the remainder of 2020.

It is important to note that TPG Singapore is yet to generate significant revenue and should be viewed as an early stage business and a speculative investment. Its future success will depend on (among other things) successfully transitioning from its free trial customers to paying customers, and acquiring new paying customers, which is required to build a sustainable and recurring revenue base, and the evolution to 5G. It is important to read and consider the risks relating to the Tuas Group set out in Section 7 of this Information Memorandum.

Following the Demerger, the Tuas Group will be a standalone group operating outside and independent of the TPG Australia Group, with its own board of directors, management team and ownership. TPG Australia considers that this will allow the Tuas Group to pursue its agenda of growth and delivery of value for both consumers and shareholders. For a period of time, the Tuas Group will continue to receive some corporate services and operational support from TPG Australia under a transitional services agreement as described in Section 4.7.2.

If you have any questions relating to the Demerger, you should contact the Shareholder Information Line on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday.

On behalf of the Tuas Board, I look forward to welcoming you as a Tuas Shareholder and welcome your continued involvement in TPG Singapore.

Yours sincerely,

David Teoh
Executive Chairman
Tuas Limited

Timetable and key dates

Event	Indicative Date
Lodgement of this Information Memorandum with ASX	Tuesday, 19 May 2020
Effective date for the Merger and Demerger	Monday, 29 June 2020
Tuas Shares commence trading on a conditional and deferred settlement basis	Tuesday, 30 June 2020
Record Date for In-Specie Dividend to distribute Tuas Shares to TPG Australia Shareholders	Wednesday, 1 July 2020
Tuas Shares are distributed pursuant to the In-Specie Dividend	Monday, 13 July 2020
Dispatch of holding statements for Tuas Shares	Monday, 13 July 2020
Tuas Shares commence trading on a normal settlement basis	Tuesday, 14 July 2020

All dates and times are indicative only and TPG Australia and Tuas reserve the right to vary these dates and times. Any changes to the above dates and times will be announced on ASX.

SECTION 1

OVERVIEW

1 Overview

Topic	Summary	See further
1.1 Overview of the Demerger and In-Specie Dividend		
What is the Demerger?	The Demerger is the demerger of the Tuas Group to TPG Australia Shareholders, by means of the In-Specie Dividend, to be implemented prior to the implementation of the Merger (subject to the TPG Australia Scheme becoming Effective).	Section 2.1
What is the In-Specie Dividend?	The In-Specie Dividend is the distribution by way of an in-specie dividend of Tuas Shares by TPG Australia to Eligible TPG Australia Shareholders as at the In-Specie Dividend Record Date (subject to the TPG Australia Scheme becoming Effective).	Section 2.2
What is the purpose of the Demerger and In-Specie Dividend, and for Tuas seeking a listing on ASX?	The In-Specie Dividend and Demerger allow for the separation of the Tuas Group from the TPG Australia Group, subject to the TPG Australia Scheme becoming Effective. The merger of TPG Australia and VHA will be implemented via the TPG Australia Scheme, under which it is proposed that all TPG Australia Shares held by TPG Australia Shareholders will be transferred to VHA (which will become the listed parent company of the merged VHA / TPG group), and each TPG Australia Shareholder will receive scrip consideration of one VHA share for each TPG Australia Share held. It is intended that the separation of the Tuas Group from the TPG Australia Group occurs prior to implementation of the TPG Australia Scheme, so that the underlying economic ownership of the Tuas Group remains with TPG Australia's pre-Merger shareholders (who are Eligible TPG Australia Shareholders). Tuas is seeking to be admitted to the Official List and for Tuas Shares to receive Official Quotation to provide it with access to listed capital markets to support its future growth, and to provide Tuas Shareholders with an opportunity to realise value for all or part of their Tuas Shares by trading them on ASX. The Tuas Shares will trade under the ASX code "TUA".	Section 2.1
Am I required to vote to approve the Demerger and payment of the In-Specie Dividend?	The In-Specie Dividend does not require the approval of TPG Australia Shareholders.	Section 2.3.1
Who is entitled to the In-Specie Dividend?	Any person who appears in the TPG Australia Register at the In-Specie Dividend Record Date is entitled to the In-Specie Dividend, provided that person is not an Ineligible TPG Australia Shareholder.	Section 2.2
What will I receive under the In-Specie Dividend?	If you are an Eligible TPG Australia Shareholder, you will receive one Tuas Share for every two TPG Australia Shares you hold at the In-Specie Dividend Record Date.	Section 2.2
What is the value of the In-Specie Dividend?	The value of the In-Specie Dividend for Australian tax reporting purposes is the market value of the Tuas Shares received calculated by reference to the VWAP of Tuas Shares for the first five trading days starting from the date of the commencement of trading of Tuas Shares on ASX (including on a conditional and deferred settlement basis).	Section 2.2.2

Topic	Summary	See further
Is the In-Specie Dividend subject to conditions?	Yes, the In-Specie Dividend is conditional on the merger of TPG Australia and VHA by means of the TPG Australia Scheme becoming Effective.	Section 2.5
What do I need to do with respect to the In-Specie Dividend?	You do not need to do anything, nor do you need to pay any amount, for the Tuas Shares that you will receive pursuant to the In-Specie Dividend.	Sections 2.2 and 2.6.1
Will TPG Australia Shareholders outside Australia or New Zealand be entitled to the In-Specie Dividend?	TPG Australia Shareholders whose address shown in the TPG Australia Register on the In-Specie Dividend Record Date is a place outside Australia and its external territories or New Zealand will be Ineligible TPG Australia Shareholders, unless TPG Australia determines (in its absolute discretion) that it is lawful and not unduly onerous or impracticable to issue that TPG Australia Shareholder with Tuas Shares on the In-Specie Dividend Record Date. If you are an Ineligible TPG Australia Shareholder, the Tuas Shares that you would otherwise have been entitled to receive under the In-Specie Dividend will be transferred to the Sale Agent and sold on the ASX, with the Sale Facility Proceeds being remitted to TPG Australia which will then remit your individual entitlement to the Sale Facility Proceeds to you (excluding any interest and after deducting any applicable withholding tax). Ineligible TPG Australia Shareholders will receive a cash amount which reflects their individual entitlement to the Sale Facility Proceeds (excluding any interest and after deducting any applicable withholding tax).	Sections 2.6.2 and 2.7
What if I do not want the In-Specie Dividend?	There is no ability for Eligible TPG Australia Shareholders to opt out of receiving the In-Specie Dividend. Once Tuas Shares have commenced trading on ASX, you may seek to sell some or all of your Tuas Shares on ASX.	Section 2.3.1
Can I choose to receive cash instead of Tuas Shares?	There is no option to elect to receive cash instead of Tuas Shares. Once Tuas Shares have commenced trading on ASX, you may seek to sell some or all of your Tuas Shares on ASX. Ineligible TPG Australia Shareholders will automatically have the Tuas Shares to which they would otherwise have been entitled sold through the Sale Facility, and receive a cash amount which reflects their individual entitlement to the Sale Facility Proceeds (excluding any interest and after deducting any applicable withholding tax).	Section 2.7
How is the In-Specie Dividend treated for tax purposes?	A summary of the general Australian income tax consequences for Eligible TPG Australia Shareholders who receive the In-Specie Dividend is set out in Section 9. Each Eligible TPG Australia Shareholder's tax position will depend on their particular circumstances. Eligible TPG Australia Shareholders are urged to consult their own professional tax advisers as to the specific tax consequences to them of receiving the In-Specie Dividend, including the applicability and effect of income tax and other tax laws in their particular circumstances.	Section 9

Topic	Summary	See further
When can I trade my Tuas Shares?	Tuas Shares are currently expected to commence trading on a conditional and deferred settlement basis on or about Tuesday, 30 June 2020, and on a normal settlement basis on or about Tuesday, 14 July 2020.	Section 2.4
When will I receive my Tuas Shares?	Tuas Shares will be distributed (and holding statements sent) to Eligible TPG Australia Shareholders on the Demerger Implementation Date.	Section 2.3.1
What happens if I have a fractional entitlement to Tuas Shares?	Where the calculation of the aggregate number of Tuas Shares to be transferred to a particular Eligible TPG Australia Shareholder would result in the transfer of a fraction of a Tuas Share, the aggregate number will be rounded up to the nearest whole number of Tuas Shares. However, if TPG Australia is of the opinion that an Eligible TPG Australia Shareholder has been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to any rounding provided for in the calculation of each Eligible TPG Australia Shareholder's entitlement to Tuas Shares, then TPG Australia reserves the right to round the entitlement of such holdings so as to provide only the number of Tuas Shares that would have been received but for the splitting or division.	Section 2.3.1
1.2 Overview of the Tuas Group		
What is the Tuas Group?	The Tuas Group will be comprised of Tuas, TPG Singapore and Tuas Solutions. TPG Singapore owns and operates a national 4G mobile network in Singapore. TPG Singapore holds an FBO Licence and successfully acquired spectrum available at the New Entrant Spectrum Auction in December 2016 (and further spectrum in April 2017), and since then has made significant progress towards the full rollout of its modern mobile network. As at the date of this Information Memorandum, TPG Singapore: • has achieved nationwide outdoor mobile network coverage of over 99.7%; • has achieved the standard of indoor coverage required under the NESA requirements, which continues to steadily expand; and • is working towards achieving road tunnel and MRT system coverage. On 21 December 2018, TPG Singapore launched a free service trial allowing users to trial the 4G mobile network for free while TPG Singapore continued to enhance its network coverage and quality ahead of full commercial launch. The free trial offering to new users ceased to be available on 31 March 2020. TPG Singapore's first paid plan was launched on 31 March 2020. TPG Singapore currently has one SIM-only 4G postpaid mobile plan in the market offering, among other things, 50 GB of mobile data and 1 GB of roaming data in selected countries for S$10 per 30 days. As at 30 April 2020, TPG Singapore has approximately 7,000 paying subscribers and approximately 412,000 free trial users. The IMDA announced on 29 April 2020 that TPG Singapore was not allocated a spectrum licence in the 3.5 GHz band. Tuas Solutions will employ a small number of skilled engineering and IT development staff who provide services to TPG Singapore.	Section 4.1

Topic	Summary	See further
What is Tuas Group's business model and strategy?	TPG Singapore owns and operates a national 4G mobile network in Singapore. The primary means by which TPG Singapore plans to generate revenue is by using its network infrastructure to provide mobile telecommunication services to the paying subscriber base it is developing. TPG Singapore's business strategy is to develop and operate a growing and profitable mobile network in Singapore. The key components to this strategy are: • **Customers:** As at 30 April 2020, TPG Singapore had approximately 7,000 paying subscribers and approximately 412,000 free trial users. TPG Singapore's target subscriber base for its mobile services are Singapore residents and non-residents which include dependants, international students and foreign workers. TPG Singapore is seeking to grow ts subscriber base by offering mobile services that have broad appeal to its target subscriber base; • **Products:** TPG Singapore currently has one mobile service offering in the market that it believes provides consumers with good value (compared with other offerings in the market) and positions it to grow its paying customer market share. TPG Singapore's SIM-only 4G postpaid mobile offers, among other things, 50 GB of mobile data and 1 GB of roaming data in selected countries for S$10 per 30 days. TPG Singapore expects to continue to roll out new mobile service offerings in the future that seek to deliver a strong value proposition to customers; • **Modern network infrastructure:** As a new entrant, Tuas considers that TPG Singapore has an advantage relative to incumbent mobile network operators of being able to deploy a national 4G mobile network with no legacy networks or systems to support. Combined with the use of modern network technologies, TPG Singapore intends to leverage this advantage to offer its target subscriber base with high quality mobile services at competitive prices; and • **5G spectrum:** Although TPG Singapore did submit a proposal to the IMDA to acquire spectrum in the 3.5 GHz band, the IMDA announced on 29 April 2020 that TPG Singapore was not successful in securing such spectrum. TPG Singapore can apply for and be allocated up to 800 MHz of mmWave spectrum for localised 5G rollouts as early as the end of 2020. Tuas considers that TPG Singapore's modern 4G network infrastructure is able to be efficiently upgraded to support 5G technology.	Section 4.3
What is the structure of the Tuas Group?	The Tuas Group will be comprised of Tuas, TPG Singapore and Tuas Solutions. Tuas is an Australian registered company which is, at the date of this Information Memorandum, a wholly-owned subsidiary of TPG Australia. TPG Singapore is a Singapore registered company which will be a wholly-owned subsidiary of Tuas. TPG Singapore was incorporated in July 2016 in order to bid for a Singapore spectrum licence and to develop a fourth mobile network in Singapore. Tuas Solutions is a Malaysia registered company which will be a wholly-owned subsidiary of TPG Singapore. Tuas Solutions will provide IT development and network support services to TPG Singapore.	Section 4.1

Topic	Summary	See further
What is the structure of the Tuas Group? *continued*	Following the Demerger, neither Tuas nor TPG Singapore will be wholly-owned subsidiaries of TPG Australia. Tuas will be the ultimate holding company of the Tuas Group. It is intended that Tuas Shares will be listed on the ASX. TPG Singapore and Tuas Solutions will be the only operating subsidiaries of Tuas at the time of the Demerger, and will conduct the business of the Tuas Group.	Section 4.1
Where is TPG Singapore based?	TPG Singapore's key infrastructure, including its mobile network and spectrum assets, have been built or issued in Singapore. TPG Singapore operates from and provides mobile telecommunication services in the Singapore market.	Section 4.2
How will TPG Singapore fund its network rollout?	As at the Demerger Implementation Date, the Tuas Group is expected to have cash or cash equivalents of approximately S$130 million. Tuas believes that it will have sufficient cash reserves to fully meet the current obligations of TPG Singapore to the IMDA with respect to the remaining milestones for the rollout of TPG Singapore's 4G network. If additional funding is required, Tuas believes that it will be able to raise additional equity or external debt financing given: • the substantial nature of Tuas as a standalone entity (noting that as at the Demerger Implementation Date it is expected to have net assets of approximately S$500 million); • it will be debt-free and will be separate from the existing liabilities of TPG Australia; • TPG Singapore will be in the initial stages of generating revenue and moving towards EBITDA breakeven; and • TPG Singapore will have a functioning and substantially complete mobile network.	Section 4.5
When will TPG Singapore be profitable?	TPG Singapore ceased offering its free trial services to new customers on 31 March 2020, and currently does not generate any profits. Prior to the commercialisation of its mobile service offering on 31 March 2020, TPG Singapore did not generate revenue from its mobile service offering (although TPG Singapore's historical income statements do include some revenue which arose predominantly from interconnect agreements with other mobile network operators and from a one-off system implementation project). As TPG Singapore is an early stage business, it is difficult to estimate when (if ever) TPG Singapore will ultimately be profitable. However, consistent with TPG Australia's previous market disclosures, Tuas expects that the TPG Singapore business will be EBITDA breakeven once it has acquired between 400,000 and 500,000 mobile subscribers which is approximately a 5% market share of Singapore's total mobile subscribers. As at 30 April 2020, TPG Singapore has about 7,000 paying subscribers and approximately 412,000 free trial users.	Section 4.3.1

Topic	Summary	See further
What other additional corporate and operating costs will Tuas have as a standalone listed company?	Following the Demerger, Tuas will incur new governance related expenses arising from the establishment of a board of directors. In addition, Tuas will incur costs associated with being a publicly listed company such as ASX listing fees. The costs to TPG Singapore of the transitional services as described in Section 4.7.2 are not expected to increase the costs TPG Singapore has already anticipated in its business plan. Accordingly, TPG Singapore does not expect to incur incremental costs upon the cessation of the Transitional Services Agreement. TPG Singapore expects to be operating independently of TPG Australia by the end of 2020.	Section 5.6
What will be the approach to dividends for Tuas?	The Tuas Directors will make a determination as to the level of dividends to be paid each reporting period, taking into account Tuas's financial performance and funding position and a range of forward looking factors. Subject to market conditions, there is currently no intention to pay any dividends while TPG Singapore finishes its network rollout to satisfy the performance obligations imposed on it as part of the NESA auction.	Section 5.7
What transitional commercial arrangements will the Tuas Group and TPG Australia have with each other?	TPG Australia, Tuas and TPG Singapore are proposing to enter into a Transitional Services Agreement and IP Deed. The Transitional Services Agreement will provide for certain services to continue to be provided to the Tuas Group on a transitional basis for a period of up to three years following the Demerger. The Transitional Services Agreement will also provide the Tuas Group with a non-exclusive, royalty-free licence of the TPG brand and logo for up to two years, pending the rebranding of the Tuas Group's business. The IP Deed provides for TPG Australia, Tuas and TPG Singapore to share software developed prior to the Demerger Implementation Date by one party, which is used in the business of the other party, to ensure both have continued access to such software. No fees are payable by either party under the IP Deed and neither party has material continuing obligations under the IP Deed.	Sections 4.7.2 and 4.7.3
1.3 Key benefits		
What are the key benefits of TPG Singapore's business model and strategy?	TPG Singapore is the newest mobile network operator to enter the Singapore telecommunications market having acquired a portfolio of wireless spectrum at the New Entrant Spectrum Auction in December 2016. The key benefits of TPG Singapore's business model and strategy include: • A large total addressable market with high penetration rates; • A competitive mobile service offering made viable by TPG Singapore's modern 4G mobile network infrastructure with no legacy networks or systems to support; • Modern network technologies to improve mobile service quality; • Efficient pathway for a network upgrade to support 5G network technology (if TPG Singapore is able to make use of its existing or newly acquired spectrum for 5G); and • An experienced Tuas Board and Key Management.	Section 4.4

Topic	Summary	See further
1.4 Risks		
What are the risks associated with an investment in Tuas?	TPG Singapore is an early stage mobile network operator that continues to incur significant costs in seeking to develop its network and products, and has a limited operating history. As a result, Tuas Shares should be seen as a speculative investment in an early stage business. The future success of the TPG Singapore business will depend on (among other things) successfully transitioning its free trial customers to paying customers, and acquiring new paying customers, which is required to build a sustainable and recurring revenue base. There are a number of risks associated with an investment in Tuas, which are outlined in Section 6. Some of those risks include: • The risk that TPG Singapore does not achieve (or is delayed in achieving) its objectives for the mobile network rollout. • The risks associated with TPG Singapore being an early stage business that does not yet generate substantial income or any profits. • The risk of a change of law or government policy which applies to TPG Singapore, a failure of TPG Singapore to renew its existing licences or a cancellation of TPG Singapore's licences by the Singapore government. • The risk that TPG Singapore does not convert sufficient numbers of customers from its free trials onto products sold at a commercial rate, or acquire new paying customers. • The risk of competition from other mobile network operators, mobile virtual network operators, and/or alternative digital communications platforms. • The risk that TPG Singapore is unable to provide competitive 5G services and is not able to obtain any further 5G spectrum in the future. • The risk of IT security or data protection breaches impacting TPG Singapore's IT infrastructure or customer data. • The risk that the cost of completing TPG Singapore's mobile network rollout or the costs of operating the TPG Singapore business is materially higher than expected, and Tuas is not able to obtain further funding in the event that it requires further funds to complete the planned rollout of its network or fund its ongoing operations. • The risk that a future rebrand of TPG Singapore to another brand results in a loss of market recognition or reputation. • The risk that TPG Singapore is unable to retain its existing key personnel or recruit suitable replacements. • The risk that the COVID-19 global pandemic adversely affects the financial position or performance of TPG Singapore, or impedes TPG Singapore's ability to achieve the objectives set out in its business plan. Other risks which are outlined in Section 6 include: • risks relating to holding Tuas Shares; and • general risks (including relating to taxation, general economic conditions, and other matters).	Section 7

Topic	Summary	See further
1.5 Directors and Key Management		
Who will be on the Tuas Board?	David Teoh, Robert Millner, Jack Teoh, Sarah Kenny and Alan Latimer. Details of these directors and their experience are set out in Section 6.1	Section 6.1.1
Will any Tuas Directors have an interest in Tuas Shares?	When Tuas Shares are distributed pursuant to the In-Specie Dividend, the following Tuas Directors will hold the following number of Tuas Shares: • David Teoh (and his Associates): 159,157,804; and • Robert Millner: 4,150,005.	Section 6.2
Who are the Key Management and other executives of the Tuas Group?	The executive team of the Tuas Group comprises the following: • David Teoh: Executive Chairman; • Richard Tan: Chief Executive Officer and General Manager; • Harry Wong: Head of Finance; • Benjamin Tan: Head of Technology and Security; and • Ng Chong Teck: Head of Network Operations.	Section 6.1.2
1.6 Other		
What if I have further questions about the Demerger?	If you have any further questions about the Demerger please call the Shareholder Information Line on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday. Please note that the Shareholder Information Line cannot provide any financial, taxation or investment advice and cannot comment on the merits of the Demerger.	Shareholder Information Line on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday

SECTION 2

TRANSACTION OVERVIEW

2.1 Background

On 30 August 2018, TPG Australia announced that it had entered into the Scheme Implementation Deed with VHA in relation to the Merger. The Merger will be implemented through the acquisition by VHA of all shares in TPG Australia in exchange for the issue of shares in VHA to TPG Australia Shareholders, by way of a scheme of arrangement under Part 5.1 of the Corporations Act.

As at the date of this Information Memorandum, Tuas is an unlisted public limited company which is wholly owned by TPG Australia and will own TPG Singapore as a wholly-owned subsidiary. The TPG Australia Board wished to retain the full value of TPG Singapore for TPG Australia's pre-Merger shareholders. Accordingly, TPG Australia and VHA agreed that the Tuas Group will not form part of the merged VHA-TPG group and would instead be demerged from TPG Australia and listed on the ASX shortly prior to implementation of the Merger.

Tuas is seeking to be admitted to the Official List and for Tuas Shares to receive Official Quotation to provide it with access to listed capital markets to support its future growth, and to provide Tuas Shareholders with an opportunity to realise value for all or part of their Tuas Shares by trading them on ASX. The Tuas Shares will trade under the ASX code "TUA".

Subject to the TPG Australia Scheme becoming Effective, the Demerger will be implemented through an In-Specie Dividend by TPG Australia of the Tuas Shares to Eligible TPG Australia Shareholders. This will continue to give Eligible TPG Australia Shareholders indirect ownership of TPG Singapore (which they currently own indirectly through TPG Australia) through their holdings in Tuas Shares.

For further details on TPG Singapore and its business and financial information, see Sections 4 and 5.

2.2 In-Specie Dividend

2.2.1 Share distribution and entitlement ratio

Subject to the TPG Australia Scheme becoming Effective, TPG Australia intends to distribute Tuas Shares to Eligible TPG Australia Shareholders by way of an In-Specie Dividend of Tuas Shares.

Eligible TPG Australia Shareholders recorded in the TPG Australia Register as at the In-Specie Dividend Record Date will be entitled to the In-Specie Dividend and will receive one Tuas Share for every two TPG Australia Shares they hold on the In-Specie Dividend Record Date. Eligible TPG Australia Shareholders do not need to do anything or pay any amount for the Tuas Shares they will receive under the In-Specie Dividend.

2.2.2 Value of the In-Specie Dividend

The value of the In-Specie Dividend for Australian tax reporting purposes will not be known until after the date of the Demerger. It will be an amount equal to the market value of the Tuas Shares received calculated by reference to the VWAP of Tuas Shares for the first five trading days starting from the date of the commencement of trading of Tuas Shares on ASX (including on a conditional and deferred settlement basis).

2.2.3 Tax implications of the In-Specie Dividend

A summary of the general Australian income tax consequences for TPG Australia Shareholders who receive the In-Specie Dividend is set out in Section 9.

Each TPG Australia Shareholder's tax position will depend on their particular circumstances. TPG Australia Shareholders are urged to consult their own professional tax advisers as to the specific tax consequences to them of receiving the In-Specie Dividend, including the applicability and effect of income tax and other tax laws in their particular circumstances.

2.2.4 Risks

There are risks associated with holding Tuas Shares following the In-Specie Dividend. TPG Singapore is yet to generate significant revenue and should be viewed as an early stage business and a speculative investment.

There are a number of risks associated with holding Tuas Shares (and other risks relating to the Demerger and the Tuas Group's business). An overview of these risks is set out at Section 7.

2.3 Implementation of the Demerger

2.3.1 In-Specie Dividend of Tuas Shares

On Monday, 29 June 2020, subject to the TPG Australia Scheme becoming Effective, the TPG Australia Board intends to declare the In-Specie Dividend.

On the Demerger Implementation Date, each TPG Australia Shareholder's entitlement to the In-Specie Dividend will be satisfied by:

- in the case of Eligible TPG Australia Shareholders, each Eligible TPG Australia Shareholder being transferred one Tuas Share for every two TPG Australia Share that they hold as at the In-Specie Dividend Record Date; and
- in the case of Ineligible TPG Australia Shareholders, the Tuas Shares that would otherwise have been distributed to Ineligible TPG Australia Shareholders being transferred to the Sale Agent. The Sale Agent will sell these Tuas Shares on the ASX and the Sale Facility Proceeds will be remitted to TPG Australia. TPG Australia will then remit to each Ineligible TPG Australia Shareholder their individual entitlement to the Sale Facility Proceeds (excluding any interest and after deducting any applicable withholding tax), as described in further detail in Section 2.7.

Where the calculation of the aggregate number of Tuas Shares to be transferred to a particular Eligible TPG Australia Shareholder would result in the transfer of a fraction of a Tuas Share, the aggregate number will be rounded up to the nearest whole number of Tuas Shares.

However, if TPG Australia is of the opinion that an Eligible TPG Australia Shareholder has been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to any rounding provided for in the calculation of each Eligible TPG Australia Shareholder's entitlement to Tuas Shares, then TPG Australia reserves the right to round the entitlement of such holdings so as to provide only the number of Tuas Shares that would have been received but for the splitting or division.

The TPG Australia Constitution provides that each TPG Australia Shareholder appoints TPG Australia or any director of TPG Australia to sign on behalf of each TPG Australia Shareholder any document which is required to effect the distribution of Tuas Shares to that TPG Australia Shareholder. In executing these documents, the director acts as agent for the relevant TPG Australia Shareholder.

The In-Specie Dividend does not require the approval of TPG Australia Shareholders.

Once the Demerger is implemented, the Tuas Group will no longer be part of the TPG Australia Group.

2.3.2 Internal restructure and capitalisation of Tuas and TPG Singapore

As part of preparing Tuas and TPG Singapore for the Demerger, TPG Australia will undertake an internal restructure of Tuas and TPG Singapore by:

- transferring the shares and TPG Australia Convertible Notes it holds in TPG Singapore to Tuas;
- causing Tuas to convert the TPG Australia Convertible Notes into ordinary shares in TPG Singapore;
- providing Tuas with equity capital contributions to provide sufficient funding to the Tuas Group to fund the ongoing network rollout and fully meet the current obligations of TPG Singapore to the IMDA with respect to the remaining milestones for the rollout of TPG Singapore's 4G network and fund the business plan to reach the expected operating EBITDA breakeven point.

The effect of this internal reorganisation is that, prior to the implementation of the Demerger:

- Tuas will be a wholly-owned subsidiary of TPG Australia;
- TPG Singapore will be a wholly-owned subsidiary of Tuas; and
- the Tuas Group believes it will have sufficient funds to fully meet the current obligations of TPG Singapore to the IMDA with respect to the remaining milestones for the rollout of TPG Singapore's 4G network and to fund the business plan to reach expected operating EBITDA breakeven point.

Tuas Solutions has been incorporated and it is intended that it will be a subsidiary of TPG Singapore prior to the Demerger Implementation Date. Tuas Solutions will employ a small number of skilled engineering and IT development staff and provide IT development and network support services to TPG Singapore.

2.4 ASX listing, registries and holding statements, conditional and deferred settlement trading

2.4.1 ASX listing of Tuas

Tuas has applied to ASX for admission to the Official List and for Official Quotation of all Tuas Shares on ASX.

If the TPG Australia Scheme becomes Effective, the In-Specie Dividend is declared, and ASX grants Tuas admission to the Official List and Official Quotation of Tuas Shares, Tuas Shares will trade under the ASX code "TUA".

2.4.2 CHESS and issuer sponsored holdings

Tuas has applied to participate in the ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Tuas Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, an electronic CHESS subregister or an issuer sponsored subregister. For all Eligible TPG Australia Shareholders, the Tuas Shares of an Eligible TPG Australia Shareholder who is a participant in CHESS or a shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Tuas Shares will be registered on the issuer sponsored subregister.

If you are an Eligible TPG Australia Shareholder, you will be sent a holding statement that sets out the number of Tuas Shares that have been allocated to you. This statement will also provide details of a your Holder Identification Number (HIN) for CHESS holders or, where applicable, the Shareholder Reference Number (SRN) of issuer sponsored holders.

Tuas Shareholders will subsequently receive statements showing any changes to their shareholding. Share certificates will not be issued.

Tuas Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Tuas Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Tuas Share Registry in the case of a holding on the issuer sponsored subregister. Tuas and the Tuas Share Registry may charge a fee for these additional issuer sponsored statements.

2.4.3 Conditional and deferred settlement trading

Tuas Shares are currently expected to commence trading on a conditional and deferred settlement basis on or about Tuesday, 30 June 2020, and on a normal settlement basis on or about Tuesday, 14 July 2020.

Trades occurring on ASX before the date on which the Tuas Shares are transferred pursuant to the Demerger will be conditional on:

- the release of security over the Tuas Shares, the shares in TPG Singapore and the respective assets of Tuas and TPG Singapore by TPG Australia's lenders; and
- the transfer of shares to Eligible TPG Australia Shareholders (or, in the case of Ineligible TPG Australia Shareholders, to the Sale Agent) under the Demerger,

(together, the **Conditions**).

Conditional and deferred settlement trading will continue until Tuas has advised ASX that the Conditions have been satisfied, which is expected to be on or about the Demerger Implementation Date.

If the Conditions have not been satisfied by the end of the conditional and deferred settlement trading period or TPG Australia does not proceed with the Demerger, the Demerger will not be implemented and all trades conducted during the conditional and deferred settlement trading period will be invalid and will not settle.

Following satisfaction of the Conditions, trading on ASX will be on a normal settlement basis. Holding statements for Tuas Shares are currently expected to be dispatched to you on the Demerger Implementation Date. A holding statement will be sent to you by pre-paid post to your address on the TPG Australia Share Register.

If you are an Eligible TPG Australia Shareholder, it is your responsibility to determine your entitlement to Tuas Shares before trading those Tuas Shares, to avoid the risk of selling Tuas Shares that you do not or will not own. If you sell Tuas Shares without receiving confirmation of your entitlement, you do so at your own risk.

2.4.4 Restrictions on distribution

The distribution of this Information Memorandum outside of Australia and New Zealand (including electronically) may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Tuas disclaims all liabilities to such persons.

TPG Australia Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed. No action has been taken to register or qualify the Tuas Shares, this Information Memorandum or any aspect of the Demerger in any jurisdiction outside of Australia and New Zealand.

This Information Memorandum does not constitute an offer of Tuas Shares in any jurisdiction in which it would be unlawful. In particular, this Information Memorandum may not be distributed to any person, and the Tuas Shares may not be offered or sold, in any jurisdiction outside Australia and New Zealand.

2.5 Conditions

The In-Specie Dividend is conditional on the TPG Australia Scheme becoming Effective.

The TPG Australia Scheme remains conditional on a number of matters as set out in the TPG Australia Scheme Booklet, including the approval of TPG Australia Shareholders and the court.

Subject to those conditions being satisfied or waived (as applicable), it is currently anticipated that the TPG Australia Scheme will become Effective on or about Monday, 29 June 2020.

2.6 Entitlement to participate in the Demerger

2.6.1 Eligible TPG Australia Shareholders

Eligible TPG Australia Shareholders as at the In-Specie Dividend Record Date will be entitled to have Tuas Shares distributed to them. For the purposes of determining which TPG Australia Shareholders will be eligible to receive the In-Specie Dividend, dealings in TPG Australia Shares will be recognised only if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered on the TPG Australia Register as the holder of the relevant TPG Australia Shares as at the In-Specie Dividend Record Date; and
- in all other cases, the registrable transfer or transmission applications in respect of those dealings are received by the TPG Australia Share Registry before the In-Specie Dividend Record Date with sufficient time to allow for registration of the transferee on or before the In-Specie Dividend Record Date (and the transferee remains registered on the In-Specie Dividend Record Date).

TPG Australia will not accept for registration or recognise any transfer or transmission application in respect of TPG Australia Shares received after the In-Specie Dividend Record Date, or received prior to that time but not in registrable form.

Eligible TPG Australia Shareholders will not be able to opt out of receiving the Tuas Shares which they are entitled to receive under the In-Specie Dividend.

2.6.2 Ineligible TPG Australia Shareholders

Ineligible TPG Australia Shareholders will not receive Tuas Shares under the In-Specie Dividend.

The Tuas Shares that would otherwise be transferred to Ineligible TPG Australia Shareholders under the In-Specie Dividend, will be transferred to the Sale Agent who will offer them for sale through the Sale Facility. The Sale Agent will remit the Sale Facility Proceeds to TPG Australia. TPG Australia will then remit to Ineligible TPG Australia Shareholders the cash amount which reflects their individual entitlement to the Sale Facility Proceeds (excluding any interest and after deducting any applicable withholding tax).

For further details on the Sale Facility, please see Section 2.7 below.

2.7 Sale Facility

The Sale Facility will be used to sell Tuas Shares that would otherwise have been received by Ineligible TPG Australia Shareholders. Those Tuas Shares will be transferred to the Sale Agent, to be sold under the Sale Facility.

Under the Sale Facility, the Sale Agent will, as soon as reasonably practicable sell the Tuas Shares to which Ineligible TPG Australia Shareholders would otherwise have been entitled on ASX. The Sale Agent will sell those Tuas Shares on the ASX at such price or prices and on such other terms as the Sale Agent reasonably determines.

As the market price of Tuas Shares will be subject to change from time to time and the conversion of the Sale Facility Proceeds may be subject to currency exchange movements, neither the sale price of those Tuas Shares nor the Sale Facility Proceeds can be guaranteed. After the ASX listing, Ineligible TPG Australia Shareholders will be able to obtain information on Tuas Shares on www.tuas.com.au or from Tuas's ASX announcements platform.

The amount of money received from TPG Australia by each Ineligible TPG Australia Shareholder, being each Ineligible TPG Australia Shareholder's entitlement to the Sale Facility Proceeds, will be calculated on an averaged basis so that all Ineligible TPG Australia Shareholders receive the same price for each Tuas Share sold on their behalf, subject to rounding down to the nearest whole Australian cent (before any conversion of the Sale Facility Proceeds into any currency other than Australian dollars). Consequently, the amount received by the Ineligible TPG Australia Shareholders for each Tuas Share may be more or less than the actual price that is received by the Sale Agent and remitted to TPG Australia for that particular Tuas Share.

Any interest earned on the Sale Facility Proceeds will be retained by Tuas. Ineligible TPG Australia Shareholders will not receive any interest on the Sale Facility Proceeds relating to the Tuas Shares to which they would have been entitled.

The Sale Facility Proceeds will be remitted to TPG Australia, who will then remit to each Ineligible TPG Australia Shareholder the Sale Facility Proceeds to which they are individually entitled (excluding any interest and after deducting any applicable withholding tax) by:

- direct credit to Ineligible TPG Australia Shareholders who have nominated a bank account noted in the TPG Australia Share Register at the In-Specie Dividend Record Date. The conversion rate for direct credit in any currency other than Australian dollars will be set at the prevailing market rate; or
- by cheque in Australian dollars to Ineligible TPG Australia Shareholders who do not have a nominated bank account noted in the TPG Australia Share Register at the In-Specie Dividend Record Date.

Sale Facility Proceeds will be paid to Ineligible TPG Australia Shareholders in Australian dollars.

It is anticipated that the Sale Facility Proceeds will be dispatched by the end of August 2020.

The payment of the Sale Facility Proceeds from the sale of Tuas Shares will be in full satisfaction of the rights of Ineligible TPG Australia Shareholders under the Demerger.

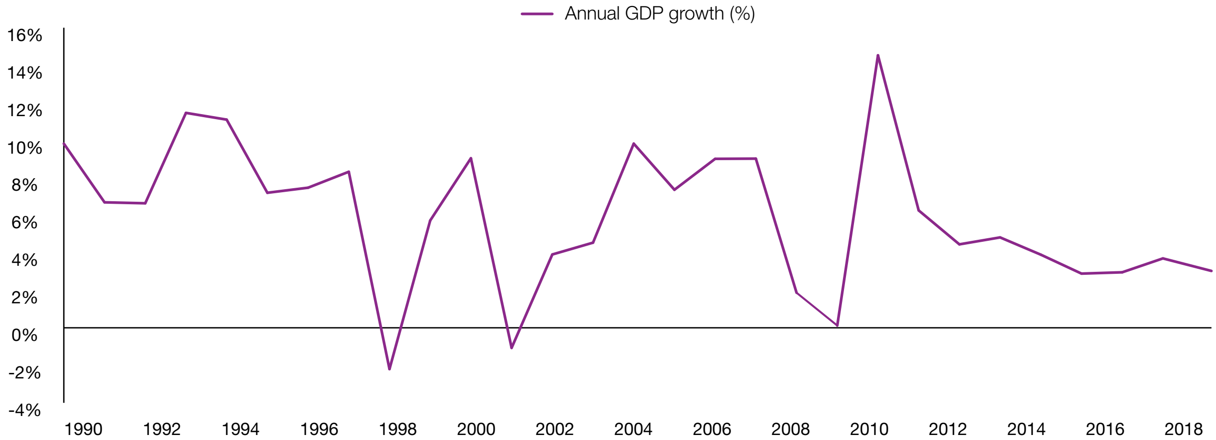
SECTION 3

INDUSTRY OVERVIEW

3.1 Overview of Singapore market

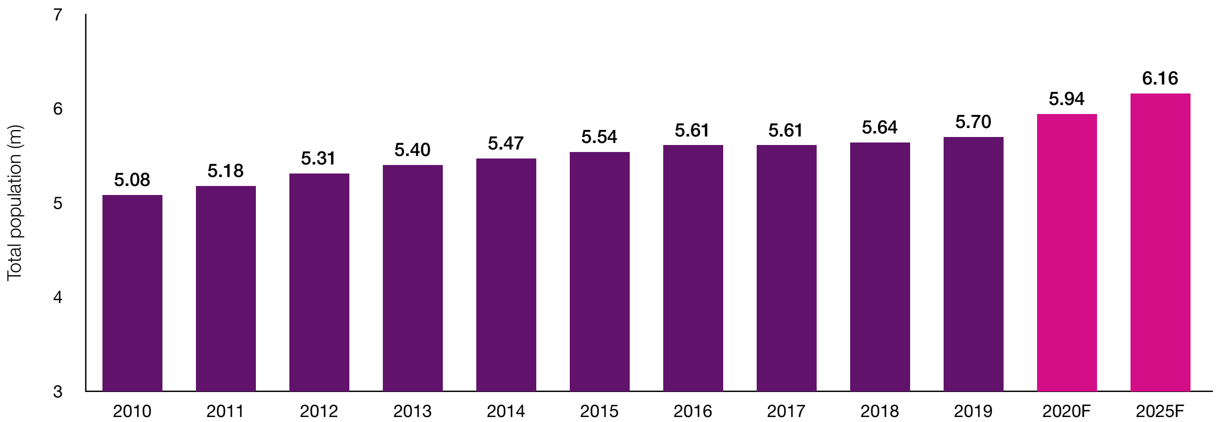
Singapore has undergone rapid development in the decades after achieving independence in August 1965. Today, its strong economic development is evident through having one of the world's highest gross national income per capita of US$58,770 as of 2018.[1] Singapore's average annual GDP growth rate since 1990 is 5.9%, while the average in the most recent five years commencing 2014 is 3.3%[2]. Singapore's total land area is approximately 724 square kilometres[3] which is less than one-third the size of the Australian Capital Territory.[4]

Figure 3.1.1: Singapore annual GDP growth rate (%)[1]



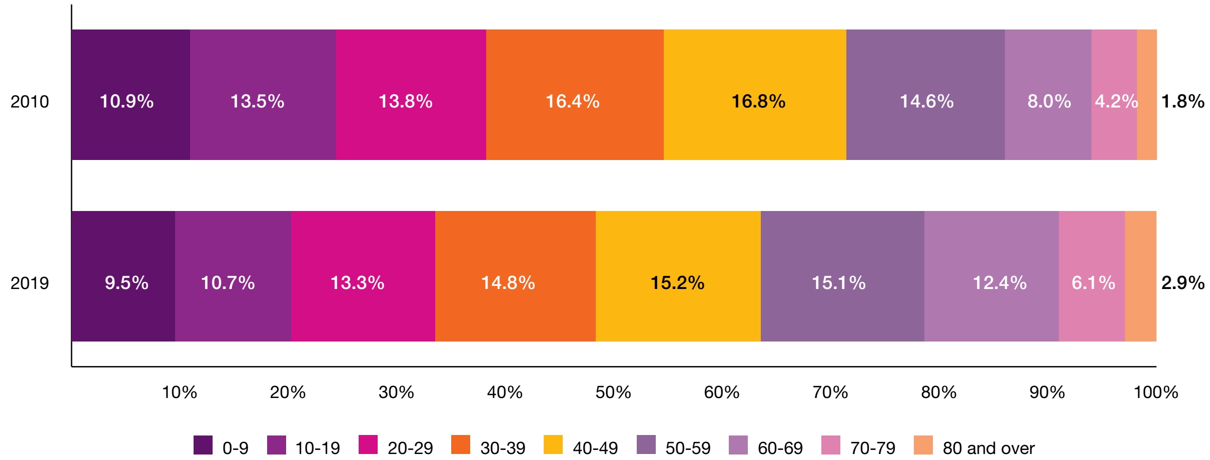
As of 2019, Singapore had a total population, including both residents and non-residents, of 5.7 million as seen in Figure 3.1.2. Singapore's total population has grown steadily at 1.3% CAGR from 2010 to 2019 and is forecast by Fitch Solutions to grow at 0.7% CAGR from 2020 to 2025.[5] The age distribution of Singapore's resident population has shifted to higher age brackets, in line with other developed economies. The proportion of people either 60 years old or over has increased from 14.0% of the resident population in 2010, to 21.4% in 2019.[6]

Figure 3.1.2: Total Singapore population (m)[6]



1. The World Bank, 'GNI, Atlas method (current US$)', https://data.worldbank.org/indicator/NY.GNP.ATLS.CD?locations=SG&most_recent_value_desc=true.
2. The World Bank, 'GDP growth (annual %) – Singapore', https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2018&locations=SG&start =1961&view=chart.
3. Singapore Land Authority, 'Total Land Area of Singapore' (2018), https://data.gov.sg/dataset/total-land-area-of-singapore.
4. Australian Government: Geosciences Australia, 'Area of Australia – States and Territories', https://www.ga.gov.au/scientific-topics/national-location-information/dimensions/area-of-australia-states-and-territories.
5. Fitch Solutions, 'Singapore Telecommunications Report: Includes 10-year forecasts to 2028' (Q1 2020).
6. Singapore Department of Statistics, 'Population and Population Structure', https://www.singstat.gov.sg/find-data/search-by-theme/population/population-and-population-structure/latest-data; Fitch Solutions, 'Singapore Telecommunications Report: Includes 10-year forecasts to 2028' (Q1 2020).

Figure 3.1.3: Age distribution of Singapore's resident population, 2010 vs. 2019 (%)[7]



Today, Singapore has one of the most advanced telecommunications markets globally where Singaporeans enjoy one of the fastest internet speeds both on fixed line and mobile services and are part of a deep digital economy characterised by extensive mobile penetration rates of around 159% as seen in Figure 3.3.1.

3.2 Singapore's telecommunications industry history

Singapore's telecommunications industry was historically regulated by a Singaporean government body known as the Telecommunications Authority of Singapore (**TAS**) prior to 1992. In 1992, the commercial functions of TAS were split into Singapore Telecommunications (**Singtel**) and Singapore Post. At the same time, the Singaporean government also announced plans for the telecommunications industry to slowly transition from a monopoly led by Singtel to a more competitive and open market model.

In 1996, the Singaporean government informed Singtel that it would end its monopoly in the telecommunications market with effect from 1 April 2000. Singtel's licence to be the sole provider in Singapore's mobile services market was scheduled to end in 1997, while its monopoly position on fixed line and other telecommunications services was to end in 2007. This allowed the introduction of new competitors to enter the Singapore telecommunications market including M1 and StarHub. Singapore's telecommunications market was fully liberalised in January 2000.

In December 2007, the Info-communications Development Authority (**IDA**) launched a grant of up to S$750 million to help design, build and operate the passive infrastructure of a Next Generation National Broadband Network (**NGNBN**) as part of its 10 year Intelligent Nation 2015 (**iN2015**) masterplan to transform Singapore into a global city powered by infocomm. In April 2008, the IDA launched an additional grant of up to S$250 million to provide wholesale network services over the NGNBN's active infrastructure comprising of switches and transmission equipment to further its iN2015 vision.[8]

In parallel, Wireless@SG was launched in December 2006 to accelerate the deployment of high-speed wireless broadband. Since its launch, Wireless@SG has been the catalyst for Singapore's 'always connected' culture by providing free wireless broadband access in public areas, both indoors and outdoors.[9]

By October 2019, StarHub had decommissioned its cable infrastructure which meant all broadband connections available at the retail level are now fibre only, except for limited ADSL broadband services for enterprises.
The modernisation of fixed broadband technology has allowed Singapore to enjoy the fastest fixed broadband speeds globally as seen in Figure 3.3.6.

7. Singapore Department of Statistics, 'Population and Population Structure', https://www.singstat.gov.sg/find-data/search-by-theme/population/population-and-population-structure/latest-data; Fitch Solutions, 'Singapore Telecommunications Report: Includes 10-year forecasts to 2028' (Q1 2020).
8. IDA, 'Fact sheet: Next Generation Nationwide Broadband Network' (July 2013), https://www.imda.gov.sg/-/media/imda/files/community/consumer-education/fibre-broadband/nextgennbnfactsheet.pdf?la=en.
9. IMDA, 'Wireless@SG' (22 January 2020), https://www.imda.gov.sg/programme-listing/Wireless-At-SG.

Singapore's telecommunications industry is currently regulated by the Infocomm Media Development Authority (**IMDA**). The IMDA was officially launched in September 2016 after the previous IDA merged with the Media Development Authority to better regulate the converging infocomm and media sectors. The IMDA, its predecessors and the Government have been important to the development of the telecommunications industry.

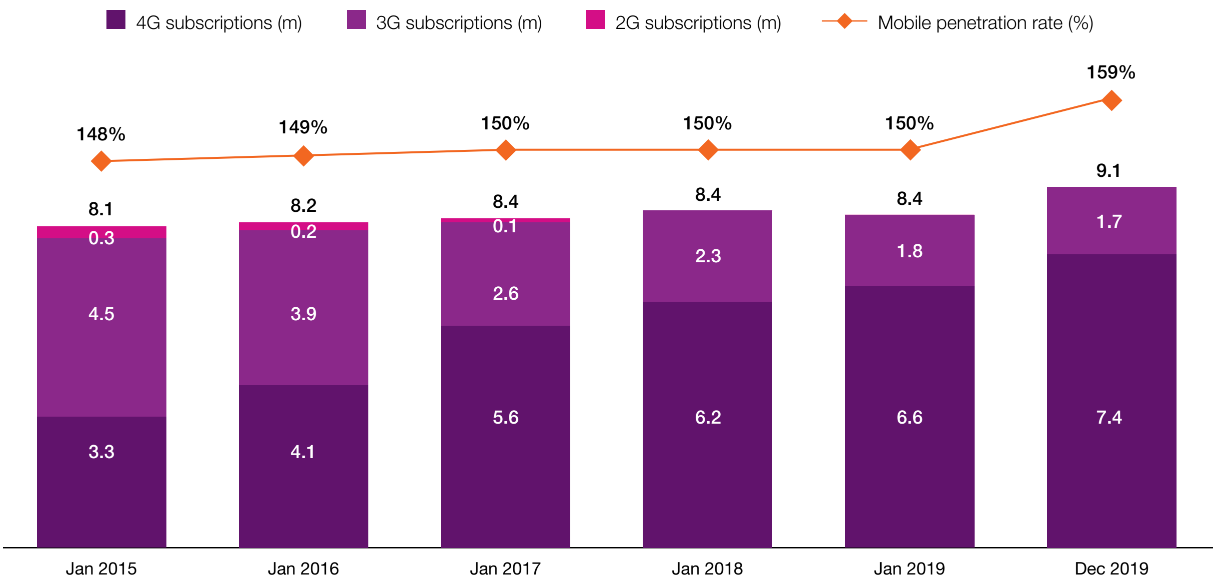
3.3 Overview of the Singapore mobile services market

The first form of present mobile communication, 1G, was introduced to Singapore in 1988 and could only make voice calls and not send SMS or access internet services. 1G was discontinued in 1994 and 2G technology was introduced. 2G offered speeds of up to 144 kbps and could support voice calls, SMS and basic internet services. 3G was introduced in 2005 and offered internet speeds of up to 84 Mbps which supported Multimedia Messaging Service and more web-browsing activities and internet-connected mobile applications. In 2011, 4G was introduced with internet speeds of up to 300 Mbps, resulting in the uptake of mobile video streamlining and online mobile gaming.[10]

Today, the Singapore mobile services market is a sophisticated industry characterised by high levels of mobile penetration as a result of users having more than one mobile account, healthy competition and a progressive regulatory body. Over the four years to January 2019, Singapore's mobile penetration rate remained steady at around 150% as seen in Figure 3.3.1, but increased over the course of 2019 to 159% as at December 2019. Tuas believes the increase in mobile penetration rates was due to a combination of factors including:

- increasing number of consumers that own more than one device;
- increasing adoption of smart watches and Internet of Things devices;
- new competitors with mobile plans that have long expiry dates; and
- overlapping mobile services as consumers sign up to new mobile offers, especially from MVNOs.

Figure 3.3.1: Singapore mobile subscriptions by mobile technology (m) and mobile penetration rate[11]



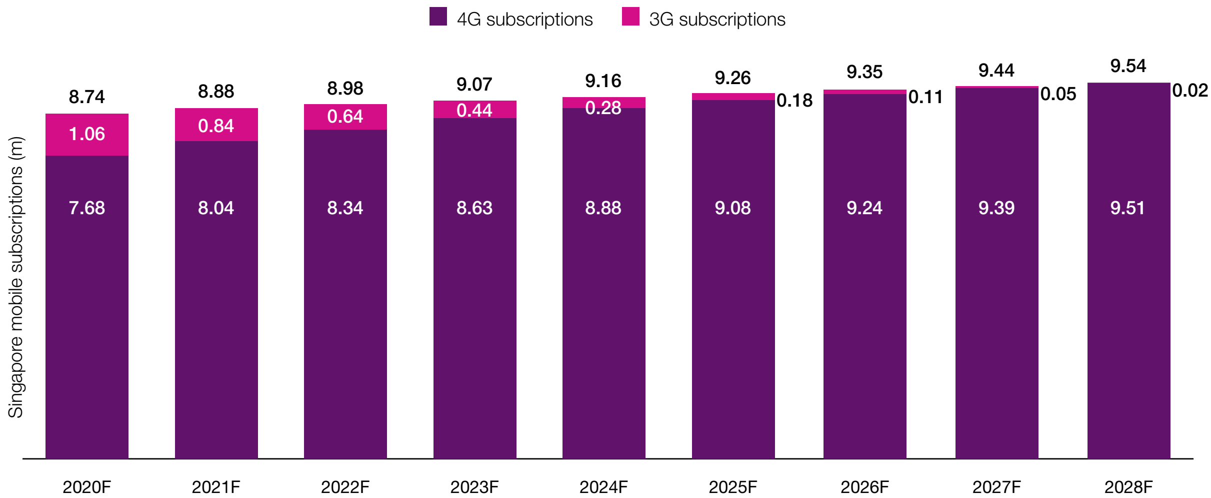
Note: Mobile penetration rate (%) refers to mobile subscriptions over total population in Singapore.

10. IDA, Annex B: 'Evolution of Mobile Services in Singapore' (15 June 2015), https://www.imda.gov.sg/-/media/Imda/Files/Inner/About-Us/Newsroom/Media-Releases/2015/0615_MNOs/Annex-B---Evolution-of-Mobile-Services-in-Singapore.pdf.
11. IMDA, 'Statistics on Telecom Services for 2015 – 2019', https://www.imda.gov.sg/infocomm-media-landscape/research-and-statistics/telecommunications/statistics-on-telecom-services/statistic-on-telecom-service-for-2019-jul.

In June 2015, the IDA approved the request of the MNOs – at the time comprising Singtel, StarHub and M1 – to decommission their 2G networks with effect from 1 April 2017.[12] As at June 2015, 2G mobile subscriptions in Singapore had declined to 3% of total mobile subscriptions in Singapore or equivalent to approximately 250,000 subscribers.[13] This enabled this spectrum to be repurposed to offer 3G and 4G services to customers.

As shown in Figure 3.3.1, there has been rapid adoption of 4G technology since its introduction in 2010 particularly as consumer expectations for network performance continue to rise in tandem with new applications and services. As of November 2019, 4G mobile subscriptions comprised 82% of all mobile subscriptions in Singapore. Mobile service providers are encouraging users to transition, firstly from 3G to 4G mobile subscriptions, and secondly from pre-paid to postpaid mobile plans to improve customer lifetime value, by offering mobile plan discounts and handset subsidies. Projections from Fitch Solutions suggest the number of 3G subscriptions will decline to approximately 280,000 by 2024, a similar level to when 2G was repurposed.[14]

Figure 3.3.2: Forecast Singapore mobile subscriptions by technology[14]



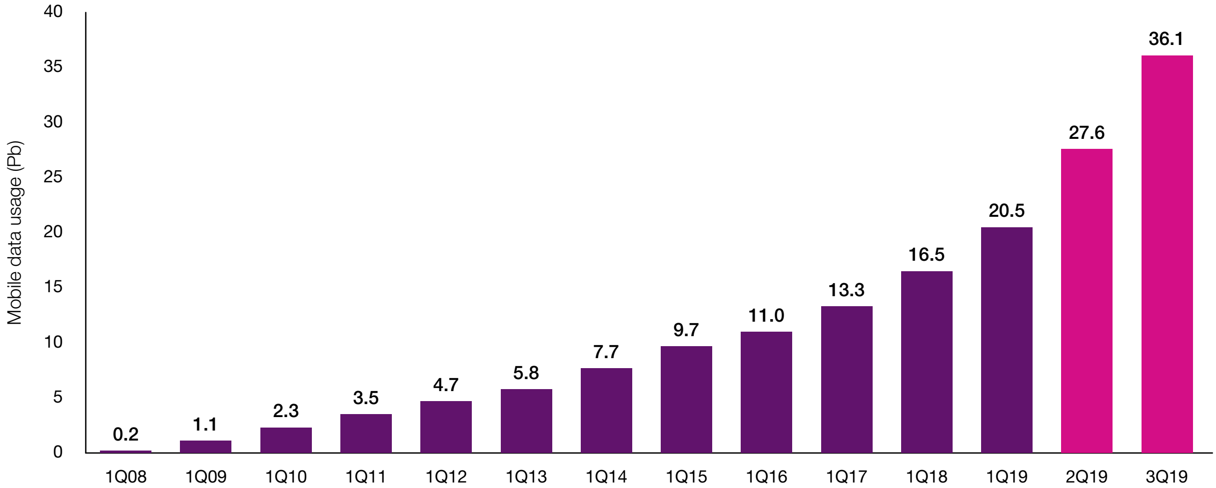
Note: Fitch Solutions has not included 5G subscriptions as part of its forecasts as it awaits further clarity on each individual mobile network operator's 5G strategy.

Given the high mobile penetration rates in the Singapore mobile services market, mobile service providers have sought to acquire new customers and improve existing customer loyalty in new and different ways. Providers have sought to offer converged services such as quad-play (fixed line telephony, broadband, paid TV and mobile services) packages. Providers have also sought to partner with over-the-top (**OTT**) services to offer innovative mobile packages such as social data plans that allow for unlimited data usage on social media platforms including WhatsApp, Facebook, Line, WeChat etc. Mobile service providers have also curated mobile plans that target video and music streaming specifically in a variety of ways from unlimited data to data caps and time caps.

As the usage of OTT services has increased significantly, so has Singapore's mobile data consumption as illustrated in Figure 3.3.3. The monthly average mobile data usage in Singapore increased 31% from 27.6 to 36.1 Petabytes per month from 2Q19 to 3Q19, where one Petabyte is equal to one million Gigabytes. The proliferation of mobile data created new opportunities where some mobile service providers have profited from users exceeding their data caps while others have sought to differentiate themselves by introducing unlimited data plans.

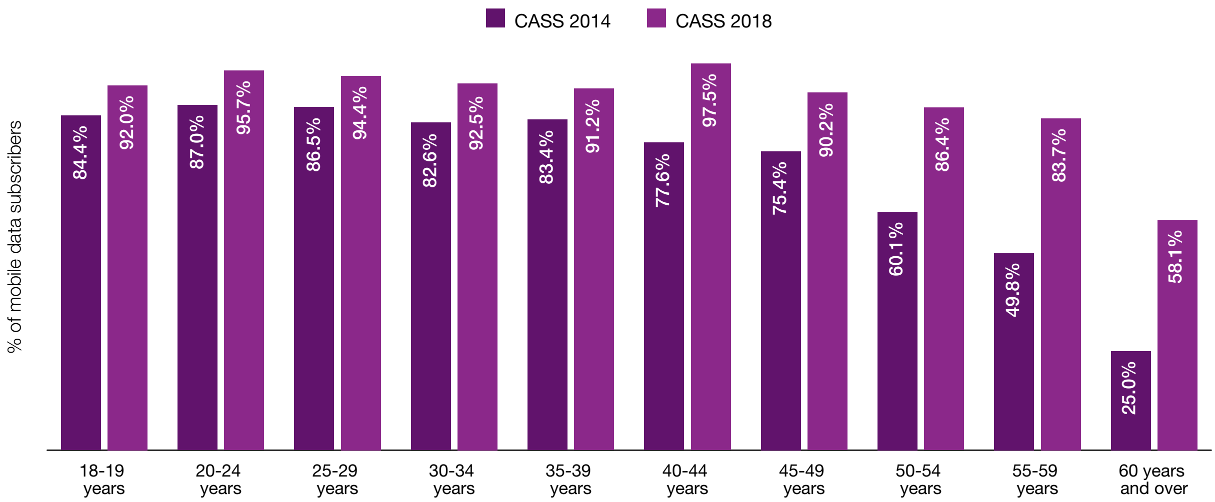
12. IDA, 'MNOs to close 2G networks from 1 April 2017' (15 June 2015), https://www.imda.gov.sg/news-and-events/Media-Room/archived/ida/Media-Releases/2015/mnos-to-close-2g-networks-from-1-april-2017.
13. IDA, Annex A: 'Chart on 2G versus 3G and 4G pre- and postpaid subscriptions from June 2011 to March 2015', https://www.imda.gov.sg/-/media/Imda/Files/Inner/About-Us/Newsroom/Media-Releases/2015/0615_MNOs/AnnexA.pdf.
14. Fitch Solutions, 'Singapore Telecommunications Report: Includes 10-year forecasts to 2028' (Q1 2020).

Figure 3.3.3: Exponential increase in Singapore mobile data usage (Pb, monthly average)[15]



The wide availability of mobile plans has also helped to increase mobile penetration across all age groups as highlighted in Figure 3.3.4. The IMDA periodically conducts a Consumer Awareness and Satisfaction Survey (**CASS**) which aims to measure and track changes in the perception of select telecommunication services in Singapore including mobile data, mobile voice and message, fixed broadband and more. The most recent survey in 2018 interviewed 1,502 individuals from households all across Singapore to create a sample representative of the Singapore population. As at 2018, only 58.1% of persons aged 60 years had a subscription to mobile data services, significantly trailing other age brackets.

Figure 3.3.4: CASS Survey: Singapore mobile data services subscription by age[16]



Note: A direct comparison cannot be made as the question was phrased differently (CASS 2014: Mobile Broadband; CASS 2018: Mobile Data). Survey sample may or may not be reflective of actual subscription rates.

Today, Singapore has one of the most advanced telecommunications markets in the world as it enjoys the fastest fixed broadband download speeds with very high levels of fibre penetration, and one of the fastest mobile broadband download speeds globally as shown in Figure 3.3.5 and Figure 3.3.6 respectively.

15. Singapore Government 'Mobile data usage' (8 August 2019), https://data.gov.sg/dataset/mobile-data-usage; IMDA, 'Mobile data usage' (6 January 2020), https://www.imda.gov.sg/infocomm-media-landscape/research-and-statistics/telecommunications.
16. IMDA, 'Consumer Awareness and Satisfaction Survey' (December 2018), https://www.imda.gov.sg/-/media/Imda/Files/About/Media-Releases/2018/IMDA-CASS-2018-Written-Report_final.pdf.

Notwithstanding, consumers have shown a growing propensity to replace fixed broadband with mobile data services to varying levels (see Figure 3.3.7), particularly given the significant overlap of activities users undertake while on fixed broadband versus mobile phones as seen in Figure 3.3.8 and Figure 3.3.9.

Figure 3.3.5: Fixed broadband download speed (Mbps) by country[17]

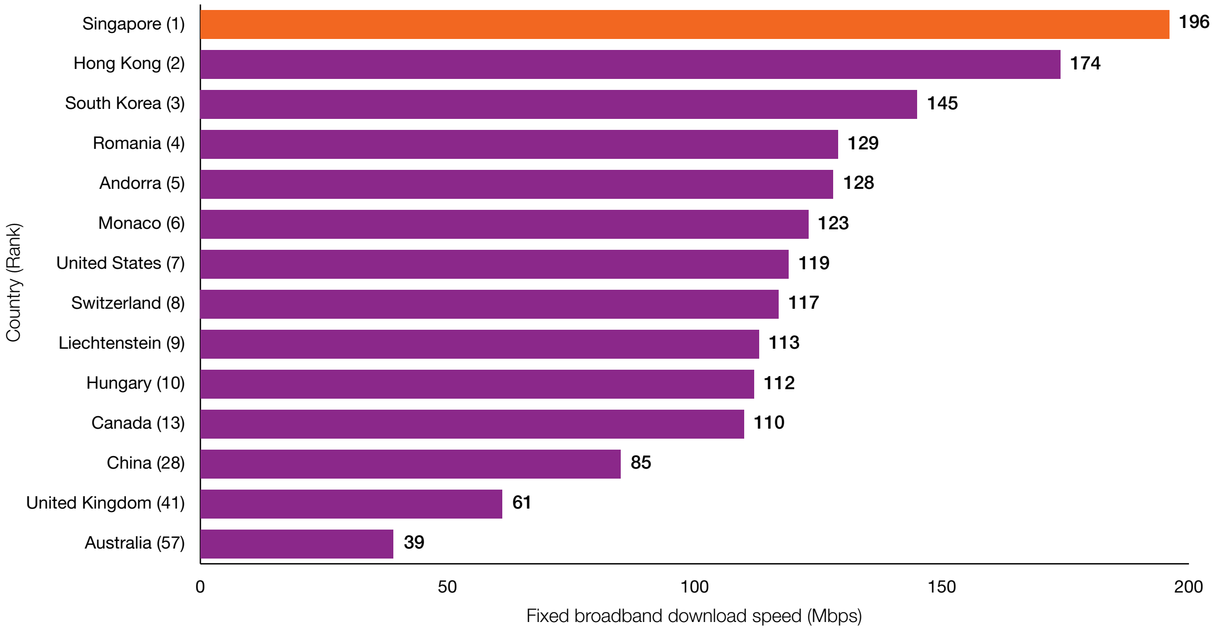
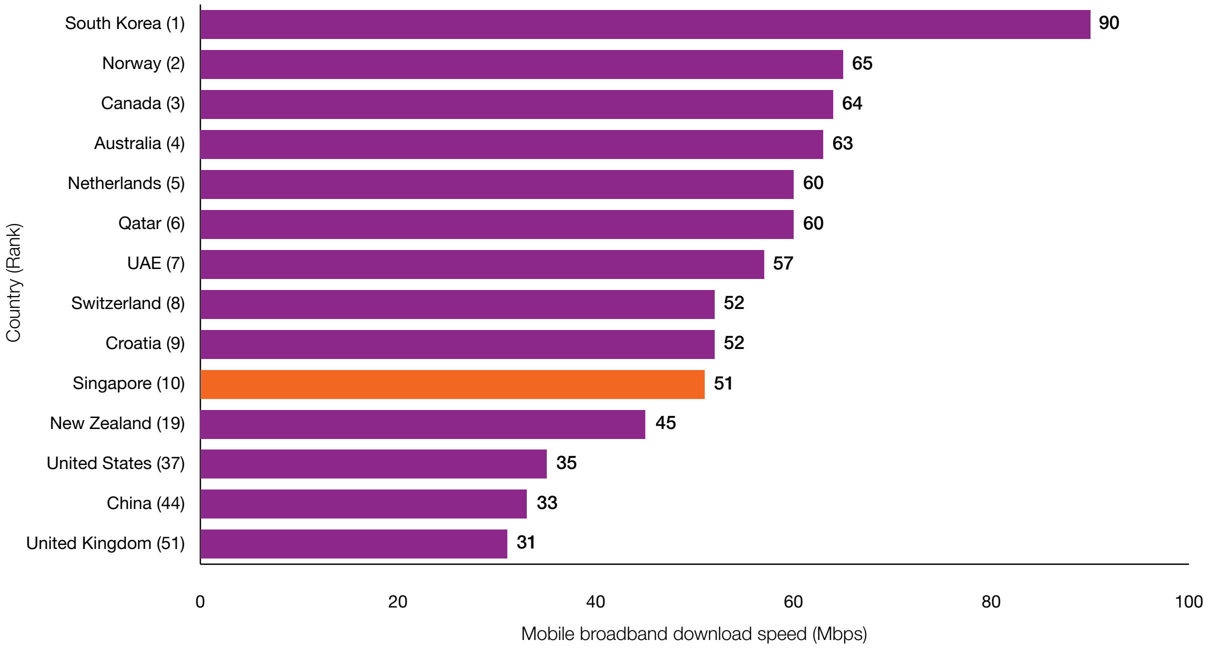


Figure 3.3.6: Mobile broadband download speed (Mbps) by country[17]



17. Australian Government (Infrastructure Australia), 'An Assessment of Australia's Future Infrastructure Needs: The Australian Infrastructure Audit 2019' (June 2019), https://www.infrastructureaustralia.gov.au/sites/default/files/2019-08/Australian%20Infrastructure%20Audit%202019%20-%208.%20Telecommunications.pdf.

Figure 3.3.7: Ability to replace fixed broadband with mobile data services[18]

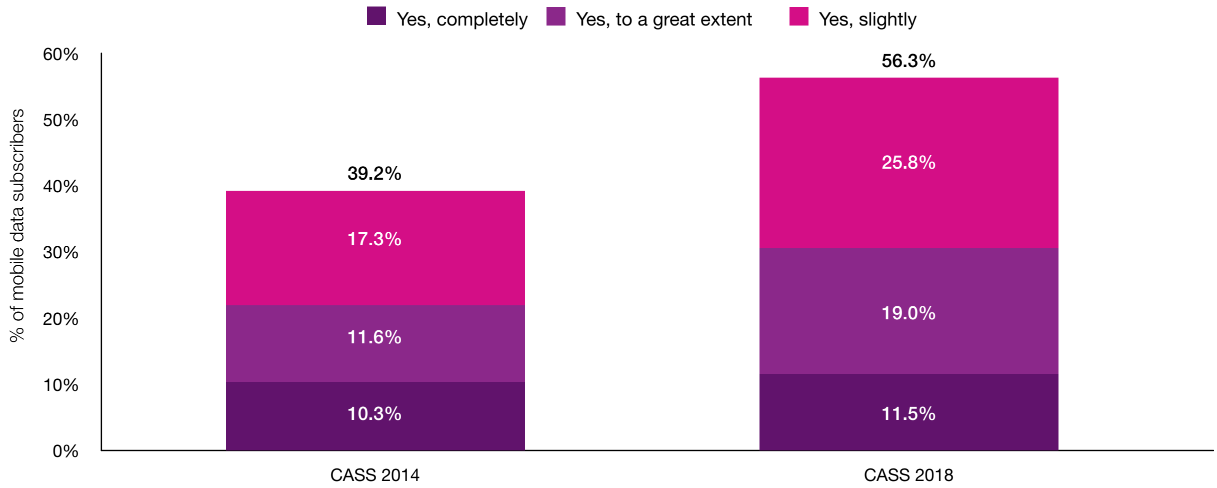


Figure 3.3.8: Top internet activities using fixed broadband[18]

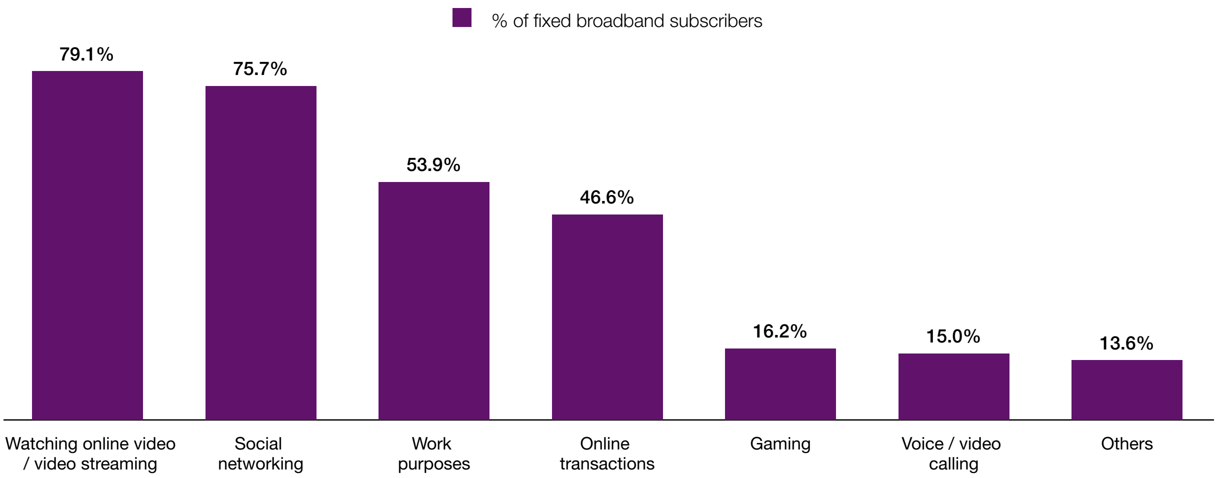
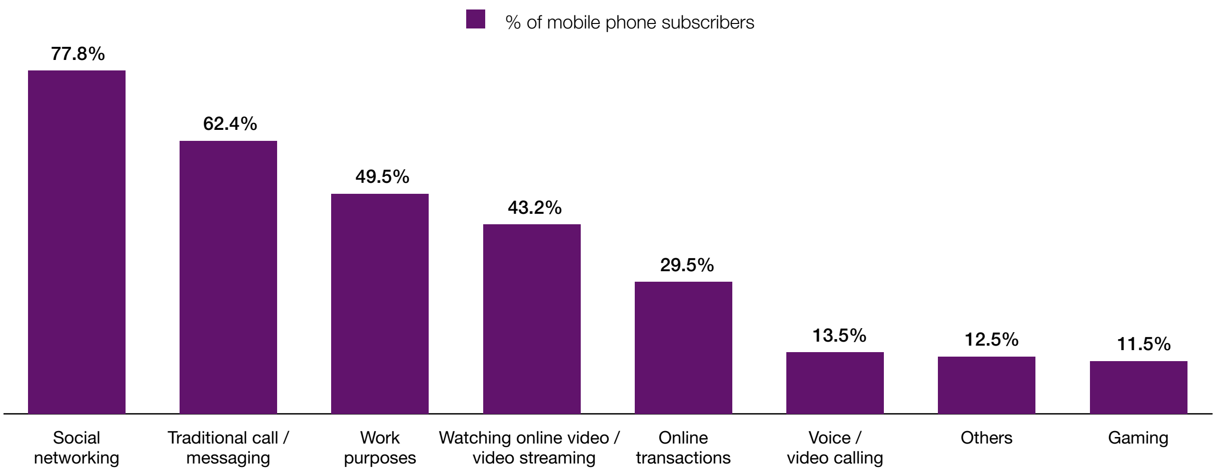


Figure 3.3.9: Top activities on mobile phones[18]

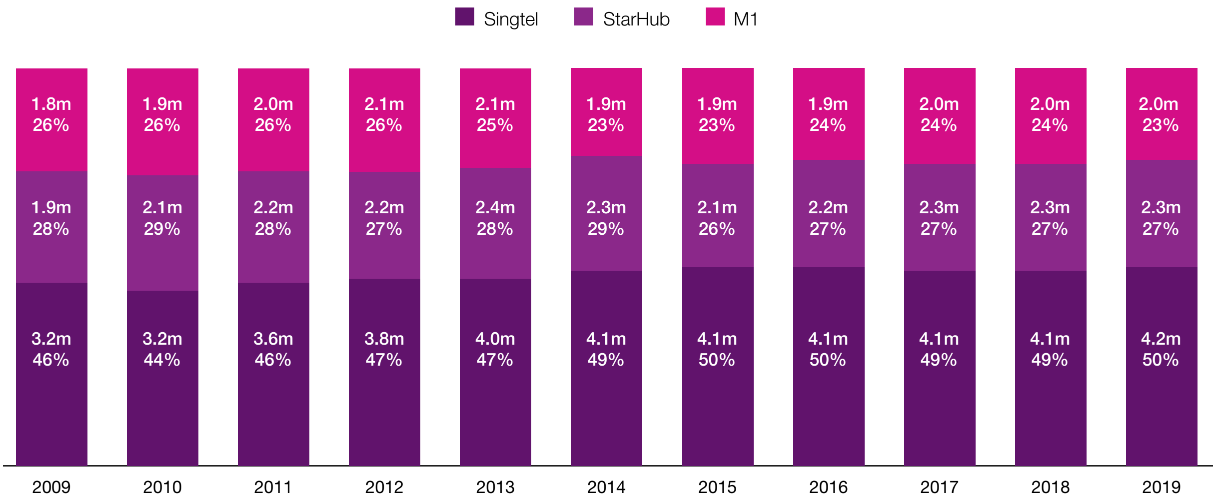


18. IMDA, 'Consumer Awareness and Satisfaction Survey' (December 2018), https://www.imda.gov.sg/-/media/Imda/Files/About/Media-Releases/2018/IMDA-CASS-2018-Written-Report_final.pdf.

3.4 Key Singapore mobile services market participants

Up until 2016, the Singaporean mobile services market was characterised by the presence of three mobile network operators (**MNOs**) – Singtel, StarHub and M1. As seen in Figure 3.4.1, the market share of mobile subscribers among the three operators has remained relatively constant over the last decade with Singtel maintaining approximately 50% market share.

Figure 3.4.1: Singapore mobile subscribers (m) and market share (%) by MNO[19]



Note: The analysis above is prepared by BuddeComm on a March year end basis. It does not include TPG Singapore as it had not commercialised its free trial mobile service offerings at the time.

In December 2016, the IMDA announced that TPG Singapore made the winning bid in the New Entrant Spectrum Auction (**NESA**), beating the only other pre-qualified competitor MyRepublic.[20] The structure of the NESA meant the three incumbent MNOs were unable to participate so that Singapore could introduce a fourth MNO into the mobile market. TPG Singapore bid S$105 million and was allocated two lots of 2x5 MHz in the 900 MHz spectrum band and eight lots of 5 MHz in the 2.3 GHz spectrum band to provide International Mobile Telecommunications (**IMT**) and International Mobile Telecommunications-Advanced (**IMT-Advanced**) services (e.g. 4G services). As part of the new spectrum rights, TPG Singapore was required to utilise the allocated spectrum to provide nationwide street level coverage for 4G within 18 months from the start of the new spectrum rights; road tunnels and in-building service coverage within 30 months; and coverage for underground Mass Rapid Transport (**MRT**) stations/lines within 54 months.[21]

In addition to the four MNOs, there have been a number of mobile virtual network operators (**MVNOs**) that have entered the market in recent years.

19. BuddeComm, 'Singapore: Mobile infrastructure, broadband, operators - statistics and analyses' (6 August 2019).
20. IMDA, 'IMDA pre-qualifies two companies for New Entrant Spectrum Auction' (16 November 2016), https://www.imda.gov.sg/news-and-events/Media-Room/Media-Releases/2016/imda-pre-qualifies-two-companies-for-new-entrant-spectrum-auction.
21. IMDA, 'TPG Telecom Pte Ltd makes winning bid in New Entrant Spectrum Auction' (14 December 2016), https://www.imda.gov.sg/news-and-events/Media-Room/Media-Releases/2016/tpg-telecom-pte-ltd-makes-winning-bid-in-new-entrant-spectrum-auction.

A brief overview of each major MNO and MVNO competitor in Singapore is provided below.

3.4.1 MNOs

Figure 3.4.1.1: MNOs

MNO	Description
Singtel	Singtel is a leading communications group established in 1879 and headquartered in Singapore.[22] Singtel provides a diverse range of services including fixed, mobile, data, internet, TV, information and communications technology and digital solutions. Its operations expand across Asia through its subsidiary, Optus (Australia), and strategic investments including Bharti Airtel (India, South Asia and Africa), Telkomsel (Indonesia), Globe Telecom (the Philippines) and Advanced Info Service (Thailand).[23] Singtel is listed on the Singapore Exchange Limited (**SGX**) under the ticker 'Z74' and as at 12 May 2020 it had a market capitalisation of approximately S$44.7 billion. In March 2019, Singtel launched its all-digital mobile sub-brand, GOMO (Get Out More Often), targeting digital natives and millennials.[24]
StarHub	Established in 2000,[25] StarHub is a Singapore-based fully integrated telecommunications company offering communications, entertainment and digital solutions including mobile, pay television, broadband, and fixed network services. It also services corporate and government clients with solutions incorporating artificial intelligence, cyber security, data analytics and robotics. StarHub is listed on the SGX under the ticker 'CC3' and as at 12 May 2020 it had a market capitalisation of approximately S$2.4 billion. In May 2019, StarHub launched its all-digital mobile sub-brand, giga, to target the market space that MVNOs operate in.[26]
M1	M1 is a Singapore based telecommunications company that first launched commercial services in 1997. It offers mobile, fixed line telephone, high-speed fixed broadband and Internet Protocol television services. Additionally, M1 also offers corporate solutions including managed services, cloud solutions, cybersecurity solutions and data centre services. In March 2019, M1 was acquired for S$1.9 billion equity value on a 100% basis by Konnectivity Pte. Ltd., an entity owned by majority shareholder Keppel Corporation and minority shareholder Singapore Press Holdings (**SPH**). Prior to the acquisition, Keppel Corporation owned 19.32% of M1's share capital through Keppel Telecommunications & Transportation Ltd, while SPH owned 13.45% through SPH Multimedia Private Limited.[27] Following the acquisition, Keppel Corporation holds an 84% effective interest while SPH owns the remainder.[28]
TPG Singapore	TPG Singapore was incorporated in July 2016 in order to participate in the New Entrant Spectrum Auction. In December 2016, TPG Singapore won the right to become the fourth MNO and on April 2017, TPG Singapore announced that it had been successful in bidding for an additional one lot of 2x5 MHz of spectrum in the 2.5 GHz band at the General Spectrum Auction (**GSA**). On 21 December 2018, a service trial was launched allowing users to trial the network for free while work continued to enhance network coverage and quality ahead of full commercial launch. TPG Singapore ended its free trial and commercialised its 4G mobile services on 31 March 2020. As at 30 April 2020, TPG Singapore has approximately 7,000 paying subscribers. See Section 4 for further information about TPG Singapore.

22. Singapore Infopedia (a Singapore Government Agency website), 'Singapore Telecommunications', https://eresources.nlb.gov.sg/infopedia/articles/SIP_1610_2011-03-21.html.
23. Singtel, Company website: 'Company profile', https://www.singtel.com/about-us/company/company-profile.
24. Singtel, 'Singtel launches all-digital mobile experience with GOMO' (25 March 2019), https://www.singtel.com/about-Us/news-releases/singtel-launches-al-digital-mobile-experience-with-gomo.
25. StarHub, Company website: 'Investor Factsheet', http://ir.starhub.com/investors/?page=Investor-Factsheet.
26. StarHub, Company website: '2019 Achievements', https://www.starhub.com/about-us/company-information/achievements.html.
27. Konnectivity Pte. Ltd., 'Voluntary Conditional General Offer for M1 Limited' (7 January 2019), https://links.sgx.com/FileOpen/M1%20Offer%20Document.ashx?App=Announcement&FileID=539632.
28. Keppel Corporation Limited, 'Information Memorandum' (8 February 2020), https://links.sgx.com/FileOpen/KCL%20-%20Information%20Memorandum%20(08.02.20).ashx?App=Prospectus&FileID=42020.

3.4.2 MVNOs

In addition to MNOs competing for mobile subscribers, there are multiple MVNOs present in Singapore. MVNOs do not own the underlying wireless network infrastructure. They generally operate by entering into wholesale agreements with MNOs for infrastructure access, and then set retail prices to be sold to the end user.

The table below outlines a number of MVNOs operating in the Singapore market as at the date of this Information Memorandum:

Figure 3.4.2.1: MVNOs

MVNO	Network owner	Description
Circles.Life	M1	Launched in June 2016,[29] the Singapore-based MVNO has operations in Singapore, Taiwan and Australia. Circles.Life states that it has over 5% market share in Singapore. It has previously raised funds from investors including Sequoia, EDBI, Founders Fund and, most recently in February 2020, Warburg Pincus.[30]
Grid Mobile	Singtel	Grid Mobile is a joint venture between Singtel and ST Telemedia that launched in June 2019. As part of its referral and loyalty rewards program, customers can redeem gridPoints for bill rebates, cashbacks, or offers from partnering merchants such as Spotify.[31]
MyRepublic	StarHub	MyRepublic is a telecommunication services operator offering fixed broadband and other plans in Singapore, Indonesia, New Zealand and Australia. After TPG Singapore beat MyRepublic to become the fourth MNO in Singapore, MyRepublic launched its mobile services as an MVNO in May 2018.[32]
redONE	StarHub	Established in Malaysia in 2012, redONE launched in Singapore in May 2019 and will be launching in other regional markets with the vision of creating a single ASEAN service.[33]
Vivifi	Singtel	Launched in July 2019, Vivifi targets families by offering shareable mobile plans where additional users can add on more mobile lines and share the total pool of data, talk time and SMS.[34]
VivoBee	StarHub	VivoBee is a product owned by VivoHub Mobile Pte Ltd which is a subsidiary of Kuala Lumpur Stock Exchange-listed Green Packet Berhad. Launched in December 2018, VivoBee targets the needs of Singapore's one million blue-collar migrant workers.[35]
Zero Mobile	Singtel	Headquartered in Australia, Zero Mobile launched in Singapore in December 2017 before suspending its mobile service offering in December 2019. It announced it will make a comeback with new and modular pricing plans.[36]
Zero1	Singtel	Launched in February 2018, Zero1 offers unlimited mobile data by setting caps on speed once a threshold level of data has been used.

29. Circles.Life, Company website: 'About us', https://pages.circles.life/about-us/.
30. Warbug Pincus and Circles.Life, 'Leading digital telco Circles.Life receives substantial investment from Warburg Pincus to fuel its growth and expansion' (11 February 2020), https://www.warburgpincus.com/content/uploads/2020/02/Press-Release_Warburg-Pincus-Announces-Substantial-Investment-in-Circles.Life_11-February-2020.pdf.
31. Grid Mobile, 'New telco Grid Mobile entices consumers with more than just additional data pays customers to live larger' (27 June 2019), https://gridmobile.com.sg/tnc/PressRelease.pdf; https://vulcanpost.com/667099/grid-mobile-singapore-launch/.
32. StarHub, 'MyRepublic and StarHub form MVNO partnership' (3 May 2018), https://www.starhub.com/about-us/newsroom/2018/may/myrepublic-and-starhub-form-mvno-partnership.html.
33. redONE, 'Leading budget mobile service provider redONE officially launches in Singapore; reveals new launch packages and go-to-market strategy' (1 July 2019), https://www.redone.com.my/about_us/media/4611.
34. https://www.hardwarezone.com.sg/tech-news-new-mvno-vivifi-outs-singular-mobile-plan-modern-family-varying-needs.
35. VivoBee, Company website: 'About VivoBee', https://www.vivobee.com/sg/about.php; Tata Communications, 'Tata Communications MOVE™ platform will help VivoHub to offer data, calling and messaging services to its users at an economical rate' (13 December 2018), https://www.tatacommunications.com/press-release/vivohub-teams-with-tata-communications-to-launch-a-one-stop-suite-of-mobile-services-tailored-for-singapores-migrant-workers/.
36. https://vulcanpost.com/684054/zero-mobile-discontinue-plans-singapore/.

3.5 Background on 5G and its developments in Singapore

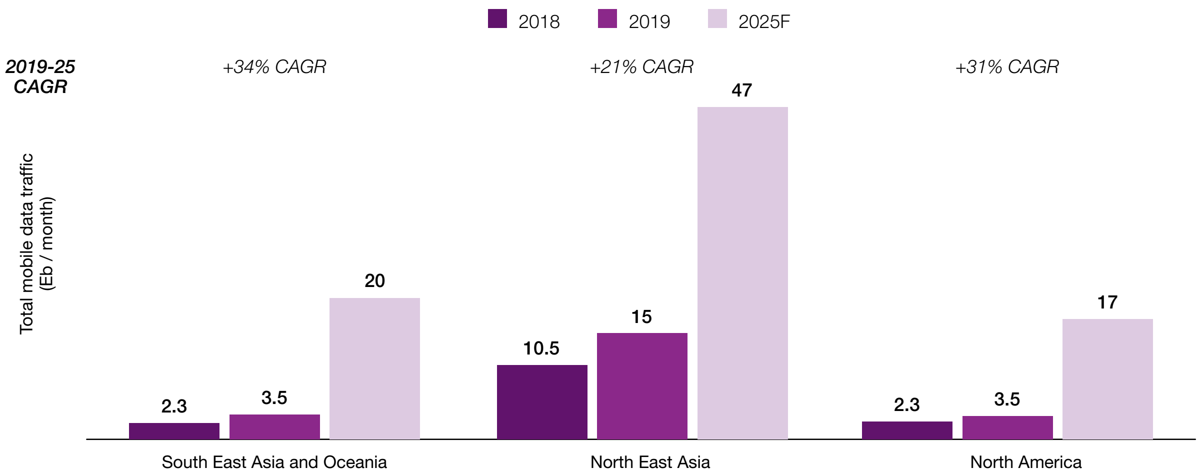
With the introduction of 5G technology, there is an opportunity to increase the speed of existing mobile services by 20-fold, improve reliability, reduce latency, and introduce new use cases that will drive further subscriptions and growth in mobile data consumption globally. GSMA Intelligence forecasts 5G subscriptions to reach 1.1 billion globally by 2020, representing 12% of total mobile subscriptions.[37]

Figure 3.5.1: Comparison of 5G to predecessor mobile technology[38]

	3G	3.5G		4G	4.5G	5G
Period	2003-04	2005-06	2008-09	2010	2013	2020
Peak speed (downlink)	384 kbps	14 Mbps	84 Mbps	300 Mbps	+1 Gbps	20 Gbps
Peak speed (uplink)	128 kbps	6 Mbps	22 Mbps	75 Mbps	500 Mbps	10 Gbps
Latency	150 ms	100 ms	50 ms	10 ms	5 ms	1 ms

Mobile data traffic in the South East Asia and Oceania region is expected to grow at a compound annual growth rate (**CAGR**) of 34% to 20 Exabytes per month from 2019 to 2025, where one Exabyte is equal to one billion Gigabytes[39]. In a survey conducted by Ericsson in 2019, consumers were willing to pay an average of 20% more than they were paying for their current mobile service for the technological advancements 5G is expected to deliver.[39]

Figure 3.5.2: Projected total mobile data traffic (Eb / month)[39]



To support the take-up of 5G services once rolled out, the IMDA waived 5G frequency fees since May 2017 to encourage industry participants to take part in 5G trials to better understand how 5G will work in a real world environment and the potential benefits for different sectors. The period of waiver was originally until 31 December 2019 but was extended until the commencement of the spectrum rights in the relevant spectrum bands.[40] The 3.5 GHz spectrum rights will commence from 2021, after completion of the migration exercise of sub-6 GHz Fixed Satellite Service users. The mmWave spectrum rights will commence in 2020 after the conclusion of the 5G spectrum allocation (see Section 3.6).

37. GSMA Intelligence, 'The 5G era: Age of boundless connectivity and intelligent automation' (2017), https://www.gsmaintelligence.com/research/?file=0efdd9e7b6eb1c4ad9aa5d4c0c971e62&download.
38. ATKearney, '5G in ASEAN: Reigniting growth in enterprise and consumer markets' (2019), https://atkearney.de/documents/1781738/3697768/5G+in+ASEAN+Reigniting+Growth+in+Enterprise+and+Consumer+Markets.pdf/ccf1a9c7-1082-3bd3-b1ef-cfd2a39c2436?t=1568104453227.
39. Ericsson, 'Ericsson Mobility Report' (November 2019), https://www.ericsson.com/4acd7e/assets/local/mobility-report/documents/2019/emr-november-2019.pdf.
40. IMDA, 'Fifth Generational Mobiles Networks ("5G")' (29 January 2020), https://www.imda.gov.sg/regulations-and-licensing-listing/spectrum-management-and-coordination/spectrum-planning/5g-technology.

International 5G deployments have been focused on delivering higher speed connectivity, with limited demonstration of new industrial and enterprise applications. To further empower Singapore to become a leader in 5G mobile technology adoption and innovation, the IMDA and National Research Foundation set aside S$40 million for a 5G Grant to support research into 5G use cases.[41] Successful proposals may be eligible for grants of up to 70% of the qualifying costs. The 5G Grant will initially target strategic clusters with high growth potential and significant global interest such as: (1) Maritime Operations; (2) Urban Mobility; (3) Smart Estates; (4) Industry 4.0; (5) Consumer Applications; and (6) Government Applications.[42] It is intended that more strategic clusters will be targeted in the future.

TPG Singapore was awarded a 5G Grant in October 2019 to build a 5G trial network providing >99.5% coverage in Singapore Science Parks 1 and 2 in partnership with CapitaLand and Navinfo Datatech to tap 5G for smart mobility trials. As of 30 April 2020, TPG Singapore has successfully commissioned the 5G trial network.

Other 5G initiatives by the Singapore Government include the development of the 'Smart Estates' ecosystem which will enable Singaporean developers, technology companies and built environment service providers to innovate and seize greater market opportunities in the region.[41]

3.6 Singapore 5G spectrum allocation

The IMDA first launched a 5G consultation paper in May 2017 seeking views from the industry and public on various aspects of 5G technology development and spectrum requirements in a data centric environment.[43] Two years later, the IMDA launched a second public consultation in May 2019 to address the responses received and to consult on the appropriate regulatory frameworks and policies for 5G.

Following the second consultation, in October 2019, the IMDA launched a Call for Proposal (**CFP**) for 5G spectrum allocation to facilitate the rollout of 5G mobile networks by 2020. The IMDA has set the goal to achieve full-fledged 5G standalone capability covering at least half of Singapore's outdoor areas by the end of 2022, and full nationwide outdoor coverage by the end of 2025.[44]

Under the CFP, two equal 100 MHz lots of spectrum in the 3.5 GHz band are to be made available.

The two successful applicants will be required to use the spectrum to roll out a nationwide, standalone 5G network and be required to provide wholesale services to other MNOs and MVNOs. The structure put in place by the IMDA will encourage network sharing which will facilitate the efficient allocation of capital.

In addition, the IMDA will assign one 800 MHz lot of mmWave spectrum to each of the two successful applicants as well as to the unsuccessful applications if there is interest. The MNOs will have the flexibility to deploy mmWave spectrum initially on a non-standalone basis by leveraging their existing 4G infrastructure to deliver localised 5G services focusing mainly on higher bandwidth requirements.

The duration of the spectrum rights will be set at 15 years for the 3.5 GHz band and approximately 16 years for mmWave band to provide operators with sufficient certainty for their investment. The length of the spectrum rights has been set such that both 3.5 GHz and mmWave bands will expire at the same time.

On 17 February 2020, the IMDA announced that it had received three submissions – one each from TPG Singapore and Singtel, and a joint submission from StarHub and M1. On 29 April 2020, the IMDA announced that TPG Singapore was not allocated a licence for spectrum in the 3.5 GHz band. TPG Singapore can apply for one of the two remaining mmWave spectrum lots for localised 5G deployment. It is expected that the allocation of the spectrum will occur by the end of 2020.

41. IMDA, 'Singapore's Digital Economy forges ahead: 5G Innovation, Smart Estates and progressive legislation' (27 June 2019), https://www.imda.gov.sg/news-and-events/Media-Room/Media-Releases/2019/Singapore-Digital-Economy-forges-ahead-5G-innovation-Smart-Estates-and-progressive-legislation.
42. IMDA, 'Ahead of the curve: Singapore's approach to 5G' (17 October 2019), https://www.imda.gov.sg/-/media/Imda/Files/About/Media-Releases/2019/Annex-A---5G-Policy-and-Use-Cases.pdf.
43. IMDA, '5G Mobile Services and Networks' (23 May 2017), https://www.imda.gov.sg/-/media/Imda/Files/Inner/PCDG/Consultations/consultation-paper/Public-Consultation-on-5G-Mobile-Services-and-Networks/5G-Public-Consultation.pdf.
44. IMDA, 'Singapore continues to invest in infrastructure, partnerships and innovation to boost our digital economy' (17 October 2019), https://www.imda.gov.sg/news-and-events/Media-Room/Media-Releases/2019/Singapore-Continues-to-Invest-in-Infrastructure-Partnerships-and-Innovation-to-Boost-Our-Digital-Economy.

3.7 Telecommunications regulatory environment

This Section 3.7 summarises Singapore's laws and regulations governing the provision of telecommunication services. It is not an exhaustive or comprehensive description of those laws and regulations.

3.7.1 Overview

The Singapore Telecommunications Act regulates the provision of telecommunications services and systems in Singapore. The IMDA is the regulatory authority responsible for administering the Singapore Telecommunications Act and the provision of telecommunication services and systems in Singapore.

The Singapore Telecommunications Act empowers the IMDA, with the approval of the Minister of Communications and Information, to enact regulations for carrying out the purposes and provisions of the Singapore Telecommunications Act. Existing regulations include the *T*elecommunications (Radio-Communication) Regulations and the Telecommunications (Class Licences) Regulations. The Singapore Telecommunications Act also empowers the IMDA to issue codes of practice and standards of performance for the operation of telecommunication systems and equipment, the provision of telecommunication services and the conduct of telecommunication licensees in providing telecommunication services. These codes and standards include the Telecom Competition Code and the Code of Practice for Info-communications Facilities in Buildings.

3.7.2 Telecommunications licensing framework

The Singapore Telecommunications Act requires all persons who establish, install, maintain, provide or operate a telecommunication system or service within Singapore to be licensed. The Singapore Telecommunications Act empowers the IMDA to grant licences to persons who provide telecommunication systems and services. The IMDA has broad powers to regulate and monitor licensees and to set standards, codes and regulations to be observed by operators of telecommunication systems and services. If a licensee breaches any condition of its licence, or any code of practice or standard of performance or any regulation, or any IMDA directive, the IMDA may issue a written order for compliance, impose a financial penalty, cancel the licence, suspend the licence for a specified period or reduce the term of the licence. The IMDA also has the power to modify the terms of a licence. The exercise of the IMDA's powers is subject to appeal to the Minister, whose decision is final.

The IMDA issues two broad categories of licence for operators of telecommunications services: facilities-based operator (**FBO**) licences and services-based operator (**SBO**) licences. The IMDA allows free market entry and exit and does not pre-determine the number of licences awarded unless there are resource constraints. Resource and other physical constraints, such as frequency spectrum and land for satellite and cable landing stations, may limit the number of licences issued. If these constraints arise, the IMDA will award licences under a comparative or auction-based selection exercise.

A telecommunication licensee may be designated as a "public telecommunications licensee", who enjoys additional rights under the Singapore Telecommunications Act to facilitate the installation, maintenance and protection of its systems but may be subject to basic service obligations.

3.7.2.1 FBO Licences

In December 2016, TPG Singapore won the bid to provide 4G and IMT-Advanced services in Singapore, and the IMDA granted TPG Singapore an FBO licence on 1 April 2017 (**FBO Licence**).

FBOs are operators who deploy telecommunication networks, systems or facilities to offer telecommunication switching capacity or services to other licensed telecommunication operators, businesses or consumers. Examples of telecommunications systems include mobile communications systems, such as base stations and mobile switching centres, for mobile phone, paging, trunked radio and mobile data services, and fixed telecommunications systems, such as exchanges, fibre, submarine cables, frontier stations and international gateways, for local and international voice and data services, and leased circuit services.

All FBOs are individually licensed. FBO licensees must comply with interconnection and access obligations and minimum quality of service (**QoS**) standards set by the IMDA and must also provide the IMDA with a performance bond to secure the commitments of the licensee as stated in the licence application.

3.7.2.2 SBO Licences

SBOs are operators who lease telecommunication network elements, such as transmission capacity, switching services, ducts and fibre, from FBOs to provide their own telecommunication services or resell the telecommunication services of FBOs to third parties. Operators who deploy telecommunications networks, systems and facilities within their own property boundaries, but wish to offer telecommunications services to third parties resident within their property boundaries, also need an SBO Licence.

SBOs may be licensed individually or under a class licence depending on the operations and nature of the services. Operators who lease international transmission capacity for the provision of their services will be licensed individually. Separate licences or authorisation may be required from other relevant government agencies for the provision of certain types of SBO services and operations.

Services that require an SBO Licence include international simple resale, leased circuit resale, callback, public Internet access, virtual private network and international calling card services. SBO licensees may also be required to comply with interconnection and access obligations and minimum QoS standards set by the IMDA.

3.7.2.3 Spectrum Rights

TPG Singapore was granted the 4G and IMT-Advanced spectrum right (**Spectrum Right**).

The IMDA has the power to grant spectrum rights either unconditionally or subject to conditions, and either irrevocably or subject to revocation pursuant to the Singapore Telecommunications Act.

The IMDA allocates the right to use spectrum in Singapore through different methods, including auctions and assignments. The method by which different frequency bands are allocated for use is determined by the demand for the band, the potential uses of the band, and other properties of the band.

The IMDA regulates each MNO's use of the spectrum allocated to it through the terms and conditions in the spectrum rights grant document.

A breach of the Spectrum Right entitles the IMDA to cancel or suspend the Spectrum Right or any part thereof, and/or impose a financial penalty in accordance with the conditions of the Spectrum Right.

3.7.3 Telecom Competition Code

The Telecom Competition Code sets out the IMDA's regulatory principles and contains provisions relating to duties of licensees to their end-users, required co-operation among licensees to promote competition, interconnection, infrastructure sharing, sector-specific competition rules and enforcement mechanisms. The IMDA has the authority to review and amend the Telecom Competition Code and to grant exemptions from or suspend the Telecom Competition Code.

3.7.3.1 Classification of Licences

The Telecom Competition Code distinguishes between licensees subject to competitive market forces (**non-dominant licensees**) and those whose conduct is not constrained adequately by competitive market forces (**dominant licensees**). The IMDA will classify a licensee as either a dominant licensee or non-dominant licensee. A licensee is classified as dominant if it:

- is licensed to operate facilities used for the provision of telecommunication services in Singapore sufficiently costly or difficult to replicate such that requiring new entrants to do so would create a significant barrier to rapid and successful entry into the telecommunication market in Singapore by an efficient competitor; or
- has the ability to exercise significant market power in any market in which it provides services pursuant to its licence.

A dominant licensee must comply with special requirements set out in the Telecom Competition Code although there are procedures for reclassification to a non-dominant licensee or an exemption from these special requirements.

3.7.3.2 Duties to end-users under the Telecom Competition Code

Licensees must comply with consumer protection provisions, including compliance with:

- minimum quality of service standards;
- duty to disclose service prices, terms and conditions;
- prohibition on disproportionate early termination charges;
- accurate and timely billing;
- fair dispute resolution procedures; and
- service information.

3.7.3.3 Interconnection obligations under the Telecom Competition Code

Minimum interconnection duties: To ensure the deployment of an integrated "network of networks" that provides seamless any-to-any communication throughout Singapore, FBOs and SBOs that use switching or routing equipment to provide telecommunication services to the public must satisfy the minimum interconnection duties set out in the Telecom Competition Code. The IMDA will allow non-dominant licensees to interconnect, without the IMDA's prior approval, on any terms agreed between the non-dominant licensees, so long as they satisfy the minimum interconnection duties. The Telecom Competition Code specifies obligations that licensees must fulfil even absent an interconnection agreement, such as:

- publicly disclosing information on its network interfaces necessary to allow the deployment of telecommunication services and equipment that can interconnect and interoperate with its network;
- complying with mandatory technical standards;
- facilitating a change of service providers;
- providing integrated directories and a directory enquiry service; and
- rejecting certain discriminatory preferences regarding support facilities.

Interconnection with dominant licensees: The Telecom Competition Code sets out the interconnection obligations of dominant licensees. A licensee seeking to interconnect with a dominant licensee can choose any of these three options to enter into an interconnection agreement:

- it may obtain services from a dominant licensee on the terms specified in a Reference Interconnection Offer (**RIO**) developed by the dominant licensee and approved by the IMDA;
- it can "opt-in" to and obtain services from a dominant licensee on the same prices, terms and conditions under an existing interconnection agreement between the dominant licensee and any similarly situated licensee; or
- it can negotiate an individualised interconnection agreement with the dominant licensee.

The Telecom Competition Code sets out provisions governing a dominant licensee's RIO, such as the services that must be offered under the RIO, the terms in the RIO and certain substantive requirements of the RIO. It also sets out the steps and timeline for negotiating an individualised interconnection agreement.

3.7.3.4 Infrastructure sharing under the Telecom Competition Code

Each licensee is expected to build or lease the use of the infrastructure it requires. A licensee is not required to "share" the use of any infrastructure it controls with its competitors. However, if the IMDA determines that that specific infrastructure constitutes Critical Support Infrastructure within the meaning of the Telecom Competition Code, or if the IMDA concludes that it is in the public interest, the IMDA may mandate that a licensee share the use of the infrastructure with other licensees.

The Telecom Competition Code sets out the procedures for a licensee requesting the sharing of infrastructure controlled by another licensee. The Telecom Competition Code also mandates the sharing of the following infrastructure:

- radio distribution systems for mobile coverage in train or road tunnels;
- in-building cabling if the occupant elects to obtain telecommunication services from another service provider;
- lead-in ducts and associated manholes;
- monopoles; and
- radio towers, other than towers used for operating any broadcasting service.

3.7.3.5 *Competition rules under the Telecom Competition Code*

The Telecom Competition Code sets out the criteria for determining anti-competitive behaviour. A licensee must not use its dominant position to unreasonably restrict competition in the telecommunications market. Examples of an abuse of dominant position are pricing abuses, predatory pricing, price squeezes, cross-subsidisation and discrimination against non-affiliated licensees. A licensee must also not engage in unfair methods of competition, such as degrading the availability or quality of another licensee's services or equipment, providing false or misleading information to a licensee's competitors, or the improper use of information of a competitor's customers.

Licensees must not enter into agreements that unreasonably restrict competition. The Telecom Competition Code sets out a framework for the IMDA taking enforcement action against licensees who enter into anti-competitive agreements. Licensees must not enter into certain types of agreements, such as agreements involving price fixing, output restriction, bid rigging, market and customer division and group boycotts. Agreements ancillary to efficiency-enhancing integration of economic activity, such as joint purchasing or production ventures, may be permitted, based on their likely or actual impact on competition.

3.7.3.6 *Consultation relating to the amendment of the Telecom Competition Code*

Between February 2019 and May 2019, the IMDA conducted public consultation on a proposed converged competition code for the telecommunication and media markets to, among others, streamline requirements to promote competition, encourage market innovation and better protect consumers' interests and keep pace with the fast changing digital landscape. A second public consultation on the actual drafting of the proposed converged code is expected to be launched in 2020.

3.7.4 Changes in ownership and consolidations involving designated telecommunication licensees

Each designated telecommunication licensee must adopt reasonable procedures for monitoring changes in its shareholding and voting power of its holders, and must notify the IMDA when a person holds or is in control of at least 5% but less than 12% of its shares. Subject to certain exemptions, no person may acquire any business that is conducted pursuant to a telecommunication licence or any part of any of such business as a going concern, or own or control, together with its associates, 12% or more, or 30% or more, of the shares or voting power of a designated telecommunication licensee without the IMDA's prior approval. For the purposes of such restrictions, two persons are associates if:

- in the case of individuals, they are relatives;
- in the case of corporations, they are related corporations (the holding company and its subsidiary, as well subsidiaries of a common holding corporation are deemed to be related);
- a person or its directors are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions or wishes of the other person, or its directors;
- either person, which alone or together with the other associates of such person, is in a position to control not less than 12% of the voting power in the other person;
- the first person (the associate) is a person with whom other person has an agreement or arrangement, whether oral or in writing and whether express or implied, to act together with respect to the acquisition, holding or disposal of shares, units or other equity interests in, or with respect to the exercise of their voting power in relation to, a designated telecommunication licensee; or
- the parties are related in such other manner as may be prescribed by the relevant regulations.

The IMDA will deny a request if it determines that the change in shareholding or voting power is likely to result in a substantial lessening of competition in any telecommunication market, or it is in the public interest to deny such request. The IMDA has designated TPG Singapore as a designated telecommunication licensee.

In addition, under TPG Singapore's Spectrum Right, TPG Singapore must obtain the IMDA's approval for changes in its changes in its ownership, shareholding and management arrangements. Should TPG Singapore seek the IMDA's approval for any future transaction involving a change of ownership or control of TPG Singapore, or for spectrum trading or spectrum sharing, any approval (if granted) could be subject to a wide range of conditions including (without limitation) the return of spectrum to the IMDA or the IMDA may require a spectrum quantum top-up.

3.7.5 Administrative procedures

Upon the joint request by licensees, the IMDA may assist them in resolving any dispute arising out of negotiations of a voluntary individualised interconnection agreement, implementing an interconnection agreement, or a licensee's request to share infrastructure.

Upon request, the IMDA will resolve disputes arising from a failure to reach an individualised interconnection agreement with a dominant licensee and a failure to agree on sharing infrastructure. The IMDA may, at its discretion, resolve disputes between licensees arising from implementing an interconnection agreement with a dominant licensee, or a sharing agreement entered into through the IMDA's dispute resolution procedure. Unless mandated by the Telecom Competition Code, the IMDA will not intervene in other disputes relating to matters under the Telecom Competition Code.

The IMDA may bring enforcement actions against contravention of the Telecom Competition Code either on its own initiative or in response to a request by a licensee. In either case, an action must be brought within two years after the alleged contravention. In enforcing the Telecom Competition Code, the IMDA may issue warnings or cease and desist orders. The IMDA may also impose financial penalties, suspend or terminate a licensee's licence. The IMDA may consider aggravating or mitigating factors to ensure that financial penalties imposed are proportionate to the contravention.

3.7.6 QoS standards

The IMDA regulates the performance of service operators by setting QoS standards. Service operators must submit quarterly reports on service quality to the IMDA, and report outages on their networks. The IMDA also conducts surveys to monitor customer satisfaction and obtains consumer feedback on service improvements. The IMDA uses these findings to fine-tune its performance quality standards. The IMDA may impose monetary fines for non-compliance with QoS standards.

3.7.7 Discretionary powers of the Minister under the Singapore Telecommunications Act

The Minister has certain discretionary powers under the Singapore Telecommunications Act, such as the power to direct a public telecommunication licensee to undertake and provide such telecommunication services and facilities for aeronautical, maritime, meteorological, governmental, defence or other purposes. The Minister may requisition these services for fair payment on any public emergency, in the public interest, in the interest of public security, for national defence, or for relations with the government of another country. The Minister may, after consultation with the IMDA or any telecommunications licensee, issue directions to the IMDA or any telecommunications licensee that may include provisions for:

- the prohibition or regulation of the use of telecommunications in all cases or in such cases as considered necessary;
- the taking of, the control of, or the usage for official purposes of, all or any such telecommunication systems and equipment; and
- the stopping, delaying and censoring of messages and the carrying out of any other purposes that the Minister considers necessary.

SECTION 4

OVERVIEW OF THE TUAS GROUP

TUAS
Building Better Connections

4.1 History and corporate structure

The Tuas Group will be comprised of Tuas, TPG Singapore and Tuas Solutions. Tuas is an Australian registered company which is, at the date of this Information Memorandum, a wholly-owned subsidiary of TPG Australia. Tuas was incorporated on 11 March 2020 for the purposes of implementing the Demerger. Tuas will be the ultimate holding company of the Tuas Group.

Tuas Solutions will be a Malaysia registered company which is a wholly-owned subsidiary of TPG Singapore. Tuas Solutions will be incorporated prior to the Demerger Implementation Date and will provide IT development and network support services to TPG Singapore.

TPG Singapore is a Singapore registered company which will be a wholly-owned subsidiary of Tuas. TPG Singapore was incorporated in July 2016 in order to participate in the NESA and to develop a fourth mobile network in Singapore. TPG Singapore will be the only operating subsidiary of Tuas at the time of the Demerger, and will conduct the business of the Tuas Group.

The NESA was an initiative of the IMDA to support the entry of a fourth MNO into Singapore.

On 14 December 2016, TPG Singapore was announced as the successful bidder in the NESA and acquired two lots of 2x5 MHz in the 900 MHz spectrum band and eight lots of 5 MHz in the 2.3 GHz spectrum band to provide IMT and IMT-Advanced services (e.g. 4G services) for S$105 million. As part of acquiring spectrum under the NESA, the IMDA set performance obligations which TPG Singapore has either satisfied or is currently on timetable to satisfy (see Figure 4.2.2.2).

On 4 April 2017, TPG Singapore also announced that it had been successful in bidding for additional spectrum at the GSA in Singapore. TPG Singapore acquired one lot of 2x5 MHz of spectrum in the 2.5 GHz band. This further acquisition of spectrum was complementary to the original spectrum acquired in December 2016 as it would allow TPG Singapore to further enhance the services it could offer consumers in Singapore. The total purchase price for this additional spectrum was S$23.8 million.

On 30 August 2018, TPG Australia announced the proposed merger of equals between TPG Australia and VHA. In connection with the Merger and in recognition of the support and investment TPG Australia Shareholders have provided to the venture since 2016, TPG Australia announced the Demerger and In-Specie Dividend of Tuas. This allows TPG Australia's pre-Merger shareholders to retain the full value of the Tuas Group and to directly benefit from the exciting growth potential of the Tuas Group.

On 21 December 2018, TPG Singapore launched a free trial service allowing users to trial its 4G network for free while TPG Singapore continued to enhance its network coverage and quality ahead of full commercial launch.

On 31 March 2020, TPG Singapore ceased offering its free trial mobile services to new customers and launched a paid mobile service offering. TPG Singapore currently has one SIM-only 4G postpaid mobile plan in the market offering, among other things, 50 GB of mobile data and 1 GB of roaming data to selected countries for S$10 per 30 days. As at 30 April 2020, TPG Singapore currently has approximately 7,000 paying subscribers.

In February 2020, TPG submitted a proposal to IMDA to acquire 5G spectrum in response to an IMDA call for proposal, but was not allocated a licence for that spectrum (see Section 4.3.4 for further details).

4.2 Mobile network infrastructure and spectrum assets

4.2.1 Overview

Since TPG Singapore was announced as the successful bidder at the NESA in December 2016, it has made significant progress in establishing its 4G mobile network infrastructure. By using advanced 3D radio planning tools for precise macro sites placement, TPG Singapore achieved over 99.7% overall outdoor mobile network coverage and met IMDA's indoor QoS requirements as at 31 March 2020.

An overview of TPG Singapore's mobile network coverage as at 30 April 2020 is provided at Figure 4.2.1.1:

Figure 4.2.1.1: TPG Singapore's mobile network coverage

4.2.2 Spectrum assets and network coverage

The spectrum licences acquired by TPG Singapore at the NESA and GSA have a term of 16 years from the date of purchase after which they will need to be renewed (see Figure 4.2.2.1). Tuas considers that the spectrum portfolio offers a combination of coverage and capacity, and that the bands are well supported by all major network vendors and the global device ecosystem.

Figure 4.2.2.1: TPG Singapore's spectrum holdings

Spectrum holdings	Expiration
Two lots of 2x5 MHz in the 900 MHz spectrum band	30 June 2033
Eight lots of 5 MHz in the 2.3 GHz spectrum band	30 June 2033
One lot of 2x5 MHz in the 2.5 GHz spectrum band	30 June 2033

In connection with the NESA, the IMDA imposed a number of obligations on TPG Singapore with respect to the construction of its network relating to QoS. TPG Singapore's network rollout has met or is on track to meet those QoS obligations. In particular:

- for in-building areas and all short road tunnels, TPG Singapore has met or exceeded obligations;
- for long road tunnels, TPG Singapore has a waiver that extends the deadline from January 2020 to May 2021. It currently has full coverage of the Kallang-Paya Lebar Expressway and is on track to meeting the May 2021 deadline; and
- for underground MRT tunnels and stations, TPG Singapore currently has full coverage of the new Thomson East Coast Line and is on track to meet the 1 January 2022 deadline.

Figure 4.2.2.2: QoS standards for 4G services[1]

Performance indicators	QoS standards	Effective date for TPG Singapore	TPG Singapore's status
Nationwide outdoor coverage	>95% coverage with signal strength of -109dBm or better	1 January 2019	Satisfied
	>99% coverage with signal strength of -109dBm or better	1 January 2020	Satisfied
In-building coverage	>85% coverage with signal strength of -109dBm or better in each building	1 January 2020	Satisfied
Tunnels coverage	>99% coverage with signal strength of -109dBm or better in all road and MRT tunnels	1 January 2020 (for short road tunnels)	Satisfied
		1 May 2021 (for long road tunnels)	On track
		1 January 2022 (for underground MRT stations / lines)	On track

4.2.3 Network structure

TPG Singapore's 4G mobile telecommunications network consists of three core components:

Network component	Description
Radio access network (**RAN**)	The RAN consists of various types of facilities including macro and small cell sites that connect mobile and wireless devices to the core network. TPG Singapore's 4G RAN is built in compliance with the 3rd Generation Partnership Project (**3GPP**) standards. The 3GPP unites seven telecommunications standard development organisations to ensure there is a uniform standard for mobile telecommunications. TPG Singapore has deployed a number of modern network technologies to improve the efficiency and performance of its RAN as described in Section 4.4.3.
Transmission network	The fibre-based transmission network transports data from each cell site across Singapore to TPG Singapore's core network. TPG Singapore's mobile network is also connected to the internet via Tier-1 Internet Protocol (**IP**) transit providers for direct internet access. Tier 1 refers to IP networks that can exchange traffic with every other major network on the internet. The direct access allows customers to enjoy benefits such as lower latency. Similarly, TPG Singapore has established peering with major peering hubs and technology companies including Singapore Internet Exchange (SGIX), Google, Facebook, Netflix and Amazon. Peering is the direct interconnection between TPG Singapore's IP network and the other company's network to gain economic, performance and traffic control benefits.
Core network	The core network authenticates and provides 4G packet data oriented services to the mobile subscribers. It is also the intelligent central routing network to manage all the mobile voice, data and internet connections between TPG Singapore's mobile devices to other networks or to the internet. TPG Singapore's 4G mobile core network is similarly based on 3GPP architecture. TPG Singapore's core network infrastructure is deployed in two data centres connected to each other whereby each data centre has enough capacity to provide path redundancy for network traffic in the event one data centre should fail. Core functions at the data centres are provided with hardware redundancy as well as capacity resilience. These measures help to provide a high level of service resiliency to customers.

1. IMDA, 'QoS Standards for 4G Services', https://www.imda.gov.sg/-/media/Imda/Files/Regulation-Licensing-and-Consultations/Licensing/licenses/Compliance-to-IDA-standards/QoS-standards-for-4G-services.pdf.

4.3 TPG Singapore's strategy and business model

TPG Singapore owns and operates a national 4G mobile network in Singapore. The primary means by which TPG Singapore plans to generate revenue is by using its network infrastructure to provide mobile telecommunication services to the paying subscriber base which it is developing. TPG Singapore only started generating revenue from customers when it launched its first paid mobile service on 31 March 2020 (although TPG Singapore's historical income statements do include some revenue which arose predominantly from interconnect agreements with other mobile network operators and from a one-off system implementation project).

TPG Singapore's business strategy is to develop and operate a profitable mobile network in Singapore.

The key components to its business strategy are discussed in further detail below.

4.3.1 Customers

On 21 December 2018, TPG Singapore launched a free service trial allowing users to trial the 4G mobile network for free while TPG Singapore continued to enhance its network coverage and quality ahead of full commercial launch. Prior to the cessation of the free trial on 31 March 2020, TPG Singapore had approximately 412,000 subscribers on-boarded for the free trial.

TPG Singapore's first paid plan was launched on 31 March 2020, and the number of new customers who had subscribed to that plan as at 30 April 2020 was approximately 7,000.

Also, following the end of the free trial period, TPG Singapore has begun taking steps to convert those subscribers who participated in the free trial to paying subscribers, and to acquire new subscribers. Consistent with TPG Australia's previous market disclosures, Tuas expects that the TPG Singapore business will be EBITDA breakeven once it has acquired approximately 400,000 to 500,000 mobile subscribers which is approximately a 5% market share of Singapore's total mobile subscribers.

As at 31 March 2020, approximately 186,000 free trial users had been given 60 days' notice that their free trial period was ending and the free trial periods for the remaining free trial users will progressively expire over the remainder of 2020.

TPG Singapore's customer acquisition strategy has been premised on delivering simplicity and value to consumers through what TPG Singapore considers to be competitive pricing and inclusions compared to equivalent offerings in the market, as well as competing through transparency, network quality and customer service.

TPG Singapore's target subscriber base for its mobile services is Singapore residents and non-residents which include dependants, international students and foreign workers. TPG Singapore is seeking to grow its subscriber base by offering mobile services that have broad appeal to its target subscriber base. TPG Singapore's initial marketing campaigns following the commercialisation of its mobile services are seeking to promote its offerings across the Singapore market, by setting a low price point for its 50 GB offering.

All of TPG Singapore's mobile subscribers have been acquired through online channels with minimal customer acquisition costs. TPG Singapore's customers commence their orders for mobile services online via the TPG Singapore website. Once an order confirmation is received, customers attend one of TPG Singapore's SIM collection locations, which include TPG Singapore-branded stores, electronic retailers and pop-up booths near MRT stations.

4.3.2 Products

TPG Singapore is seeking to offer products to its target customer base that are highly competitive in terms of price and inclusions compared to other offerings in the market.

Following the end of its free trial and the commencement of its paid mobile servicing offering, TPG Singapore has one mobile service offering in the market that it believes provides consumers with good value (compared with other offerings in the market) and positions it to grow its paying subscriber base. TPG Singapore's SIM-only 4G postpaid mobile plan for S$10 per 30 days includes:

- 50 GB of mobile data;
- 300 minutes of calls;
- 30 local SMS; and
- 1 GB of mobile roaming data to selected countries including Malaysia, Indonesia, the Philippines, Thailand and India.

However, TPG Singapore intends to continue to roll out new mobile service offerings in the future that seek to deliver a strong value proposition to customers.

4.3.3 Network infrastructure

TPG Singapore has constructed a national 4G mobile network in Singapore using modern technologies to provide a high quality mobile service to its customers.

As at the date of this Information Memorandum, TPG Singapore only directly supplies mobile telecommunication services to its customers. TPG Singapore currently does not have any wholesale arrangements with MVNOs. This means that TPG Singapore is the sole user of (and therefore exclusively derives the benefits from) its 4G mobile network infrastructure and network technologies, which it is able to use to deliver customers what TPG Singapore considers to be a unique value proposition. Being a direct supplier to customers has also allowed TPG Singapore to manage the end-customer relationship and build up customer goodwill.

Additionally, as a new entrant to the Singapore mobile services market, TPG Singapore considers that it has an advantage relative to incumbent MNOs of being able to deploy a network comprised of modern technology with no legacy networks and systems to support.

Tuas believes the combination of these factors allows TPG Singapore to leverage its cost advantage to deliver consumers what it considers to be a competitive mobile service offering in terms of price, inclusions, network coverage and service quality.

4.3.4 5G spectrum

Tuas considers that TPG Singapore's modern 4G mobile network infrastructure is able to be efficiently upgraded to support 5G technology.

In February 2020, TPG Singapore submitted a proposal to IMDA to acquire 5G spectrum in the 3.5 GHz and mmWave bands under the IMDA's 5G spectrum Call for Proposal.

On 17 February 2020, the IMDA announced that it had received three submissions under Call for Proposal – one each from TPG Singapore and Singtel, and a joint submission from StarHub and M1.

On 29 April 2020, the IMDA announced that TPG Singapore will not be allocated a licence for spectrum in the 3.5 GHz band.

TPG Singapore will look at all options to capitalise on new opportunities created by 5G, including working to negotiate a wholesale arrangement to acquire 5G capacity and/or possibly making use of mmWave spectrum.

4.4 Key benefits of TPG Singapore's business model and strategy

4.4.1 Large total addressable market

Tuas believes the total addressable market for telecommunications services in Singapore is significant.

As of 2019, Singapore had a total population, including both residents and non-residents of 5.7 million. Fitch Solutions has forecast Singapore's total population will grow to 6.2 million by 2025, representing a 0.7% CAGR from 2020 to 2025[2].

In addition, Singapore has high mobile penetration rates which have averaged around 150% during the last four years. As at December 2019, Singapore's mobile penetration rate had increased to 159% from 150% as at January 2019 as an increasing number of consumers owned more than one device.

4.4.2 Competitive mobile service offering

Tuas believes that the cost advantage provided by TPG Singapore's modern 4G mobile network infrastructure and automated business support systems can be leveraged to deliver consumers what it considers to be a competitive mobile service offering in terms of price, inclusions, network coverage and service quality to grow its market share.

TPG Singapore was announced as the successful bidder at the NESA in December 2016. It has since made significant progress in building its 4G mobile network infrastructure. Unlike the incumbent MNOs, TPG Singapore does not have to support legacy 3G services and its associated circuit-based technologies, enabling it to be a more agile competitor.

2. Fitch Solutions, 'Singapore Telecommunications Report: Includes 10-year forecasts to 2028' (Q1 2020).

4.4.3 Modern network technologies

TPG Singapore's modern nationwide 4G mobile network infrastructure allows it to deliver what it considers to be a high quality mobile service to its customers.

For example, being the newest 4G RAN network in Singapore, TPG Singapore has deployed several modern Long Term Evolution (LTE) technologies to deliver customers with fast and reliable internet access and high quality voice calls, including:

Technology	Description
CloudRAN	The centralised processing of the CloudRAN architecture can reduce the number of base station sites, which in turn reduces power costs as less air conditioning and other on-site power consuming equipment is needed. CloudRan also has the benefit of improving capacity and spectral efficiency.
Single Frequency Network	Compared to a Multi Frequency Network of a similar capability, a Single Frequency Network can offer improved spectrum efficiency and network coverage.
Massive Multiple-Input, Multiple-Output (**MIMO**)	Massive MIMO is the next evolution of MIMO technology whereby a 'massive' number of antennas are used to receive data from and send data to multiple devices at the same time via the transmitter. Massive MIMO is able to leverage its antenna array to focus beams down to individual users to improve spectral efficiency while radiating less power when transmitting data to improve energy efficiency. The focusing of the antenna beams to individual users also reduces the beam width which has the added benefit of being able to track each user with a narrow signal beam to provide a better and more reliable connection compared to wide area signal technologies.
256-Quadrature Amplitude Modulation (**256-QAM**)	Quadrature Amplitude Modulation is the means by which a carrier signal transmits data and information. The higher the number, the more unique waveform shapes there are, which means more data that can be transferred in one carrier signal. 256-QAM technology allows TPG Singapore to achieve higher data rates and increase spectral efficiency compared to older technologies such as 64-QAM and 16-QAM.
Carrier Aggregation	Carrier Aggregation is a technology that combines two or more carriers into one data channel to support wider bandwidth signals, which thereby enhances data rates and improves network performance.

4.4.4 Efficient pathway to 5G upgrade

Should TPG Singapore become able to use or obtain access to appropriate spectrum, TPG Singapore has what it considers to be an efficient pathway to upgrade its existing network infrastructure to support 5G technology.

TPG Singapore's greenfield deployment of the latest generation of network equipment means the network is able to be efficiently upgraded to support 5G technology and the new revenue streams this could introduce such as Internet of Things.

Accordingly, TPG Singapore's investment in the planning, design and construction of its 4G mobile network leaves it well prepared for a potential rollout of a 5G network should it obtain access to appropriate spectrum.

4.4.5 Experienced Tuas Board and Key Management

The Tuas Board and Key Management have extensive experience leading and operating companies in the telecommunications and IT industries.

Their industry expertise is also backed by a deep knowledge of the Singapore market, enabling them to manage TPG Singapore and help it work towards its growth agenda.

4.5 TPG Singapore's funding arrangements

Prior to the demerger of the Tuas Group and implementation of the TPG Australia Scheme, TPG Australia intends to capitalise Tuas with incremental equity funding resulting in a total share capital balance of S$525 million. As at the Demerger Implementation Date, Tuas is expected to have cash or cash equivalents of approximately S$130 million.

Tuas believes that it will have sufficient cash reserves to meet fully the current obligations to complete the rollout of the TPG Singapore mobile network in Singapore and to fund the business plan to reach the expected operating EBITDA breakeven point.

If additional funding is required, Tuas believes that it will be able to raise additional equity or external debt financing given:

- the substantial nature of Tuas as a standalone entity (noting that as at the Demerger Implementation Date it is expected to have net assets of approximately S$500 million);
- it will be debt-free and will be separate from the existing liabilities of TPG Australia;
- TPG Singapore will be in the initial stages of generating revenue and moving towards EBITDA breakeven; and
- TPG Singapore will have a functioning and substantially complete mobile network.

4.6 Key suppliers to the TPG Singapore business

TPG Singapore has arrangements in place with various third parties to facilitate the construction and operation of its 4G mobile network in Singapore.

These arrangements include the following contracts, all of which have been entered into in the ordinary course of TPG Singapore's business.

Contract type	Summary
4G network rollout	TPG Singapore has a framework agreement in place with Huawei, which provides TPG Singapore's RAN, mobile core network and network transmission equipment. This arrangement provides TPG Singapore with the equipment necessary for the construction and rollout of TPG Singapore's modern 4G mobile network infrastructure in Singapore.
Roaming and interconnection	TPG Singapore has interconnection agreements in place with Singtel, M1 and StarHub – being the other MNOs in Singapore – which provide for interconnection and transmission of calls and messages for customers of TPG Singapore's network.
National broadband network	TPG Singapore has an agreement in place with NetLink Trust, the owner and operator of Singapore's national fibre broadband network, which provides TPG Singapore and its customers with access to the Singapore national broadband network. For connectivity requirements not covered by NetLink Trust, TPG Singapore has agreements in place with StarHub Limited and SPTel Pte Ltd.
Data centre services	TPG Singapore has agreements in place to provide data centre hosting services for TPG Singapore's critical IT infrastructure and communications systems.

4.7 Demerger agreements

4.7.1 Separation Deed

TPG Australia and Tuas will enter into a Separation Deed to provide for the separation of the Tuas Group from the TPG Australia Group, subject to and with effect from the date of the distribution of the In-Specie Dividend. Under the Separation Deed, the Tuas Group will form a separate corporate group, operating on a standalone basis, and other TPG Australia subsidiaries, assets and liabilities which do not relate to the Tuas Group's business will continue to be held by the TPG Australia Group.

Under the Separation Deed, each of TPG Australia and Tuas provide an indemnity in favour of the other that:

- the Tuas Group will have the entire economic benefit and risk of the Tuas Group's business, and will assume all liabilities of that business (including all debt and guarantees provided by TPG Australia Group related to the Tuas Group's business), as if Tuas had owned and operated that business at all times; and
- the TPG Australia Group (excluding the demerged Tuas Group) will have the entire economic benefit and risk of the TPG Australia Group business (excluding the Tuas Group's business) and will assume all liabilities of that TPG Group Australia business as if it had operated and owned that business at all times.

In addition:

- Tuas will indemnify TPG Australia against any loss whatsoever in connection with the Demerger (including any taxes, duties and tax costs, grossed up for any taxes payable by TPG Australia on any such indemnity payment); and
- neither party will be liable for consequential or indirect losses or for any amount included (or otherwise taken account of or reflected in) the TPG Australia working capital or net debt calculations pursuant to the Scheme Implementation Deed.

4.7.2 Transitional Services Agreement

TPG Australia and Tuas will, prior to the implementation of the Demerger, also enter into the Transitional Services Agreement.

Under the Transitional Services Agreement:

- TPG Australia will provide certain services to the Tuas Group on a transitional basis, for up to three years from the Demerger Implementation Date, pending replication of those services by the Tuas Group; and
- TPG Australia will grant to Tuas a non-exclusive, royalty-free licence of the TPG brand and logo for up to two years from the Demerger Implementation Date, pending rebranding of the Tuas Group's business by TPG Singapore.

The services to be provided by the TPG Australia Group to the Tuas Group under the Transitional Services Agreement include:

- provision of third party software;
- IT software and hardware support and maintenance;
- network services such as design, operation and access control configuration;
- value-added services support; and
- corporate telephony support services.

Tuas is required to pay TPG Australia's fees for the transitional services, intended to cover TPG Australia's costs in providing those services.

The Transitional Services Agreement will commence upon implementation of the Demerger and will continue until terminated in accordance with its terms. The agreement can be terminated by each of TPG Australia and Tuas in a number of circumstances, including for:

- material breach of the agreement which is not rectified within a specified period;
- insolvency of the other party; or
- convenience by Tuas only, by 30 days' written notice to TPG Australia.

4.7.3 IP Deed

TPG Australia, TPG Holdings Pty Ltd, AAPT Limited, TPG Internet Pty Ltd, iiNet Limited and Tuas will, prior to the implementation of the Demerger, also enter into the IP Deed.

The purpose of the IP Deed is to permit TPG Australia and Tuas to share software developed prior to the date of the Demerger by one party, which is used in the business of the other party, to ensure TPG Australia and Tuas have continued access to such software.

Under the IP Deed, each of TPG Australia and Tuas (and any related bodies corporate of each of TPG Australia and Tuas who hold the relevant intellectual property rights) assign each other certain intellectual property rights in software to hold as co-owners following the Demerger.

No fees are payable by either party for the mutual assignment under the IP Deed and neither party has material continuing obligations under the IP Deed.

SECTION 5

FINANCIAL INFORMATION

5.1 Introduction

This Section 5 contains the following financial information of TPG Singapore:

- historical income statements for the 13 months from 1 July 2016 (date of incorporation) to 31 July 2017, the years ended 31 July 2018 and 31 July 2019, and the half years ended 31 January 2019 and 31 January 2020 (**TPG Singapore Historical Statements of Comprehensive Income**);
- historical statement of financial position as at 31 January 2020 (**TPG Singapore Historical Statement of Financial Position**); and
- historical statements of cash flows for the 13 months from 1 July 2016 (date of incorporation) to 31 July 2017, the years ended 31 July 2018 and 31 July 2019, and the half years ended 31 January 2019 and 31 January 2020 (**TPG Singapore Historical Statements of Cash Flows**),

(together, the **TPG Singapore Historical Financial Information**).

This Section 5 also contains the pro forma historical consolidated statement of financial position as at 31 January 2020 for the Tuas Group (**Tuas Group Pro Forma Historical Statement of Financial Position**), which, together with the TPG Singapore Historical Financial Information, is the **Financial Information**.

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, totals in tables may not add due to rounding.

The Financial Information should be read together with the risk factors set out in Section 7 and other information contained in this Information Memorandum.

5.2 Basis of preparation of the Financial Information

5.2.1 Overview

The Financial Information in this Section 5 is presented in abbreviated form and consequently does not contain all the presentation and disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

The Financial Information is presented in Singapore dollars, which is TPG Singapore's functional currency. As an ASX listed entity, Tuas's consolidated financial statements will continue to be presented in Singapore dollars. All financial information presented in this Section 5 has been rounded to the nearest thousand Singapore dollars (unless otherwise stated).

The Tuas Directors are responsible for the preparation and presentation of the Financial Information.

5.2.2 Preparation of the TPG Singapore Historical Financial Information

The TPG Singapore Historical Financial Information for the 13 months from 1 July 2016 (date of incorporation) to 31 July 2017 has been extracted from the audited financial statements of TPG Singapore for the 13 months from 1 July 2016 to 31 July 2017. The TPG Singapore Historical Financial Information for the years ended 31 July 2018 and 31 July 2019 has been extracted from the audited financial statements of TPG Singapore contained in its Annual Report for the financial year ended 31 July 2019, including the comparative financial statements for the year ended 31 July 2018. The financial statements of TPG Singapore for the 13 months from 1 July 2016 to 31 July 2017 and for the financial year ended 31 July 2019 were audited by KPMG Singapore in accordance with the Singapore Standards on Auditing and on which KPMG Singapore provided unqualified audit opinions.

The TPG Singapore Historical Financial Information for the half years ended 31 January 2019 and 31 January 2020 has been extracted from the reviewed financial statements of TPG Singapore contained in its Condensed Interim Financial Report for the half year ended 31 January 2020, including the comparative financial statements for the half year ended 31 January 2019. The financial statements of TPG Singapore for the half year ended 31 January 2020 were reviewed by KPMG Singapore in accordance with the Singapore Standard on Review Engagements, and on which KPMG Singapore provided an unqualified review conclusion.

The Annual Report of TPG Singapore for the financial year ended 31 July 2019, and the Condensed Interim Financial Report of TPG Singapore for the half year ended 31 January 2020, are appended to this Information Memorandum in Appendices 1 and 2 respectively.

The TPG Singapore Historical Financial Information has been prepared in accordance with the measurement and recognition principles prescribed in Singapore Financial Reporting Standards (**SFRS**) and the significant accounting policies described in the Annual Report and Condensed Interim Financial Report disclosed in Appendices 1 and 2. With the exception of the adoption of FRS 116 *Leases*, the accounting policies applied by TPG Singapore in the preparation of the financial statements for the half year ended 31 January 2020 were the same as those applied in the financial statements for the year ended 31 July 2019. The impact the of the adoption (from 1 August 2019) of FRS 116 *Leases* on the financial statements for the half year ended 31 January 2020 is described in Note 3 (Significant Accounting Policies) of those financial statements (disclosed in Appendix 2 of this Information Memorandum).

As an ASX listed entity, Tuas's consolidated financial statements will be prepared in accordance with Australian Accounting Standards. There are no differences between the SFRS and Australian Accounting Standards that have a material impact on the TPG Singapore Historical Financial Information.

5.2.3 Preparation of the Tuas Group Pro Forma Historical Statement of Financial Position

As described in Section 4.1, Tuas was incorporated on 11 March 2020, specifically for the purposes of the acquisition of TPG Singapore, the Demerger and ASX listing.

The Tuas Group Pro Forma Historical Statement of Financial Position has been prepared for illustrative purposes to provide an indication of the financial position of the Tuas Group as if the Demerger had been implemented on 31 January 2020. It does not purport to reflect the actual financial position of the Tuas Group at the date of the Demerger. The actual financial position of the Tuas Group in future periods will differ from the Tuas Group Pro Forma Historical Statement of Financial Position presented in this Section 5.

The pro forma adjustments in respect of the Tuas Group Pro Forma Historical Statement of Financial Position are as described in Section 5.5.2 (**Pro Forma Adjustments**).

The Tuas Group Pro Forma Historical Statement of Financial Position has been prepared in accordance with the measurement and recognition principles prescribed in Australian Accounting Standards, other than that it is presented on a pro forma basis as if the Demerger had already occurred.

For accounting purposes, the acquisition of TPG Singapore by Tuas is deemed to be a common control transaction as both Tuas and TPG Singapore were wholly-owned subsidiaries of TPG Australia at the time of acquisition. Accordingly, Tuas will recognise the assets and liabilities of TPG Singapore at book value at the time of acquisition. There will not be any requirement to undertake a purchase price allocation exercise to recognise the TPG Singapore assets and liabilities at fair value that would otherwise be required under AASB 3 *Business Combinations*.

KPMG Transaction Services was appointed as the Investigating Accountant to prepare an Investigating Accountant's Report in respect of the Tuas Group Pro Forma Historical Statement of Financial Position, a copy of which is included in Section 8.

5.3 TPG Singapore Historical Statements of Comprehensive Income

5.3.1 TPG Singapore Historical Statements of Comprehensive Income

The TPG Singapore Historical Statements of Comprehensive Income are presented in Table 5.3.1.1.

Table 5.3.1.1: TPG Singapore Historical Statements of Comprehensive Income

S$'000	13 months ended 31 July 2017	Year ended 31 July 2018	Year ended 31 July 2019	Half year ended 31 January 2019	Half year ended 31 January 2020
Revenue	–	–	16	–	1,005
Network, carrier and hardware costs	–	–	–	–	(298)
Employee benefits expense	(108)	(385)	(1,165)	(356)	(969)
Other expenses	(203)	(1,042)	(1,441)	(458)	(1,070)
Earnings before interest, tax, impairment, depreciation and amortisation	**(311)**	**(1,426)**	**(2,589)**	**(814)**	**(1,332)**
Depreciation of plant and equipment	(8)	(86)	(187)	(85)	(451)
Amortisation of intangibles	–	–	(11)	(4)	(7)
Results from operating activities	**(319)**	**(1,513)**	**(2,787)**	**(904)**	**(1,790)**
Net financing (costs)/income	–	–	–	18	(17)
Loss before income tax	**(319)**	**(1,513)**	**(2,787)**	**(885)**	**(1,807)**
Tax income/(expense)	54	257	276	(48)	307
Loss after tax and total comprehensive income for the year/period	**(264)**	**(1,255)**	**(2,511)**	**(933)**	**(1,500)**

5.4 TPG Singapore Historical Statements of Cash Flows

5.4.1 TPG Singapore Historical Statements of Cash Flows

The TPG Singapore Historical Statements of Cash Flows are presented in Table 5.4.1.1 below.

Table 5.4.1.1: TPG Singapore Historical Statements of Cash Flows

S$'000	13 months ended 31 July 2017	Year ended 31 July 2018	Year ended 31 July 2019	Half year ended 31 January 2019	Half year ended 31 January 2020
Cash flows from operating activities					
Cash receipts from customers	–	–	–	–	1,028
Cash paid to suppliers and employees	(2,178)	(1,572)	(2,683)	(1,577)	(2,728)
Tax paid	–	–	–	–	–
Net cash used in operating activities	**(2,178)**	**(1,572)**	**(2,683)**	**(1,577)**	**(1,700)**
Cash flows from investing activities					
Acquisition of property, plant and equipment	(1,164)	(63,260)	(80,632)	(43,456)	(63,302)
Acquisition of intangibles (incl spectrum)	(130,183)	(224)	(2,485)	(1,150)	(917)
Net cash used in investing activities	**(131,347)**	**(63,484)**	**(83,117)**	**(44,607)**	**(64,220)**
Cash flows from financing activities					
Proceeds from issue of share capital	1,000	–	–	–	–
Proceeds from issue of convertible notes	133,585	80,650	69,997	30,575	68,923
Repayment of lease liabilities	–	–	–	–	(346)
Finance costs paid	–	–	–	–	(17)
Net cash from financing activities	**134,585**	**80,650**	**69,997**	**30,575**	**68,560**
Net increase/(decrease) in cash and cash equivalents	**1,060**	**15,594**	**(15,802)**	**(15,608)**	**2,641**
Cash and cash equivalents at beginning of the year/period	–	1,060	16,654	16,654	851
Cash and cash equivalents at end of the year/period	**1,060**	**16,654**	**851**	**1,046**	**3,492**

5.5 Management commentary on TPG Singapore's historical financial performance

TPG Singapore's focus to-date has been on the construction of its mobile network. The launch of paid mobile services by TPG Singapore did not occur until the end of March 2020. Accordingly, the TPG Singapore Historical Financial Information presented above includes no customer revenue. The revenue shown for the half year ended 31 January 2020 arose predominantly from interconnect agreements with other MNOs and from a one-off system implementation project.

Most of TPG Singapore's expenditure to-date has been on network infrastructure and spectrum (shown in Table 5.4.1.1 as 'Acquisition of property, plant and equipment', and 'Acquisition of intangibles' respectively).

Expenditure incurred by TPG Singapore to-date that does not directly relate to the construction of the mobile network is reflected within employee benefits and other expenses in Table 5.3.1.1 and as cash paid to suppliers and employees under operating activities in Table 5.4.1.1. These items include employee expenses, administrative and other professional services expenses, marketing and IT expenses, rent and other overheads incurred in operating the business.

Spectrum and network assets are accounted for on a historical cost basis. Expenses directly attributable to building the network were capitalised throughout the network construction phase and depreciation only commenced from the date of commercial launch at the end of March 2020.

In order to fund the expenditure on spectrum, the mobile network build and other expenses to-date, TPG Singapore has issued convertible notes to TPG Australia.

5.5.1 TPG Singapore Historical Statement of Financial Position and Tuas Group Pro Forma Historical Statement of Financial Position

The TPG Singapore Historical Statement of Financial Position and the Tuas Group Pro Forma Historical Statement of Financial Position are set out in Table 5.5.1.1.

Table 5.5.1.1: TPG Singapore Historical Statement of Financial Position and Tuas Group Pro Forma Historical Statement of Financial Position

S$'000	TPG Singapore Historical Statement of Financial Position at 31 January 2020	Conversion of TPG Australia Convertible Notes	Capitalisation of Tuas Group	Tuas Group Pro Forma Historical Statement of Financial Position
Cash and cash equivalents	3,492	–	170,844	174,336
Other receivables	2,143	–	–	2,143
Trade receivables	47	–	–	47
Inventory	67	–	–	67
Total Current Assets	5,749	–	170,844	176,593
Plant and equipment	210,897	–	–	210,897
Right-of-use assets	742	–	–	742
Intangible assets	134,777	–	–	134,777
Deferred tax assets	900	–	–	900
Other receivables	645	–	–	645
Total Non-Current Assets	**347,961**	**–**	**–**	**347,961**
Total Assets	**353,710**	**–**	**170,844**	**524,554**
Convertible notes	353,156	(353,156)	–	–
Trade and other payables	4,190	–	–	4,190
Lease liabilities	711	–	–	711
Total Current Liabilities	**358,057**	**(353,156)**	**–**	**4,901**
Lease liabilities	60	–	–	60
Other payables	152	–	–	152
Total Non-Current Liabilities	**212**	**–**	**–**	**212**
Total Liabilities	**358,269**	**(353,156)**	**–**	**5,113**
Net Assets	**(4,559)**	**353,156**	**170,844**	**519,441**
Share capital	1,000	353,156	170,844	525,000
Accumulated losses	(5,559)	–	–	(5,559)
Total Equity	**(4,559)**	**353,156**	**170,844**	**519,441**

5.5.2 Pro Forma Adjustments to the TPG Singapore Historical Statements of Financial Position

The Pro Forma Adjustments made to the TPG Singapore Historical Statement of Financial Position to derive the Tuas Group Pro Forma Historical Statement of Financial Position are as follows:

- **Conversion of TPG Australia Convertible Notes:** Prior to the Demerger, the total outstanding TPG Australia Convertible Notes will be converted to equity, leaving no TPG Convertible Notes outstanding and increasing TPG Singapore's equity by the amount of the converted Convertible Notes. This Pro Forma Adjustment above reflects the impact of this conversion on the TPG Singapore Historical Statement of Financial Position as if it had occurred at 31 January 2020. It should be noted that the amount of the outstanding Convertible Notes at the date of the Demerger will be higher than it was at 31 January 2020 as further funding will be provided by TPG Australia between 31 January 2020 and the date of Demerger; and
- **Capitalisation of the Tuas Group:** As described in Section 4.5, prior to the Demerger and implementation of the TPG Australia Scheme, TPG Australia intends to capitalise Tuas with incremental equity funding resulting in a total share capital balance of S$525 million. This Pro Forma Adjustment reflects the impact of this capitalisation on the Tuas Group Pro Forma Historical Statement of Financial Position as if it had occurred at 31 January 2020.

  The resulting pro forma cash balance of S$174.3 million shown in the Tuas Group Pro Forma Historical Statement of Financial Position is higher than the amount of cash that the Tuas Group is expected to have available at the date of implementation of the Demerger due to the fact that cash will have been used to fund TPG Singapore's activities between 31 January 2020 and implementation of the Demerger. As stated in Section 4.5, it is expected that the Tuas Group will have approximately S$130 million of cash as at implementation of the Demerger.

5.6 Additional corporate and operating costs

Following the Demerger, Tuas will incur new governance related expenses arising from the establishment of a board of directors. In addition, Tuas will incur costs associated with being a publicly listed company such as ASX listing fees.

The costs to TPG Singapore of the transitional services described in Section 4.7.2 are not expected to increase the costs TPG Singapore has already anticipated in its business plan. Accordingly, TPG Singapore does not expect to incur incremental costs upon the cessation of the Transitional Services Agreement.

5.7 Dividend policy

The Tuas Directors will make a determination of the level of dividends to be paid each reporting period, taking into account Tuas's financial performance and funding position and a range of forward looking factors.

Subject to market conditions, there is currently no intention to pay any dividends as TPG Singapore finishes its network rollout to satisfy its performance obligations imposed as part of the NESA.

SECTION 6

KEY PEOPLE, INTERESTS AND BENEFITS

6.1 Board of directors and management team

The Tuas Board and Tuas's management team have extensive experience leading and operating companies in the telecommunications and IT industries. Their industry expertise is also backed by a deep knowledge of the Singapore market.

The experience of the Tuas Board and Key Management personnel has been described below.

6.1.1 Tuas Board

Name	Experience
David Teoh *Executive Chairman*	David Teoh is the founder and Managing Director of TPG Australia and has been the chairman of TPG Australia since 2008. Upon implementation of the TPG Australia Scheme, it is proposed that David will be the chairman of the merged VHA-TPG group.
Robert Millner *Non-Executive Director*	Robert Millner has been a director of TPG Australia since 2000 and is also a director of the following public companies: BKI Investment Company Ltd, Apex Healthcare Berhad (Malaysia), Australian Pharmaceutical Industries Ltd, Milton Corporation Ltd, Brickworks Ltd, New Hope Corporation Ltd and Washington H Soul Pattinson and Company Ltd.
Jack Teoh *Non-Executive Director*	Jack Teoh is a businessman with shareholding and management interests in a number of companies operating in wide ranging industries. He is the managing director of Oscar Wylee Pty Ltd, a successful optometrist and spectacle retailer with over 65 outlets in Australia and overseas.
Sarah Kenny *Non-Executive Director*	Sarah Kenny is an accomplished and experienced legal adviser and director, having a 20 year career as a partner with global law firm Herbert Smith Freehills, with whom she continues to work as a consultant. During that time, she specialised in providing complex legal advice in wide ranging issues including technology, telecommunications and media, outsourcing, intellectual property, gaming and wagering, sport and sports infrastructure projects and major events, property, regulated industries, financial services, governance and compliance. She held a number of leadership roles including the Head of the Sydney Corporate Group. She was a board member of the ASX listed Propertylink Group from 2017, on which she filled roles on the Audit and Risk and the Remuneration and Nomination committees. Sarah is a Graduate member of the Australian Institute of Company Directors.
Alan Latimer *Non-Executive Director*	Alan Latimer (BCom, CA) had a long career as a well-regarded business manager until retiring from day-to-day professional life in late 2014. Alan was Chief Financial Officer for the TPG Holdings group of companies from the 1990s and held financial and operational responsibilities with that group until his retirement. From the time the TPG Australia Group became listed on the ASX in 2008 until his retirement, Alan was an Executive Director on the board of TPG Australia. Over that career, Alan assisted with the growth of the TPG Australia Group from being an assembler and distributor of personal computers and other technology equipment through the early days of the internet to being a national carriage service provider selling voice, internet and mobile services to Australian residential, business, and government customers.
Clare Craven *Company Secretary*	Clare Craven has over 20 years' company secretarial, legal and commercial experience, including multi-jurisdictional practice as both a company secretary and lawyer. Clare joined Company Matters Pty Ltd in August 2019 from Westpac Banking Corporation (Westpac), where Clare was the Head of Westpac Secretariat & Projects. Clare commenced with Westpac in 2007, and worked in a number of senior roles in the secretariat division. Prior to joining Westpac, Clare was a company secretarial consultant for a number of private and public (included listed) companies in the financial services, construction, insurance and health services sectors, and prior to that was a solicitor. Clare is admitted to the Supreme Court of New South Wales as a Solicitor, is a Fellow of the Governance Institute of Australia and a Graduate Member of the Australian Institute of Company Directors.

6.1.2 Management team

Name	Experience
David Teoh *Executive Chairman*	See Section 6.1.1.
Richard Tan *Chief Executive Officer and General Manager*	Richard has 30 years of experience in the telecommunications and IT industries. He has held senior leadership positions in companies such as Singtel Ltd, PT Telekomunikasi Selular and PT Smartfren. He is also an independent director of SGX-listed Asian Pay Television Trust. Richard holds a Bachelor of Engineering in Electrical Engineering (Honours), a Master of Science in Electrical Engineering, as well as a Graduate Certificate in International Arbitration from the National University of Singapore.
Harry Wong *Head of Finance*	Harry has over 20 years of experience in accounting, financial planning and analysis. Prior to joining TPG Singapore in August 2019, Harry worked at Singtel for approximately 10 years where he was a senior finance manager. Prior to that, Harry held the position of financial analyst at various technology companies after starting his career as an auditor at Deloitte & Touche. Harry holds a Bachelor of Accountancy and is a CPA qualified practitioner.
Benjamin Tan *Head of Technology and Security*	Benjamin has over 20 years of experience in telecommunications, technology and security. Prior to joining TPG Singapore in January 2020, Benjamin was a managing director at both MNF Group and SuperInternet in Singapore. Benjamin was also previously a past member of the board of directors of Singapore Internet Exchange (SGIX). Benjamin holds a Bachelor of Law from the National University of Singapore.
Ng Chong Teck *Head of Network Operations*	Chong Teck has over 40 years of experience in the telecommunications industry both in Singapore and overseas heading up network implementations and operations. Prior to joining TPG Singapore in March 2018, Chong Teck was responsible for the 2G/3G/4G rollouts and RAN operations at StarHub. Prior to that, Chong Teck spent under five years at Hutchison Paging as a manager in radio engineering, and approximately 10 years at Singtel as an associate engineer.

6.1.3 TPG Singapore Board

TPG Singapore is the primary operating subsidiary of the Tuas Group. The TPG Singapore Board will be comprised of the following directors:

Name	Experience
David Teoh	See Section 6.1.1.
Frederick Ronald Rajkumar Masillamoni (Raj)	Raj has a degree in Communications Engineering and has enjoyed a career spanning more than 30 years in senior technical and engineering roles in various IT companies. Raj has been a non-executive director of TPG Singapore since its establishment in 2016.

6.2 Interests and benefits of Tuas Directors and Key Management

This Section 6.2 sets out the nature and extent of the interests and fees of Tuas Directors and Key Management.

Except as set out in this Information Memorandum:

- no Tuas Director or proposed Tuas Director of Tuas has any interest or has had any interest during the last two years, in the formation or promotion of Tuas, in property acquired or proposed to be acquired by Tuas in connection with its formation or promotion, or in the Demerger; and
- no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any such person in connection with the services provided by the person in connection with the formation or promotion of Tuas or TPG Singapore, or the Demerger.

6.2.1 Directors' interests and remuneration

6.2.1.1 Remuneration of Non-Executive Directors

Prior to the date of this Information Memorandum, each of the Non-Executive Directors has entered into appointment letters with Tuas, confirming the terms of their appointments, their roles and responsibilities and Tuas's expectations of them as Tuas Directors.

Under the Tuas Constitution, the Tuas Board may decide the total amount paid by Tuas to each Tuas Director as remuneration for their services as a Tuas Director. However, under the Tuas Constitution and the ASX Listing Rules, the total amount of fees paid to all Non-Executive Directors in any financial year must not exceed the aggregate amount of Non-Executive Directors' fees approved by Tuas Shareholders at the Tuas general meeting.

This amount has been fixed by Tuas at A$500,000 per annum.

As at the date of this Information Memorandum, the annual base fee agreed to be paid by Tuas to each of the Non-Executive Directors is A$65,000.

Non-Executive Directors will also be paid Committee fees of A$10,000 per year for each Committee of which they are a member or A$20,000 if they are Chair of the Committee.

All Non-Executive Directors' fees are exclusive of statutory superannuation contributions.

6.2.1.2 Remuneration of Executive Chairman

David Teoh is appointed Executive Chairman. See Section 6.2.2.1 below for further details of his remuneration.

6.2.1.3 Deeds of indemnity, insurance and access

Tuas has entered into deeds of indemnity, insurance and access with each Tuas Director. Each deed contains a right of access to certain books and records of Tuas and its related bodies corporate for a period of seven years after the Tuas Director ceases to hold office, on receiving reasonable notice from the Tuas Director. This seven year period is extended where certain proceedings or investigations commence during the seven year period but are not resolved until later.

Pursuant to the Tuas Constitution, Tuas must indemnify the Tuas Directors and executive officers on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by those individuals as officers of Tuas or its related body corporate. Under the deeds of indemnity, insurance and access, Tuas indemnifies and has agreed to keep indemnifying, each Tuas Director on a full indemnity basis and to the full extent permitted by law, against all losses or liabilities (including all reasonable legal costs) incurred by the Tuas Director as an officer of Tuas or of its related body corporate during or after the period during which the Tuas Director holds office as a director of Tuas.

Pursuant to the Tuas Constitution, Tuas may purchase and maintain insurance for each Tuas Director and executive officer of Tuas to the full extent permitted by law against any liability incurred by those individuals in their capacity as officers of Tuas or its related body corporate. Under the deeds of indemnity, insurance and access, Tuas must maintain such insurance for each Tuas Director for the period during which the Tuas Director holds office as a director of Tuas and for a period of seven years after a Tuas Director ceases to hold office. This seven year period is extended where certain proceedings or investigations commence during the seven year period but are not resolved until later.

6.2.1.4 Other information

Tuas Directors are entitled to be paid for travel and other expenses incurred in attending to Tuas's affairs, including attending and returning from general meetings of Tuas or meetings of the Tuas Board or Committees of the Tuas Board. Any Tuas Director who performs extra services, makes any special exertions for the benefit of Tuas or who otherwise performs services which, in the opinion of the Tuas Board, are outside the scope of the ordinary duties of a Tuas Director, may be remunerated for the services (as determined by the Tuas Board) out of the funds of Tuas. These amounts are in addition to the fees set out in Section 6.2.1.1.

Tuas does not pay benefits (other than statutory entitlements) on retirement to Non-Executive Directors.

6.2.1.5 Directors' shareholdings

The Tuas Directors' shareholding in TPG Australia Shares as at the date of this Information Memorandum and the Tuas Shares they will receive through the In-Specie Dividend (assuming they do not dispose of any relevant interest in any TPG Australia Shares between the date of this Information Memorandum and the In-Specie Dividend Record Date) are set out in the table below.

Director	TPG Australia Shares held (directly and through Associates)	Tuas Shares that will be held after the In-Specie Dividend (directly and through Associates)
David Teoh	318,315,608	159,157,804
Robert Millner	8,300,009	4,150,005
Jack Teoh	nil	nil
Sarah Kenny	nil	nil
Alan Latimer	nil	nil

6.2.2 Key Management's interests and remuneration

6.2.2.1 Remuneration of Executive Chairman

The Tuas Board recognises the importance at this early stage of development of the TPG Singapore business of having talented and experienced managers to drive the business to achieving its objectives. Tuas is fortunate to have secured the agreement of David Teoh to fill an Executive Chairman role. David will be able to bring his many years of experience as an entrepreneur and manager in the telecommunications industry to benefit Tuas and TPG Singapore.

David will be employed by Tuas on a typical form of employment contract which will be terminable by either party on three months' written notice. His initial agreed annual remuneration will be A$150,000 plus superannuation up to the amount required under the *Superannuation Guarantee (Administration) Act 1992* (Cth). He will be reimbursed for expenses properly incurred and evidenced. Remuneration payable to the Executive Chairman will be reviewed annually and fixed by the Tuas Board.

His employment contract will be in relatively typical terms, giving the Executive Chairman rights to four weeks annual leave and sick leave required by law. No incentive scheme has been put in place at the date of this Information Memorandum and the employment contract does not contain any provision for termination benefits other than as required by law.

6.2.2.2 Remuneration of Chief Executive Officer

Details regarding the terms of employment of the Chief Executive Officer, Richard Tan, are set out below:

Term	Description
Employer	Richard is employed by TPG Singapore.
Remuneration and other benefits	Richard is entitled to receive annual fixed remuneration of S$650,000 (inclusive of base salary and superannuation). Richard is also provided with certain insurance and car allowance benefits by TPG Singapore. TPG Singapore may pay additional benefits to Richard in its absolute discretion.
Incentives	Richard is entitled to a cash bonus of S$300,000 each year, subject to achieving performance metrics set by TPG Singapore. Eligibility for this bonus is determined by TPG Singapore.
Termination	Under his employment contract, either Richard or TPG Singapore can terminate Richard's employment by giving the other party two months' notice (or by TPG Singapore making payment in lieu of notice for part or all of the notice period). TPG Singapore may terminate Richard's employment contract without notice in certain circumstances, including where he engages in serious misconduct, refuses or fails to comply with a lawful and reasonable directive of TPG Singapore, or engages in any fraudulent or dishonest conduct. All payments on termination will be subject to the termination benefits cap under the Corporations Act.
Restraints	While Richard is employed with TPG Singapore, Richard is restricted from participating in business activities or accepting director positions outside of the Tuas Group other than with the Executive Chairman's consent.

6.2.2.3 Key Management's shareholdings

The Key Management's shareholding in TPG Australia Shares as at the date of this Information Memorandum and the Tuas Shares they will receive through the In-Specie Dividend (assuming they do not dispose of any relevant interest in any TPG Australia Shares between the date of this Information Memorandum and the In-Specie Dividend Record Date) are set out in the table below.

Key Management	TPG Australia Shares held (directly and through associates)	Tuas Shares that will be held after the In-Specie Dividend (directly and through Associates)
David Teoh	See above at Section 6.2.1.5.	See above at Section 6.2.1.5.
Richard Tan	nil	nil

6.2.3 Employee remuneration and incentives

The Tuas Group has approximately 105 full-time employees who are based primarily in Singapore and are employed by TPG Singapore. The Tuas Group's employees are not subject to collective bargaining agreements.

6.2.3.1 Employment agreements

TPG Singapore's senior executives are currently employed under written employment agreements governed by Singapore law.

Each of these agreements is generally terminable for convenience, with notice, which means that either the employee or the company may terminate the employment relationship with notice at any time. The employment agreements provide the terms of the remuneration which may be conferred on the employees during their period of employment (such as base salary, performance bonuses, participation in incentive plans, and severance payments and benefits).

The employment agreements typically include customary provisions governed by Singapore law relating to the non-disclosure of confidential information, non-solicitation of employees and confirming that all products, inventions and intellectual property developed during the term of the employee's employment is owned by their employer.

Refer to Section 6.2.2 for a summary of the key terms of the Key Management employment agreements.

6.2.3.2 Principles of remuneration

The principal remuneration objectives of TPG Singapore are to:

- fairly reward executives having regard to their individual performance against agreed objectives, the overall performance of the TPG Singapore business and the external compensation environment in which TPG Singapore operates;
- enable TPG Singapore to attract and retain key executives capable of contributing to the development of TPG Singapore's business, who will create sustainable value for shareholders and other stakeholders; and
- appropriately align the interests of executives with shareholders.

The remuneration provided to TPG Singapore executives takes into account the highly competitive and rapidly changing nature of the mobile communications industry in Singapore so as to attract and retain the best talent available.

The remuneration for Key Management is set out above at Section 6.2.2.

For other TPG Singapore executives, remuneration currently predominantly comprises fixed salaries only. Fixed salaries are reviewed annually and advised to the executive. Fixed salary levels are benchmarked regularly against competitors. All executives are paid in Singapore dollars.

Following implementation of the Demerger, Tuas expects to develop an incentive scheme to closely align executives' remuneration with shareholder interests.

6.3 Corporate governance

6.3.1 Overview

The Tuas Board recognises its responsibility for the proper management of Tuas and TPG Singapore and is committed to maintaining a high standard of corporate governance.

The Tuas Board is comprised of five directors. Further information relating to the Tuas Directors is set out in Section 6.1.1 of this Information Memorandum.

Tuas's corporate governance practices are described below.

6.3.2 ASX Principles

Tuas has applied for admission to the Official List and for Official Quotation of the Tuas Shares on ASX. Accordingly, Tuas has reviewed the ASX principles for listed entities developed and released by the ASX Corporate Governance Council (**ASX Principles**). The ASX Principles set out a number of corporate governance recommendations and listed entities are required to report on an "if not, why not" basis. In accordance with the ASX Principles, Tuas has prepared a corporate governance statement which discloses the extent to which it complies with the ASX Principles.

As at the date of this Information Memorandum, Tuas intends to follow all of the ASX Principles except as disclosed below.

Independent Chairman and number of independent directors

Tuas notes the Recommendation in the ASX Principles that listed companies should have an independent director as Chairperson. David Teoh, the Executive Chairperson, is not independent as he is a substantial shareholder of Tuas. The Tuas Board is of the view that the depth of experience and understanding that David Teoh has of the Tuas Group and of the industry in which the Tuas Group operates provides benefits that exceed those that may flow from having an independent non-executive director.

Tuas believes that each director brings an independent mind and judgement to bear on all Tuas Board decisions, notwithstanding that the Chairperson and a majority of the Tuas Board are not independent. All directors are able to and do review and challenge the assumptions and performance of management to ensure decisions taken are in the best interests of the Tuas Group.

Nomination committee

The Tuas Board does not have a nomination committee. Rather, the Tuas Board will act as the nominations committee and as such has responsibility for the selection and appointment of directors, undertaking evaluation of the Tuas Board's performance and developing and implementing a plan for identifying, assessing and enhancing directors' competencies.

When considering a new director appointment, the Tuas Board will give consideration to achieving an appropriate balance of professional skills, experience, independence, expertise and diversity on the Tuas Board.

Diversity Policy

Tuas's Code of Conduct provides that all employees must treat all other employees and potential employees according to their skills, qualifications, competencies and potential and must not discriminate on the basis of race, religion, gender, sexual preference, age, marital status or disability. The following guidelines have been established to ensure compliance with the Code of Conduct:

- selection of new staff, development, promotion and remuneration are on the basis of performance and capability;
- training and development are offered across the Tuas Group including external technical courses, mentoring and secondments, in order to develop a diverse and skilled workforce; and
- reporting to senior management by managers and supervisors takes place in relation to employment issues, and review and analysis of exit interviews is undertaken to identify any discrimination related issues.

Aside from the guidelines set out above, Tuas has not established measurable objectives for gender diversity in the workforce and does not have a separate written diversity policy.

With regard to gender diversity, the Tuas Group has a healthy mix, with the proportion of female employees at the end of FY19 being 33%. The proportion of management positions held by female employees is currently approximately 21%. Furthermore, Tuas notes that there will be one female director on the Tuas Board.

Induction program for directors

Given that the Tuas Board will only have been recently constituted following the Demerger, Tuas has not felt it necessary to develop a formal induction program or professional development program for directors.

However, any new Tuas Board member would receive an induction briefing from the company secretary or Chief Executive Officer introducing the Tuas Board member to the management accounts, board pack information, key risks and future objectives of Tuas.

6.3.3 Board composition

The Tuas Board will, upon implementation of the Demerger, consist of two independent Non-Executive Directors, being Alan Latimer and Sarah Kenny.

The Tuas Directors will determine the size of the Tuas Board subject to the Tuas Constitution and applicable laws under the Corporations Act. Pursuant to the Tuas Constitution, the number of directors on the Tuas Board must be no less than three and no more than 10.

The Tuas Board believes that maximum value for shareholders is best served with a board composition of five directors with four being non-executive directors, of whom two are independent.

6.3.4 Board Charter

The Tuas Board is structured in accordance with the Tuas Constitution through which it derives its power to manage the Tuas Group. The Tuas Board has overall responsibility for the corporate governance of the Tuas Group to optimise performance and shareholder value within an appropriate framework of risk assessment and management.

The primary functions of the Tuas Board, include, among other things:

- overseeing the Tuas Group's businesses, including systems and controls;
- appointing and removing, as well as determining remuneration of, the Chief Executive Officer;
- reviewing and approving the Tuas Group's strategic business plans and financial objectives;
- overseeing the risk management and reporting systems of the Tuas Group and monitoring compliance;
- protecting the Tuas Group's financial position and ensuring its ability to meet financial obligations;
- ensuring compliance with legal and regulatory frameworks within which the Tuas Group operates;
- selecting external auditors and ensuring the Tuas Group's accounts comply with relevant accounting standards;
- ensuring appropriate resources are available to management;
- ensuring open and timely communication between the Tuas Group, its shareholders and stakeholders and the public; and
- approving and monitoring major capital expenditure, capital management and strategic acquisitions or divestitures.

While the Tuas Board has delegated the day-to-day management of the business to executive management, a number of matters are reserved for the collective decision making of the Tuas Board. These include, among other things, nomination and remuneration of Tuas Directors, succession planning and corporate governance matters.

The Tuas Board has also delegated some of its functions to Committees, although overall responsibility for those Committees, including the matters referred to them, rests with the Tuas Board.

Copies of the Tuas Board Charter and the charters of the Committees will be available at www.tuas.com.au after ASX listing.

6.3.5 Board committees

To assist it in carrying out its responsibilities, the Tuas Board will establish an Audit & Risk Committee and a Remuneration Committee.

Audit & Risk Committee

The Audit & Risk Committee will assist in the oversight and review of the financial, operational and risk management of the Tuas Group's activities.

The Audit & Risk Committee has responsibility for ensuring the integrity of the financial reporting process, the risk management system, internal reporting and controls, management of strategic and major financial and operational risks and the external audit process based on sound principles of accountability, transparency and responsibility.

The Audit & Risk Committee will meet at least twice a year or more if so required, to assess matters within its responsibility as stipulated in the Audit & Risk Committee Charter. The Chairperson of the Audit & Risk Committee may invite such other persons as he or she deems appropriate, to attend the meetings, including external auditors or professional advisers. Minutes of these meetings shall be taken by the Secretary of the Audit & Risk Committee and distributed to the Tuas Board.

The Audit & Risk Committee will comprise three Non-Executive Directors, two of whom are independent. It is proposed that Alan Latimer will be the Chairperson of the Audit & Risk Committee.

Copies of the Audit & Risk Committee Charter will be available at www.tuas.com.au after ASX listing.

Remuneration Committee

The Remuneration Committee will be responsible for reviewing and making recommendations to the Tuas Board on remuneration packages and policies applicable to executives and directors.

The Remuneration Committee will meet as required throughout the year. The Remuneration Committee will comprise three Non-Executive Directors, two of whom are independent.

It is proposed that Sarah Kenny will be the Chairperson of the Remuneration Committee.

6.3.6 Corporate governance policies

Tuas has adopted a number of corporate governance policies, which it has prepared in accordance with ASX Principles. In order to best serve the Tuas Group's business needs, and to remain aligned with best market practice, these policies will be regularly reviewed, developed and refined.

These policies will be available at www.tuas.com.au after ASX listing.

Code of Conduct

Tuas has a commitment to ethical, responsible and honest business practice. To uphold these values, Tuas has adopted a Code of Conduct which establishes the ethical standards of conduct and behaviour expected of directors, officers, employees and contractors of the Tuas Group in their business dealings. The ethical framework in the Code of Conduct encourages an environment of professionalism where the highest standards are maintained in the interests of the Tuas Group and its customers, shareholders, directors, officers, employees and contractors collectively.

Market Disclosure Policy

Tuas is committed to ensuring that the market is informed of all material information concerning the Tuas Group in a timely and accurate manner. Accordingly, and to ensure compliance with the Corporations Act and the ASX Listing Rules, Tuas has established a Market Disclosure Policy to ensure that the market is properly informed of matters that may have a material impact on the price at which Tuas's securities are traded.

The policy establishes responsibility and accountability for compliance by the Tuas Group with the continuous disclosure requirements and defines the lines of communication necessary to support such compliance. The policy establishes, among other things:

- a continuous disclosure policy under which the Chief Executive Officer and/or the Chairperson of the Tuas Board are responsible for determining if information requires disclosure;
- a media communication policy which sets out expectations as to staff interactions with outside parties;
- guidance as to Tuas Group information which may be disclosed in public presentations; and
- a review policy which requires the company secretary to monitor compliance with the policy and to ensure the policy incorporates relevant ASX and best practice recommendations.

Whistleblower Policy

Tuas is committed to the protection of Whistleblowers (as defined in the Whistleblower Policy) who make relevant disclosures pertaining to the Tuas Group. Accordingly, Tuas has adopted the Whistleblower Policy which sets out the ways in which Whistleblowers are protected when disclosures are made and how Tuas will handle and investigate the matters reported. The policy encourages concerns to be raised about misconduct or poor or unacceptable practice or improper states of affairs or circumstances relating to the Tuas Group or an officer or employee of the Tuas Group, without the Whistleblower being subject to detrimental conduct.

Board skills

The professional skills, experience and expertise of each Tuas Director are set out in Tuas's corporate governance statement. The Tuas Directors possess a range of skills which, as a group, enable the Tuas Board to function effectively. The key skills of the Tuas Directors as a group are:

- Telecommunications, IT and media knowledge;
- Financial acumen;
- Strategy;
- Commercial;
- Legal, risk and compliance; and
- Mergers and acquisitions.

Securities Trading Policy

Tuas has a written Securities Trading Policy which identifies the principles by which Tuas balances the investment interests of directors, senior executives and employees with the requirements for ensuring such trades only take place when all information relevant to making such investment decisions is fully disclosed to the market.

The policy provides a summary of legal prohibitions of insider trading in Australia and rules surrounding the trading of Tuas securities. Additional restrictions are imposed on the Tuas Directors and senior executives regarding the trading of Tuas securities, including the stipulation of particular trading windows and closed periods, notification requirements, and a prohibition on short-term, speculative trading.

SECTION 7

RISK FACTORS

7.1 Introduction

If the Demerger proceeds, TPG Australia Shareholders, who previously had an indirect interest in TPG Singapore's business through their shareholding in TPG Australia, will have a more direct interest through their shareholding in Tuas and, accordingly, will be more directly subject to a number of risks affecting TPG Singapore, its business, its operations and its financial condition.

This Section 7 describes some of the potential risks associated with an investment in Tuas Shares and, indirectly, in TPG Singapore, including:

- risks specific to TPG Singapore and its business (Section 7.2);
- risks associated with holding Tuas Shares (Section 7.3); and
- general risks (Section 7.4).

These risks could, if they were to eventuate, have a material adverse effect on TPG Singapore's business, financial position, operating and financial performance and the value of the Tuas Shares. Many of the circumstances giving rise to these risks are beyond the control of the Tuas Group and its directors or management.

You should note that the risks described in this Section 7 are not the only risks which Tuas will face. Additional risks that Tuas is unaware of or that Tuas considers to be immaterial also have the potential to have a material adverse effect on Tuas's business, financial position, operating and financial performance and the value of the Tuas Shares. The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and impact of the risk if it were to occur. The assessment is based on the knowledge of the Tuas Directors as at the date of this Information Memorandum, but there is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge.

You are strongly advised to consult an appropriately qualified professional adviser and consider the risks set out below and the other contents of this Information Memorandum.

7.2 Risks specific to TPG Singapore's business

7.2.1 Rollout of TPG Singapore's mobile network

TPG Singapore holds the FBO Licence and the Spectrum Right. Under the terms of its FBO Licence and Spectrum Right, TPG Singapore is required to achieve (1) nationwide outdoor service coverage by 31 December 2018 (which has been achieved); (2) in-building and short road tunnel service coverage by 31 December 2019 (which has been achieved); (3) long road tunnel service coverage by 30 April 2021; and (4) underground MRT stations / lines by 31 December 2021.

While TPG Singapore expects to meet the remaining two milestones of long road tunnels and underground MRT stations / lines service coverage, there is no assurance that the rollout will occur according to the anticipated schedules. TPG Singapore also faces the risk of unforeseen complications in the rollout or performance of its network, including complications attributable to the COVID-19 global pandemic (for example, further governmental action resulting in work stoppages, lockdowns, quarantine measures, and travel restrictions).

An inability to complete, or a material delay in completing, its mobile network rollout or the performance of its network will adversely affect TPG Singapore's ability to provide telecommunication services, and to acquire and maintain market share, which in turn is likely to have a significant adverse effect on TPG Singapore's financial position and the value of the Tuas Shares.

In addition, in the event that TPG Singapore does not meet its obligations under its FBO Licence or Spectrum Right, the IMDA may issue a written order for compliance, impose a financial penalty, cancel the FBO Licence or Spectrum Right or part thereof, or suspend the FBO Licence or Spectrum Right or part thereof for a specified period.

7.2.2 Early stage business

As at the date of this Information Memorandum, TPG Singapore is still in the process of completing the rollout of its mobile network.

TPG Singapore has already invested heavily in its network and spectrum rights and intends to continue to make further investments to complete the rollout of its network as described in Section 4.2.

TPG Singapore's rollout may not be developed according to anticipated schedules or may not achieve commercial acceptance or be cost effective. TPG Singapore's failure to complete the rollout in a timely manner and on a cost effective basis could delay the implementation of services, increase TPG Singapore's operational costs and hinder TPG Singapore from realising profits.

In addition, there can be no guarantee that TPG Singapore's products and services which have been commercialised from 31 March 2020 will be successful in attracting customers or that TPG Singapore will realise the benefits from its significant investment in its network.

7.2.3 Converting free trials to paying customers

As noted in Section 4.3.1, TPG Singapore has offered free trials to customers since December 2018. Prior to the cessation of the free trial and the subsequent commercial launch of TPG Singapore's 4G mobile services on 31 March 2020, TPG Singapore had approximately 412,000 subscribers on-boarded for the free trial. As at 30 April 2020, TPG Singapore has approximately 7,000 paying subscribers.

TPG Singapore's ability to operate in a financially sustainable way in the long term will depend on its ability to secure customers (including those who participated in free or discounted month-to-month trial offerings) on customer plans on commercial, non-discounted terms.

While TPG Singapore considers that its services will represent a compelling value proposition to customers, there is no certainty that TPG Singapore will be successful in seeking to transition customers which participated in free or discounted product offerings, or securing new customers, onto plans or contracts involving a longer term contractual commitment by the customer or at a non-discounted rate.

If TPG Singapore does not succeed in transitioning a sufficient number of customers from its existing free or discounted product trials onto non-discounted offerings, this will adversely affect its financial performance and profitability.

7.2.4 Substantially all of the revenue of the Tuas Group is derived from its activities in Singapore

Substantially all of the revenue of the Tuas Group is derived from its business operations undertaken in Singapore. Furthermore, a majority of its assets are located, and all of Tuas Group's services are performed, in Singapore.

A contraction of, or a decline in the growth of the Singapore economy or the population of Singapore or other factors affecting Singapore could adversely affect its business, financial position and operational results.

7.2.5 Regulatory risk

TPG Singapore and its operations are subject to various laws and regulations including, but not limited to, those relating to the telecommunications industry, permits, employment, privacy, data protection, environmental, accounting standards and tax laws.

The telecommunications industry in Singapore is highly regulated, and telecommunications licence holders are subject to numerous laws and regulations which impact the manner in which they can carry on their business. Changes in these laws and regulations (including their interpretation and enforcement) in any relevant jurisdiction could adversely affect TPG Singapore's financial performance and may also impact TPG Singapore's ability to respond to changes in market conditions, competition, new technologies or changes in cost structures. The Singapore Government and the regulators may also alter their policies relating to the industry, related industries and the regulatory environment.

Additionally, if TPG Singapore fails to remain compliant with applicable regulatory requirements, there is a risk that TPG Singapore's business, operations and financial performance could be adversely affected.

As stated in Section 3.7.4 of this Information Memorandum, under Singapore law, no person can own or control, together with its associates, 12% or more or 30% or more of the shares or voting power of TPG Singapore without obtaining the IMDA's prior written consent. Tuas and TPG Singapore must adopt reasonable procedures for monitoring changes in their shareholding and voting power. There is a risk that this law is breached, which could lead to TPG Singapore being sanctioned by the IMDA.

TPG Singapore also holds certain approvals, licences and rights in Singapore including the FBO Licence and the Spectrum Right, that are necessary for TPG Singapore to continue its operations and business.

Should TPG Singapore or any other party seek the IMDA's approval for any future transaction involving a change of ownership or control of TPG Singapore, or for spectrum trading or spectrum sharing, there is no assurance that IMDA approval would be granted, and any approval (if granted) could be subject to a wide range of conditions which may adversely affect TPG Singapore's ability to continue its business including (without limitation) the return of spectrum to the IMDA or the IMDA may require a spectrum quantum top-up.

Non-compliance by TPG Singapore with Singapore laws or with the obligations and restrictions in a licence could result in the licence being suspended or cancelled or a monetary penalty or some other penalty being imposed. Any modification, withdrawal or cancellation of such approvals, licences or rights may adversely impact its ability to continue its business.

There is no assurance that TPG Singapore will be able to renew existing licences on terms that are the same or equivalent to those that currently apply, or at all. TPG Singapore may be required to obtain licences where it wishes to expand into new areas of business and there can be no assurance that it will be able to obtain these licences.

Under the Singapore Telecommunications Act, the Minister of Communications and Information has certain discretionary powers to direct a public telecommunication licensee to undertake and provide certain services and facilities for fair and proper payment. In the event the Minister exercises such powers and TPG Singapore is required to undertake and provide such services and facilities, TPG Singapore may incur costs that may not be fully recoverable.

7.2.6 Highly competitive environment

TPG Singapore is seeking to establish a market share in Singapore's telecommunications industry as a new entrant. The Singapore mobile communications market is already highly competitive. The Singapore mobile market is characterised by the presence of three major MNOs other than TPG Singapore: Singtel, StarHub and M1, in addition to a range of MVNOs. In addition, the IMDA may grant licences to additional cellular mobile communications operators that may compete with TPG Singapore in the future.

TPG Singapore's financial position and future prospects are dependent on TPG Singapore being able to establish and maintain market share in the provision of telecommunications services. TPG Singapore's competitors' pricing policies could significantly affect the prices TPG Singapore may charge for services in the future, which will impact on TPG Singapore's ability to generate sufficient revenue or will increase the costs incurred to acquire and retain customers. Competition could also lead to a decrease in the rate at which TPG Singapore can attract new customers as potential customers choose to receive mobile services from other providers.

TPG Singapore may also be subject to competition from providers of new telecommunications services as a result of technological development and the convergence of various telecommunications services. TPG Singapore's competitors may also enter into global or regional alliances which may give them a competitive advantage through greater access to a broader range of product offerings, increased leverage with suppliers and more competitive global roaming agreements.

These factors could adversely affect TPG Singapore's ability to establish and maintain market share and accordingly adversely affect its financial performance and profitability.

7.2.7 Reliance on key suppliers to the TPG Singapore business

TPG Singapore relies on third party suppliers with respect to many aspects of its business. In particular, it has relied, and will continue to rely, on third parties for the construction and operation of its mobile network and it relies on network interconnection, international gateway and international roaming arrangements with third parties.

There is a risk that existing material agreements may be terminated, lost or impaired, or renewed on less favourable terms. Some of TPG Singapore's material agreements can be terminated for convenience on short notice periods (depending on the termination event or circumstances). For example, a number of TPG Singapore's interconnection agreements with other MNOs are terminable for convenience (subject to giving notice of termination) or have transitioned from the initial term of those agreements to rolling terms. Other material agreements (including a property lease) are approaching the expiry of their term with no express option for the agreement to be renewed or extended.

Increases in the amounts TPG Singapore pays its key suppliers for their services and products, any failure by its key suppliers to provide those services and products, or any loss of those arrangements (through termination or a failure to renew arrangements), could have a material adverse effect on its ability to complete the rollout of its network, deliver its services to its customers in future and on its revenue and profitability.

Additionally, TPG Singapore is subject to a number of ongoing obligations and is subject to various levels of liability (including under indemnity provisions) under a number of its agreements, some of which may contain unusual or otherwise onerous provisions. For example, under one of its agreements with an MNO, TPG Singapore is required to notify the other party within five business days if its level of shareholders' equity falls below S$1 million and, whenever requested by the other party, to deposit with that other party such sums or furnish a bank guarantee to secure the performance of its obligations under the contract. There is a risk that TPG Singapore will be unable to meet its obligations under existing agreements, or may be subject to termination provisions or suffer delays, interruptions or cessations to supplies or services, which could materially adversely affect TPG Singapore's financial performance, operations and ability to conduct its business.

7.2.8 Changes in technology

The telecommunications industry is particularly susceptible to rapid change, especially owing to technological innovation and evolving industry practices. The introduction of new practices and technology may have significant implications for TPG Singapore's current infrastructure and business model. As such, TPG Singapore's success is dependent upon its ability to develop, adopt and integrate the latest technologies into its existing infrastructure.

7.2.9 Ability to provide competitive 5G services

As noted above, TPG Singapore was unsuccessful in its recent proposal to the IMDA to acquire a spectrum allocation in the 3.5 GHz band as part of the recent CFP. This means that in order to provide access to 5G services to its customers, TPG Singapore will be required to look at options that do not involve using 3.5 GHz spectrum, including possibly relying on other spectrum bands, and/or negotiating wholesale access to the 5G networks to be constructed by the two successful applicants – Singtel and a joint venture between StarHub and M1 – in order to deliver 5G services to its customers.

There is no guarantee that TPG Singapore will be able to use alternative spectrum or negotiate such wholesale access on terms which are favourable to TPG Singapore or sufficiently competitive to attract customers to TPG Singapore's 5G mobile service offerings.

In addition, while TPG Singapore will look to pursue any future opportunities to acquire further 5G spectrum should they arise, there is no guarantee that TPG Singapore will be successful in obtaining 5G spectrum in the future. Unless TPG Singapore is successful in obtaining 5G spectrum, it will not be able to fully exploit the benefits of owning and operating its own 5G network.

7.2.10 Information communication technology

TPG Singapore's business is heavily dependent on information communication technology for the delivery of its various services and it has invested significantly in this technology to maximise the efficiency of TPG Singapore's operations. Should these systems not be adequately maintained, secured and updated, or TPG Singapore's disaster recovery processes not be adequate, system failures may negatively impact TPG Singapore's performance.

7.2.11 Security and data protection

Protection of company, customer, employee and third party data will be critical to TPG Singapore's business and breaches of data could have significant negative financial ramifications. TPG Singapore is required to ensure the confidentiality of subscriber information. Additionally, the legal and regulatory environment surrounding information security and privacy is increasingly complex and demanding. Failures or breaches of data protection systems can result in reputational damage, regulatory impositions and financial loss.

TPG Singapore may be adversely affected by malicious third party applications that interfere with or exploit security flaws in its products and platforms. It is possible that the measures taken by TPG Singapore will not be sufficient to prevent unauthorised access to, or disclosure of, confidential and proprietary information about TPG Singapore, its customers or employees or third parties. Any such disclosure, whether accidental or intentional, may subject TPG Singapore to reputational damage, claims from those affected, loss of customers, legal action and increased regulatory scrutiny.

7.2.12 Operating risk

TPG Singapore is, and will continue to be, exposed to a range of operational risks relating to current and future operations. These include equipment failures and other accidents, industrial action or disputes, damage by third parties, flood, fire, major cyclone, earthquake, lightning strike, terrorist attack or other disaster.

Outages to TPG Singapore's network, or damage or destruction of network infrastructure, caused by the factors above could cause significant disruption to TPG Singapore's business, resulting in financial loss, failure to grow its customer base or potential customer attrition. In addition, in the event existing insurance arrangements do not cover an operational issue, this could have also a material adverse effect on the operating and financial performance of TPG Singapore.

Any failure to attract customer demand now that TPG Singapore has commenced provision of services on a commercial basis, or an oversupply of telecommunications services in the market, could also have negative implications on TPG Singapore's ability to achieve a desired return on investment, and have a material adverse effect on its growth prospects and its financial performance. For example, given TPG Singapore's reliance on customers acquiring SIM cards in person, restrictions on the movement of people due to the COVID-19 global pandemic may have an impact on customer demand.

7.2.13 Funding risk

While TPG Singapore is satisfied that following completion of the Demerger, it will have sufficient funding to complete the rollout of its network in accordance with the conditions of its FBO Licence, there is a risk that the cost of completing TPG Singapore's mobile network rollout could be materially higher than expected. There is also a risk that the costs involved in operating TPG Singapore's business may be materially greater than expected.

If TPG Singapore needs to raise additional funds for its future capital needs, there can be no assurance that funding, if needed, will be available on terms that TPG Singapore considers favourable, or at all. Furthermore, any debt financing, if available, may involve restrictive covenants. If TPG Singapore is unable to borrow the amounts required on favourable terms, it may be unable to pursue its planned strategy, and there can be no assurance that future conditions in the financial markets, particularly if it and other info-communication companies seek increasingly large amounts of capital financing, will not adversely affect its ability to finance its operations.

7.2.14 Reliance on key personnel

The future performance of TPG Singapore will be dependent on its ability to retain the services of key personnel, including executive management and directors, and its ability to recruit other suitably skilled and experienced personnel. If one or more of TPG Singapore's key personnel ceases their employment and suitable replacements are not recruited in a timely manner, there may be an adverse impact on TPG Singapore's performance or its growth potential.

There is also a possibility that increasing numbers of employees may need to work from home as a result of government measures in response to the COVID-19 global pandemic. This may have an impact on productivity and therefore on TPG Singapore's business, operating and financial performance.

7.2.15 Intellectual property

While TPG Singapore seeks to protect its intellectual property rights, if it fails to enforce these rights, this could harm TPG Singapore's business, growth prospects and financial and operating performance.

7.2.16 Reputational matters

The reputation of TPG Singapore and its brand will be a key factor in the success of TPG Singapore over time. The strength of a brand is developed through the provision of high quality products and services throughout its existence.

The occurrence of any unforeseen issue or event which adversely impacts customer loyalty or perceptions towards TPG Singapore may adversely affect the success of TPG Singapore's business and financial position.

In addition, TPG Singapore is only entitled to use the TPG brand on a non-exclusive basis. Any event or other occurrence which were to adversely affect the TPG brand generally could have an adverse effect on TPG Singapore.

7.2.17 Rebranding risk

TPG Singapore will only be entitled to use the TPG brand under the Transitional Services Agreement (described in further detail at Section 4.7.2) for a period of up to two years. Prior to that time, TPG Singapore will be required to rebrand its business and services to use a different brand to the TPG brand.

Transitioning away from the use of the TPG brand may cause some loss of customer recognition, loyalty and perceptions of the TPG Singapore business in the Singapore market. This may impact TPG Singapore's ability to achieve growth in the number of new customers subscribing for its paying mobile services. If that were to occur, it may materially impact TPG Singapore's ability to achieve profitability and adversely affect TPG Singapore's business.

7.2.18 Litigation risk

There is a risk that TPG Singapore may in future be the subject of, or required to commence, litigation which could be costly and damaging to TPG Singapore's reputation and which could have an adverse effect on its financial performance and industry standing.

7.3 Further specific risks associated with holding Tuas Shares

7.3.1 No prior market in Tuas Shares

There has been no public market for Tuas Shares. Tuas has applied to ASX for admission to the Official List and for Official Quotation of Tuas Shares, under the ASX code "TUA". Accordingly, Tuas cannot assure you of the likelihood that an active trading market for Tuas Shares will develop or be maintained, the liquidity of any trading market, your ability to sell your Tuas Shares when desired, or the prices that you may obtain for your shares.

7.3.2 Tuas Shares held by substantial shareholders

Following completion of the Demerger, the existing substantial holders of TPG Australia as at the Demerger Implementation Date will have a substantial interest in the Tuas Shares on issue which is equivalent to their substantial interest in Tuas. Consequently, those substantial shareholders may be in a position to exert influence over matters relating to Tuas and TPG Singapore. Although those substantial shareholders' interests and the interests of the other Tuas Shareholders are likely to be consistent in most cases, there may be situations where their respective interests differ.

7.3.3 Dividends

The payment of dividends (if any) by Tuas will be determined by the board of directors of Tuas from time to time at its discretion, and will be dependent upon factors including the profitability and cash flow of TPG Singapore's business at the relevant time.

Tuas does not currently intend to pay dividends while TPG Singapore completes the rollout of its network, and it is difficult to estimate when the TPG Singapore business will become profitable. Accordingly, holders of Tuas Shares should not rely on dividends from Tuas as a means of realising future gains on their investment.

7.3.4 Currency and exchange rates

Tuas and TPG Singapore generate revenue in Singapore dollars and the financial statements of both Tuas and TPG Singapore will be prepared in Singapore dollars, however dividends paid by Tuas (if any) will be paid in Australian dollars. Accordingly, Tuas Shareholders will be exposed to the risk of fluctuations in foreign currency exchange rates, in particular the Singapore dollar to Australian dollar exchange rate. Adverse movements in foreign exchange markets (in particular the Singapore dollar to Australian dollar exchange rate) may have an adverse impact on the dividends (if any) received by Tuas Shareholders.

Although Tuas may in future decide to undertake foreign exchange hedging transactions to cover a portion of this foreign currency exchange rate exposure, it currently does not hedge its exposure to foreign currency exchange rates.

7.4 General Risks

7.4.1 Tuas's share price may fluctuate

There are risks associated with any investment in an ASX listed company. The market price for the Tuas Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the control of Tuas. These include, but are not limited to, the following:

- the number of potential buyers or sellers of the Tuas Shares on ASX at any given time;
- actual or anticipated fluctuations in Tuas's results and recommendations by securities research analysts;
- fluctuations in the domestic and international market for listed securities;
- general operational and business risks, including significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving Tuas or TPG Singapore or their competitors;
- the inclusion of Tuas in, or removal from, market indices;
- the addition or departure of Tuas's or TPG Singapore's executive officers and other key personnel;
- global hostilities, tensions and acts of terrorism, natural disasters or pandemics;
- changes in the economic performance or market valuations of other telecommunications businesses or other companies that investors consider comparable to Tuas or TPG Singapore; and
- general economic and financial market conditions.

The price of Tuas Shares may not increase following ASX listing, even if Tuas earnings increase.

7.4.2 Taxation risks

Tax laws in Australia and Singapore are complex and are subject to change periodically as is their interpretation by the relevant courts and the tax revenue authorities. Potential changes to tax law may apply either on a prospective or retrospective basis. Changes in tax law or changes in the way tax laws are interpreted may impact the tax liabilities of the Tuas Group, shareholder returns, the level of dividend imputation or franking, or the tax treatment of a shareholder's investment. In particular, both the level and basis of taxation may change. The tax information provided in this Information Memorandum is based on current taxation law in Australia and Singapore as at the date of this Information Memorandum. In addition, tax authorities may review the tax treatment of transactions entered into by the Tuas Group, including in connection with the Demerger. Any actual or alleged failure to comply with, or any change in the application or interpretation of, tax rules applied in respect of such transactions, may increase the Tuas Group's tax liabilities or expose it to legal, regulatory or other actions. An interpretation of the taxation laws by Tuas which is contrary to that of a revenue authority in Australia or Singapore may give rise to additional tax payable. In order to minimise this risk, the Tuas Group obtains external expert advice on the application of the tax laws to its operations (as applicable).

7.4.3 General economic and market conditions

The operating and financial performance of TPG Singapore will be influenced by a variety of general economic and market conditions including movements in capital markets, recommendations by brokers and analysts, the level of inflation, interest and exchange rates, change in international economic conditions, change in government fiscal, monetary and regulatory policies, prices of commodities, global geo-political events and hostilities and acts of terrorism, investor perceptions and other factors that may affect TPG Singapore's financial position and earnings. This includes the impact of the COVID-19 global pandemic including on the health of the workforce, the industry, the economy, customers, supply chains and travel restrictions. In light of recent global macroeconomic events, including the impact of the COVID-19 global pandemic, it is likely that Singapore may experience an economic recession or other economic downturn of uncertain severity and duration. These factors may have an adverse effect on TPG Singapore's business, financial position and operational results and may adversely impact on the price of the Tuas Shares after ASX listing, as well as Tuas's ability to pay dividends.

7.4.4 Forward looking statements

Certain statements in this Information Memorandum constitute forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance and achievements of TPG Singapore to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, prospective investors should not place undue reliance on such forward looking statements. In addition, under no circumstances should forward looking statements be regarded as a representation or warranty by TPG Singapore, or any other person referred to in this Information Memorandum, that a particular outcome or future event is guaranteed.

7.4.5 Dilution

In the future, Tuas may undertake capital raisings. Any decision to issue securities in a capital raising will depend on market conditions and other factors beyond Tuas's control, so it cannot predict or estimate the amount, timing or nature of such capital raisings. Tuas Shareholders may have their percentage shareholding diluted in the event that Tuas undertakes such capital raisings.

Upon any bankruptcy or liquidation, holders of any Tuas debt securities, preferential securities and lenders with respect to other borrowings will receive a distribution of the available assets prior to Tuas Shareholders. If preferential securities are issued, holders could have a preference on distribution or a preference on dividend payments or both that could limit Tuas's ability to pay a dividend or other distribution to Tuas Shareholders.

7.4.6 COVID-19 global pandemic and force majeure

The escalation of the outbreak of the COVID-19 disease into a global pandemic (**COVID-19 global pandemic**) is impacting global economic markets. The severity and duration of the effect of the COVID-19 global pandemic on the performance of the Tuas Group remain unknown. The Tuas Group may be impacted both by deterioration in macroeconomic conditions generally and specifically in relation to its operations.

The events relating to the COVID-19 global pandemic have resulted in significant market falls and volatility including in the prices of securities trading on domestic and foreign securities exchanges. There is continued uncertainty as to the further impact of the COVID-19 global pandemic including in relation to governmental action, lockdowns, quarantines, travel restrictions and the impact on the Singaporean and global economy. It is likely that Singapore will experience an economic recession or other economic downturn. This will impact the operating and financial performance of Tuas and TPG Singapore.

In addition, the COVID-19 global pandemic may specifically impact the operations of TPG Singapore including its ability to retain key personnel, delays in the construction and operation of its mobile network and its ability to convert customers participating in its free trials into paying subscribers. If any of these risks were to materialise, this would further negatively impact the operating and financial performance of TPG Singapore and hinder its capacity to meet its business objectives.

Acts of terrorism, an outbreak or escalation of international hostilities, fires, floods, earthquakes, labour strikes, civil wars and other natural disasters may also cause a material adverse change in investor sentiment towards Tuas specifically or the stock market more generally, which could have a negative impact on the operating and financial performance of Tuas and TPG Singapore.

7.4.7 Changes to accounting standards

Changes to accounting standards may affect the future measurement and recognition of key income statement and balance sheet items, including revenue and receivables. There is also a risk that interpretations of existing accounting standards, including those relating to the measurement and recognition of key statements of profit and loss and balance sheet items, including revenue and receivables, may differ. Changes to accounting standards or changes to the commonly held view on the application of those standards could materially and adversely affect the financial performance and position reported in the Tuas Group Pro Forma Historical Statement of Financial Position and in the TPG Singapore Historical Financial Information.

SECTION 8

INVESTIGATING ACCOUNTANT'S REPORT

KPMG Transaction Services
A division of KPMG Financial Advisory Services (Australia) Pty Ltd
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The Directors
Tuas Limited
63-65 Waterloo Road
Macquarie Park NSW 2113

19 May 2020

Dear Directors

Limited Assurance Investigating Accountant's Report and Financial Services Guide

Investigating Accountant's Report

Introduction

KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Transaction Services is a division) ("KPMG Transaction Services") has been engaged by Tuas Limited ("Tuas") and TPG Telecom Pte. Ltd ("TPG Singapore") to prepare this report for inclusion in the information memorandum to be dated 19 May 2020 ("Information Memorandum"), and to be issued by Tuas, in respect of the proposed demerger of TPG Singapore from TPG Telecom Limited ("TPG Australia") by way of a dividend in-specie of shares in Tuas (the "Transaction").

Expressions defined in the Information Memorandum have the same meaning in this report.

This Investigating Accountant's Report should be read in conjunction with the KPMG Transaction Services Financial Services Guide included in the Information Memorandum.

Scope

You have requested KPMG Transaction Services to perform a limited assurance engagement in relation to the pro forma historical financial information described below and disclosed in the Information Memorandum.

The pro forma historical financial information is presented in the Information Memorandum in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with any such standards and practices in jurisdictions outside of Australia.

Tuas Group Pro Forma Historical Statement of Financial Position

You have requested KPMG Transaction Services to perform limited assurance procedures in relation to the Tuas pro forma historical statement of financial position as at 31 January 2020 (the "Tuas Group Pro Forma Historical Statement of Financial Position") prepared by Tuas (the responsible party) and included in the Information Memorandum.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical statement of financial position of TPG Singapore and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 5.2.3 of the Information Memorandum. Due to its nature, the Tuas Group Pro Forma Historical Statement of Financial Position does not represent Tuas's actual or prospective financial position.

The Tuas Group Pro Forma Historical Statement of Financial Position has been compiled by Tuas to illustrate the impact of the Transaction on Tuas's financial position as at 31 January 2020. As part of this process, TPG Singapore's statement of financial position as at 31 January 2020 (the "Historical Statement of Financial Position") has been extracted from TPG Singapore's financial statements for the half year ended 31 January 2020.

The financial statements of TPG Singapore for the half year ended 31 January 2020 were reviewed by KPMG Singapore in accordance with the Singapore Standard on Review Engagements. The review conclusion issued to the members of TPG Singapore relating to those financial statements was unqualified.

For the purposes of preparing this report we have performed limited assurance procedures in relation to the Tuas Group Pro Forma Historical Statement of Financial Position in order to state whether, on the basis of the procedures described, anything has come to our attention that would cause us to believe that the Tuas Group Pro Forma Historical Statement of Financial Position is not prepared or presented fairly, in all material respects, by the directors in accordance with the stated basis of preparation. As stated in Section 5.2.3 of the Information Memorandum, the stated basis of preparation is:

- the extraction of the Historical Statement of Financial Position from the reviewed financial statements of TPG Singapore for the half year ended 31 January 2020; and

- the application of pro forma adjustments, determined in accordance with the recognition and measurement principles contained in the Australian Accounting Standards and Tuas's accounting policies, to the Historical Statement of Financial Position to illustrate the effects of the Transaction on Tuas described in section 5.5.2 of the Information Memorandum as if it had occurred on 31 January 2020.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The procedures we performed were based on our professional judgement and included:

- consideration of the pro forma adjustments described in the Information Memorandum;
- consideration of any differences between the recognition and measurement priciples contained in Singapore Financial Reporting Standards ('SFRS') applied in the preparation of the financial statements of TPG Singapore for the half year ended 31 January 2020, and those recognition and measurement principles contained in the Australian Accounting Standards.
- enquiry of TPG Singapore and Tuas management, personnel and advisors;
- the performance of analytical procedures applied to the Tuas Group Pro Forma Historical Statement of Financial Position; and
- a review of accounting policies for consistency of application in the preparation of the pro forma adjustments.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion about whether the Tuas Group Pro Forma Historical Statement of Financial Position is prepared, in all material respects, by the directors in accordance with the stated basis of preparation.

Directors' responsibilities

The directors of Tuas are responsible for the preparation of the Tuas Group Pro Forma Historical Statement of Financial Position, including the selection and determination of the pro forma transactions and/or adjustments made to the Historical Statement of Financial Position and included in the Tuas Group Pro Forma Historical Statement of Financial Position.

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Conclusions

Review statement on the Tuas Group Pro Forma Historical Statement of Financial Position

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that the Tuas Group Pro Forma Historical Statement of Financial Position, as set out in Section 5.5.1 of the Information Memorandum, is not prepared or presented fairly, in all material respects, on the basis of the pro forma transactions and/or adjustments described in Section 5.5.2 of the Information Memorandum, and in accordance with the recognition and measurement principles prescribed in the Australian Accounting Standards, and Tuas's accounting policies.

Independence

KPMG Transaction Services does not have any interest in the outcome of the Transaction, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. KPMG is the auditor of Tuas and from time to time, KPMG also provides Tuas and/or TPG Singapore with certain other professional services for which normal professional fees are received.

General advice warning

This report has been prepared, and included in the Information Memorandum, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Restriction on use

Without modifying our conclusions, we draw attention to Section 5.2.3 of the Information Memorandum, which describes the purpose of the financial information, being for inclusion in the Information Memorandum. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Information Memorandum in the form and context in which it is so included, but has not authorised the issue of the Information Memorandum. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Information Memorandum.

Yours faithfully

Tim Bryan
Authorised Representative

KPMG

KPMG Financial Advisory Services (Australia) Pty Ltd

ABN 43 007 363 215
Australian Financial Services Licence No. 246901

Financial Services Guide

Dated 19 May 2020

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by **KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (of which KPMG Transaction Services is a division) ('**KPMG Transaction Services**'), and Tim Bryan as an authorised representative of KPMG Transaction Services, authorised representative number 000470648 (**Authorised Representative**).

This FSG includes information about:

- KPMG Transaction Services and its Authorised Representative and how they can be contacted;
- The services KPMG Transaction Services and its Authorised Representative are authorised to provide;
- How KPMG Transaction Services and its Authorised Representative are paid;
- Any relevant associations or relationships of KPMG Transaction Services and its Authorised Representative;
- How complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- The compensation arrangements that KPMG Transaction Services have in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG Transaction Services.

This FSG forms part of an Investigating Accountant's Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that KPMG Transaction Services and the Authorised Representative are authorised to provide

KPMG Transaction Services holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- Deposit and non-cash payment products;
- Derivatives;
- Foreign exchange contracts;
- Government debentures, stocks or bonds;
- Interests in managed investments schemes including investor directed portfolio services;
- Securities;
- Superannuation;

KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215, Australian Financial Services Licence N.246901 is an affiliate of KPMG. KPMG is an Australian partnership and a member firm of the KPMG Network of independent member firms affiliated with KPMG International Cooperative ("KPMG International").

Liability limited by a scheme approved under Professional Standards Legislation.

- Carbon units;
- Australian carbon credit units; and
- Eligible international emissions units,

  to retail and wholesale clients.

We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG Transaction Services to provide financial product advice on KPMG Transaction Services' behalf.

KPMG Transaction Services and the Authorised Representative's responsibility to you

KPMG Transaction Services has been engaged by Tuas Limited ("Tuas") and TPG Telecom Pte. Ltd ("TPG Singapore") (together, the "Clients") to provide general financial product advice in the form of a Report to be included in the information memorandum (the "Document") prepared by Tuas in respect of the proposed demerger of TPG Singapore from TPG Telecom Limited ("TPG Australia") by way of a dividend in-specie of shares in Tuas (the "Transaction").

You have not engaged KPMG Transaction Services or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG Transaction Services nor the Authorised Representative are acting for any person other than the Clients.

KPMG Transaction Services and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General advice

As KPMG Transaction Services has been engaged by the Clients, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG Transaction Services may receive and remuneration or other benefits received by our representatives

KPMG Transaction Services charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Clients. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Clients have agreed to pay KPMG Transaction Services approximately $0.2 million (excluding GST) for preparing the Report. KPMG Transaction Services and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG Transaction Services officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Transaction Services' representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG Transaction Services nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Transaction Services is controlled by and operates as part of the KPMG Partnership. KPMG Transaction Services' directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Transaction Services and the Authorised Representative, and not by the KPMG Partnership.

From time to time KPMG Transaction Services, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Clients or has other material financial interests in the transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Transaction Services or the Authorised Representative know. Formal complaints should be sent in writing to The AFSL Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than **45 days** after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If KPMG Transaction Services or the Authorised Representative cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly at:

Address: Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne Victoria 3001

Telephone: 1300 56 55 62

Facsimile: (03) 9613 6399

Email: info@afca.org.au.

The Australian Securities and Investments Commission also has a freecall infoline on 1800 931 678 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Transaction Services has professional indemnity insurance cover in accordance with section 912B of the *Corporations Act 2001(Cth).*

Contact details

You may contact KPMG Transaction Services or the Authorised Representative using the contact details:

KPMG Transaction Services
A division of KPMG Financial Advisory
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Level 38, Tower Three
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Facsimile: (02) 9335 7200

SECTION

TAXATION IMPLICATIONS 9

9.1 General

The following is a general description of the Australian income tax (including capital gains tax (**CGT**)) implications to TPG Australia Shareholders as a result of the In-Specie Dividend. It does not constitute tax advice and should not be relied upon as such.

The description is based upon the Australian tax law and administrative practice in effect at the date of this Information Memorandum. It is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of a TPG Australia Shareholder. TPG Australia Shareholders are advised to seek their own independent professional tax advice in relation to their particular circumstances.

The comments set out below are relevant only to those TPG Australia Shareholders who hold their TPG Australia Shares and Tuas Shares on capital account. The description does not address the Australian tax consequences for TPG Australia Shareholders who:

- are non-residents of Australia who hold their TPG Australia Shares or Tuas Shares in carrying on a business at or through a permanent establishment in Australia;
- are temporary residents of Australia for Australian income tax purposes;
- acquired their TPG Australia Shares pursuant to an employee share, option or rights plan;
- hold their TPG Australia Shares or Tuas Shares on revenue account or as trading stock; or
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their TPG Australia Shares or Tuas Shares.

TPG Australia Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the In-Specie Dividend and disposal of Tuas Shares under the laws of their country of residence, as well as under Australian law. These comments relate to Australian tax law only.

TPG Australia, TPG Singapore and its officers, employees, taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

9.2 In-Specie Dividend

9.2.1 Class ruling

TPG Australia has been engaging with the ATO on the expected Australian income tax outcomes that arise for certain TPG Australia Shareholders from the Merger, including the receipt of the In-Specie Dividend, and has requested a class ruling.

The ATO may not issue the class ruling in a form that is binding until after completion of the Merger. Although it is not expected to be the case, when the binding class ruling is issued by the ATO it may express a view contrary to that set out below.

TPG Australia Shareholders should review the final class ruling when it is issued by the ATO.

9.2.2 Demerger tax relief

The view of the ATO is that demerger tax relief is not available to TPG Australia Shareholders who receive the In-Specie Dividend due to the nexus of the In-Specie Dividend to the Merger. This means that that the In-Specie Dividend will not be a demerger dividend for Australian income tax purposes. This means that TPG Australia Shareholders will not be able to disregard any assessable income that arises from the In-Specie Dividend.

9.2.3 Australian resident shareholders

The cost base of a Tuas Share should be equal to the In-Specie Dividend Value, plus certain incidental costs of acquisition and disposal (e.g. brokerage fees and stamp duty) that are not otherwise deductible to the Tuas Shareholder.

TPG Australia Shareholders who are Australian tax residents and who receive the In-Specie Dividend must include in their assessable income the market value of the In-Specie Dividend at the time of the distribution, calculated by reference to the VWAP of Tuas Shares for the first five trading days starting from the date of the commencement of trading of Tuas Shares on ASX (including on a conditional and deferred settlement basis), together with any amount of franking credits attached to the In-Specie Dividend. It is expected that the In-Specie Dividend will be fully franked.

If certain requirements are met, the TPG Australia Shareholders who receive the In-Specie Dividend will be:

- required to include the amount of the attached franking credits in their assessable income; and
- entitled to a tax offset equal to the amount of the franking credits attached to the In-Specie Dividend.

These requirements are that:

- the TPG Australia Shareholder must be a 'qualified person' in relation to the In-Specie Dividend; and
- certain franking integrity measures do not apply.

In order for a TPG Australia Shareholder to be a 'qualified person' in respect of the In-Specie Dividend, they must hold their TPG Australia Shares 'at-risk' for a continuous period of not less than 45 days (not including the day of the share's acquisition or disposal) during a prescribed period. The prescribed period is expected to be from 18 May 2020 to 6 July 2020 (inclusive).

The franking integrity measures are designed to, among other things, discourage trading in and streaming of franking credits.

TPG Australia has applied to the ATO requesting a class ruling to confirm the key taxation implications of the TPG Australia Scheme for TPG Australia Shareholders, including the receipt of the In-Specie Dividend. Relevantly, the class ruling will outline in further detail the ATO's views as to:

- when a TPG Australia Shareholder will satisfy the relevant holding period test with respect to the In-Specie Dividend; and
- the application of the franking integrity measures.

If you are an individual or complying superannuation entity and your tax liability for the income year is less than the amount of the franking credits attached to the In-Specie Dividend, you may be entitled to a refund for the excess franking credits. This does not extend to companies.

9.2.4 Non-resident shareholders

TPG Australia Shareholders who are not Australian tax residents (including Ineligible TPG Australia Shareholders) should not be subject to income tax in Australia in respect of the In-Specie Dividend, provided they do not hold their TPG Australia Shares in carrying on a business through an Australian permanent establishment. As the In-Specie Dividend is expected to be fully franked, there should be no Australian dividend withholding tax on the In-Specie Dividend.

9.2.5 Other Australian taxes

No Australian GST, or stamp duty, will be payable by a TPG Australia Shareholder or a Tuas Shareholder in respect of the In-Specie Dividend.

9.3 Dividends paid by Tuas

9.3.1 Australian resident shareholders

Tuas Shareholders who are Australian tax residents must include the amount of any dividends received from Tuas in their assessable income. Dividends paid by Tuas may be franked or unfranked.

In relation to franked dividends, if certain requirements are met, Tuas Shareholders will be:

- required to include the amount of the attached franking credits in their assessable income; and
- entitled to a tax offset equal to the amount of the franking credits attached to the dividend.

9.3.2 Non-resident shareholders

Tuas Shareholders who are not Australian tax residents should not be subject to income tax in Australia on any dividends paid by Tuas to the extent they are fully franked or declared by Tuas to be "conduit foreign income". The amount of the dividend that is not franked or declared to be "conduit foreign income" will be subject to final Australian dividend withholding tax of up to 30%. A reduced withholding tax rate may apply under a relevant tax treaty.

9.4 Disposal of Tuas Shares

9.4.1 Australian resident shareholders

The disposal of Tuas Shares by a Tuas Shareholder will constitute a CGT event for Australian CGT purposes.

On disposal of Tuas Shares, a Tuas Shareholder will make a capital gain if the capital proceeds received exceed the total cost base of the Tuas Shares. A Tuas Shareholder will make a capital loss if the capital proceeds are less than the total reduced cost base of the Tuas Shares.

A Tuas Shareholder who makes a capital gain on disposal of their Tuas Shares will be required to include the net capital gain (if any) for the relevant income year in their assessable income.

Capital gains and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain or net capital loss. Any net capital gain is included in assessable income and is subject to income tax. A net capital loss may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains. Specific loss rules apply to Tuas Shareholders that are companies. These rules limit the ability to offset capital losses in a current or later income year.

The cost base of a Tuas Share should be equal to the market value of a Tuas Share at the time the In-Specie Dividend is paid, calculated by reference to the VWAP of Tuas Shares for the first five trading days starting from the date of the commencement of trading of Tuas Shares on ASX (including on a conditional and deferred settlement basis), plus certain incidental costs of acquisition and disposal (e.g. brokerage fees and stamp duty) that are not otherwise deductible to the Tuas Shareholder. The reduced cost base of a Tuas Share will be similarly determined.

For disposals of Tuas Shares, individuals, complying superannuation entities or trustees that have held their Tuas Shares for at least 12 months may be entitled to benefit from the CGT discount to reduce the amount of the capital gain (after application of capital losses) from the disposal of their Tuas Shares by:

- 50% in the case of individuals and trusts (for trustees, the ultimate availability of the discount for the beneficiaries of a trust will depend on the particular circumstances of the beneficiaries); or
- $33\frac{1}{3}$% for complying superannuation entities.

The CGT discount will not be available to a Tuas Shareholder that is a company.

9.4.2 Non-resident shareholders

For Tuas Shareholders who are not Australian tax residents, the disposal of their Tuas Shares should have no CGT consequences if the Tuas Shares are not "taxable Australian property".

The Tuas Shares will only be "taxable Australian property" for non-resident Tuas Shareholders who:

- hold their Tuas Shares in carrying on a business at or through a permanent establishment in Australia; or
- are individuals who made an election to disregard a CGT event I1 capital gain or capital loss in respect of their Tuas Shares when they ceased to be an Australian tax resident.

For other Tuas Shareholders who are not Australian tax residents, the Tuas Shares should not be taxable Australian property as their underlying value is not principally derived from Australian real property.

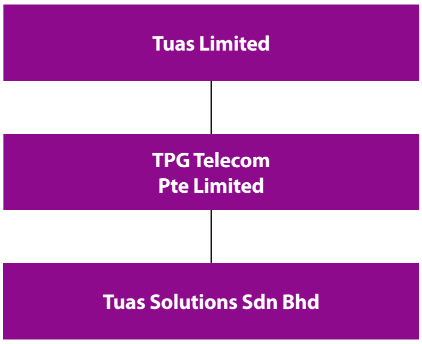
SECTION 10

ADDITIONAL INFORMATION

10.1 Registration and corporate structure

Tuas was incorporated and registered in Australia under the Corporations Act on 11 March 2020. The principal legislation under which Tuas operates is the Corporations Act and the regulations made under it.

TPG Singapore and Tuas Solutions will be the only subsidiaries of Tuas as at the Demerger Implementation Date. A structure diagram depicting the group structure of the Tuas Group as at the Demerger Implementation Date is set out below:



As at the Demerger Implementation Date, Tuas, TPG Singapore and Tuas Solutions will undertake the business of the Tuas Group as set out in this Information Memorandum.

10.2 Tuas's tax status and financial year

Tuas is and will be subject to tax at the Australian corporate tax rate on its taxable income.

Tuas's financial year ends on 31 July annually.

10.3 Capital structure of Tuas

The following table sets out the current capital structure of Tuas and proposed capital structure at the time of the admission of Tuas to the Official List:

Class of securities	Number on issue as at the date of this Information Memorandum	To be issued prior to admission	Number on issue on the date of admission
Ordinary shares	12	463,905,735	463,905,747

The final number of Tuas Shares required to be distributed pursuant to the In-Specie Dividend, having regard to the application of rounding, will not be known until after the In-Specie Dividend Record Date (when the final entitlements to the In-Specie Dividend will be determined).

Following the In-Specie Dividend Record Date but prior to the Demerger Implementation Date, Tuas may be required to issue further Tuas Shares or undertake a share split in order to ensure there is a sufficient number of Tuas Shares to be distributed pursuant to the In-Specie Dividend having regard to the application of rounding (as outlined in further detail in Section 2.3.1).

10.4 Substantial shareholders

As at the date of this Information Memorandum, the entire issued share capital of Tuas is held by TPG Australia. Immediately following the Demerger, the shareholders of Tuas shall be the same as the shareholders of TPG Australia, except where TPG Australia Shareholders are Ineligible TPG Australia Shareholders.

As at 12 May 2020 (being the last practicable date prior to the publication of this Information Memorandum), to the knowledge of Tuas, the following persons are directly or indirectly interested in 5% or more of the TPG Australia Shares:

Shareholder	Number of TPG Australia Shares held	Voting Power in TPG Australia (%)
David Teoh and his Associates	318,315,608	34.3
Washington H Soul Pattinson and Company Limited and its Associates	234,396,121	25.3

None of the shareholders referred to above has or will have different voting rights from any other holder of Tuas Shares in respect of any Tuas Shares held by them, following implementation of the Demerger.

The free float in Tuas Shares will not be less than 20% at the time of admission to the Official List.

10.5 Litigation and claims

The Tuas Directors are not aware of any current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which Tuas or TPG Singapore is directly or indirectly concerned, which is likely to have a material adverse effect on the business or financial position of Tuas or TPG Singapore.

10.6 Consents and disclaimer

10.6.1 Disclaimer

Each of the parties listed below in this Section 10.6 (each a **consenting party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Information Memorandum, other than the reference to its name in the form and context in which it is named and a statement or report included in this Information Memorandum with its consent as specified below.

10.6.2 Consents

Each of the consenting parties listed below has given and has not, at the time of lodgement of this Information Memorandum with ASX, withdrawn its written consent to the inclusion of statements in this Information Memorandum that are specified below in the form and context in which the statements appear:

- KPMG Transaction Services has given, and has not withdrawn, its written consent to be named in this Information Memorandum in the form and context in which it is so named and to the inclusion of its Investigating Accountant's Report contained in Section 8 of this Information Memorandum;
- KPMG Singapore has given, and has not withdrawn, its written consent to be named in this Information Memorandum in the form and context in which it is so named;
- Greenwoods & Herbert Smith Freehills Pty Ltd has given, and has not withdrawn, its written consent to be named in this Information Memorandum in the form and context in which it is so named;
- Herbert Smith Freehills has given, and has not withdrawn, its written consent to be named in this Information Memorandum in the form and context in which it is so named;
- Macquarie Capital (Australia) Limited has given, and not withdrawn, its written consent to be named in this Information Memorandum in the form and context in which it is so named; and
- Computershare Investor Services Pty Limited has given, and has not withdrawn, its written consent to be named in this Information Memorandum in the form and context in which it is so named.

No consenting party referred to in this Section 10.6 has made any statement that is included in this Information Memorandum or any statement on which a statement made in this Information Memorandum is based, except as stated above. Each consenting party referred to in this Section 10.6 has not authorised or caused the issue of this Information Memorandum, does not make any offer of Tuas Shares and expressly disclaims and takes no responsibility for any statements in or omissions from this Information Memorandum, except as stated above in this Section 10.6.

10.7 Summary of the Tuas Constitution

Tuas is a public company registered in Australia under the Corporations Act. Upon implementation of the Demerger, Tuas will adopt a constitution for a public listed company (**Tuas Constitution**) in substitution for its existing constitution. The Tuas Constitution is designed for an ASX listed company and has regard to usual market practice for ASX listed companies.

Some important features of the Tuas Constitution are summarised below.

10.7.1 Rights and obligations of Tuas Directors and officers

The Tuas Constitution sets out provisions in respect of the rights and obligations of Tuas Directors and officers, including:

- appointment, retirement and removal of directors, including the managing director and chairperson;
- appointment of a company secretary;
- remuneration of directors;
- powers of directors;
- meetings and written resolutions of directors; and
- the rights of directors and officers to be indemnified (subject to statute) against liabilities incurred as an officer of Tuas and the right of Tuas to maintain insurance in respect of directors and officers.

10.7.2 Powers of Tuas Board

Subject to the matters reserved for the general meetings of Tuas Shareholders, the business and affairs of Tuas are to be managed by the Tuas Board. In doing so, the Tuas Board may exercise all of the powers of Tuas to borrow or raise money, to charge any property or business of Tuas or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of Tuas or any other person.

10.7.3 Composition of Tuas Board

The Tuas Board will be comprised of, at least, three and no more than 10 directors. Details of the directors of Tuas following the implementation of the Demerger are set out in Section 6.1.1.

The quorum for a meeting of the Tuas Board is two directors. Questions arising at a meeting of the Tuas Board are to be decided by a majority vote. In the case of an equality of votes on a proposed resolution, the chairman of a meeting does not have a second or casting vote and the proposed resolution is taken as lost.

10.7.4 General meetings

General meetings of Tuas are to be held in accordance with the Corporations Act. Each Tuas Shareholder will be entitled to receive notice of a general meeting and, except in certain circumstances, attend and vote at general meetings of Tuas.

10.7.5 Voting at a general meeting

Except where a resolution requires a special majority, questions arising at a general meeting must be decided by a majority of votes cast. If the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote, in addition to any deliberative vote.

Subject to the Tuas Constitution, the Corporations Act and to any special rights or restrictions attached to any class of shares, at a general meeting, each Tuas Shareholder has one vote on a show of hands, and one vote for each fully paid Tuas Share on a poll, or for a partly paid Tuas Share, a fraction of a vote equal to the proportion which the amount paid on the Tuas Share bears to the total issue price of the Tuas Share.

Voting at any meeting of Tuas Shareholders is by a show of hands, unless a poll is demanded or the chairperson of the meeting determines it appropriate. The quorum required for a meeting of Tuas Shareholders is five members present at the meeting and entitled to vote on a resolution.

The Tuas Board may make a determination allowing a direct vote at a general meeting, in which case the notice of a meeting will inform Tuas Shareholders of their rights to vote by direct vote.

10.7.6 Dividends

Under the Tuas Constitution, the Tuas Board may determine or declare that a dividend is payable, fix the amount and the time for payment, and determine the method of payment of the dividend to each Tuas Shareholder entitled to that dividend. The Tuas Board may rescind or alter any such determination or declaration before payment is made.

If a dividend is paid, it will be paid in proportion to the number of Tuas Shares held by a Tuas Shareholder and, in the case of partly paid Tuas Shares, in proportion to the percentage of the issue price that has been paid (excluding amounts credited and amounts paid in advance of a call).

Interest is not payable in respect of any dividend.

10.7.7 Transfer of Tuas Shares

Tuas Shareholders may transfer Tuas Shares subject to the constitution and the ASX Settlement Operating Rules. This may be by instrument in writing in any form the Tuas Board approves, or by any other method of transfer of marketable securities required or permitted by the Corporations Act, ASX Settlement Operating Rules and ASX and approved by the Tuas Board.

In certain circumstances, and subject to the Corporations Act and the ASX Listing Rules, the Tuas Constitution permits the Tuas Board to decline to register, or prevent registration of, a transfer of Tuas Shares or apply a holding lock to prevent a transfer of Tuas Shares.

10.7.8 Issue of further Tuas Shares

Subject to the Corporations Act and the ASX Listing Rules, the issue of shares (including partly paid shares and redeemable preference shares) in is under the control of the Tuas Board. The Tuas Board has the power to issue shares, options and other securities convertible into shares to any person at any time and for such consideration as it determines.

10.7.9 Preference shares

Tuas may issue preference shares including preference shares which are, or at the option of Tuas or the holder are, liable to be redeemed or convertible to ordinary shares. The rights attaching to preference shares are those set out in the Tuas Constitution unless other rights have been approved by special resolution passed at a separate meeting of the holders of shares of the class or with the written consent of the holders of 75% of the shares of the class.

10.7.10 Variation of class rights

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied in accordance with the procedures set out in the Tuas Constitution and the Corporations Act. This requires the written consent of the holders of 75% of the shares of the class or a special resolution passed at a separate meeting of the holders of the shares of the class.

10.7.11 Small holdings

Subject to the Tuas Constitution, the Tuas Board may sell the Tuas Shares of a Tuas Shareholder who holds less than a marketable parcel of Tuas Shares (unless a Tuas Shareholder notifies Tuas otherwise during the relevant notification period). After completion of the sale of shares, the proceeds will first be applied to paying the expenses of the sale as well as amounts payable by the former Tuas Shareholder to Tuas. Tuas must send the remaining balance to the relevant Tuas Shareholder.

10.7.12 Plebiscite to approve proportional takeover bids

The Tuas Constitution includes proportional takeover bid provisions, which require that in case of an off-market bid for a specified proportion of the Tuas Shares, Tuas Shareholders must vote on whether to accept or reject the offer and that decision will be binding on all the Tuas Shareholders.

10.7.13 Calls, forfeiture and liens

Tuas has a first and paramount lien on every Tuas Share for, among other things, all due and unpaid calls, and all money which Tuas is required by law to pay, and has paid, in respect of a Tuas Share.

If a Tuas Shareholder fails to pay a call in respect of any amount unpaid on any Tuas Shares on the payment date specified, Tuas may give notice to that Tuas Shareholder requiring payment of that call, together with any costs and interest that has accrued. If, after receiving notice, the call remains unpaid, the directors may by resolution forfeit the relevant Tuas Shares.

The directors may sell, otherwise dispose of or reissue Tuas Shares forfeited in this way, subject to compliance with the Corporations Act and the ASX Listing Rules.

10.7.14 Indemnification

Tuas may, to the full extent permitted by law, indemnify any current or former director or executive officer of Tuas and other officers of Tuas or its related bodies corporate as the Tuas Board determines against any losses, liabilities, costs, charges and expenses incurred by the person in that capacity.

Further, Tuas has entered into deeds of access, indemnity and insurance with each Tuas Director which confirm the director's right of access to board papers and require Tuas to indemnify a Tuas Director for a liability incurred as an officer of Tuas or of any of its subsidiaries, subject to the restrictions imposed by the Corporations Act and the Tuas Constitution. Further details of the terms of the deeds of access, indemnity and insurance are set out in section 6.2.1.3.

10.7.15 Winding up

If Tuas is wound up, the liquidator may, with the sanction of a special resolution of Tuas Shareholders, distribute among Tuas Shareholders the whole or any part of the property of Tuas and may determine how to distribute the property as between Tuas Shareholders or different classes of Tuas Shareholders.

10.7.16 Access to records

Tuas may enter into contracts with a Tuas Director or former Tuas Director agreeing to provide continuing access for a specified period after the Tuas Director ceases to be a Tuas Director to Tuas Board papers, books, records and documents of Tuas which relate to the period during which the Tuas Director or former Tuas Director was a Tuas Director on such terms and conditions as the Tuas Board thinks fit.

Tuas may procure that its subsidiaries provide similar access to board papers, books, records or documents.

10.7.17 Tuas Directors' fees

Under the Tuas Constitution, the aggregate remuneration of the Non-Executive Tuas Directors is to be a yearly sum not exceeding the sum from time to time determined by Tuas Shareholders in general meeting.

That sum has currently been fixed at A$500,000 per year.

10.8 Regulatory consents, exemptions and waivers

10.8.1 ASIC

10.8.1.1 On-sale relief

ASIC has granted an exemption from the resale provisions in sections 707(3) and (4) of the Corporations Act to permit Tuas Shares to be freely on-sold in the 12 months following their transfer under the Demerger (irrespective of whether those Tuas Shares were distributed to Eligible TPG Australia Shareholders or to the Sale Agent). Specifically, the exemption applies where:

- after the Demerger, a holder makes an offer of Tuas Shares for sale;
- within the previous 12 months of the offer, the Tuas Shares were transferred to an Eligible TPG Australia Shareholder or the Sale Agent under the Demerger; and
- the offer is not made within 12 months of a sale or transfer of the Tuas Shares by a person (other than TPG Australia) who:
  - controls Tuas;
  - would have been required by subsection 707(2) of the Corporations Act to give disclosure to investors under Part 6D.2 but for section 708 of the Corporations Act; and
  - did not give disclosure to investors under Part 6D.2 because of section 708 of the Corporations Act.

10.8.1.2 Short selling relief

ASIC has also granted an exemption from compliance with section 1020B(2) of the Corporations Act relating to short selling to permit sales of Tuas Shares during the period of conditional and deferred settlement trading on ASX.

10.8.2 ASX waivers and confirmations

Tuas has applied to ASX for certain "in- principle" confirmations in connection with the Demerger. In particular, Tuas has sought confirmation from ASX that it will:

- confirm that Tuas is suitable for admission under ASX Listing Rules 1.1 condition 1 and 1.19;
- confirm to Tuas that for the purposes of ASX Listing Rule 1.1 condition 3, Tuas may issue an information memorandum that complies with the requirements of ASX Listing Rule 1.4; and
- confirm that none of the Tuas Shares to be transferred under the Demerger will be restricted securities for the purposes of ASX Listing Rule 9.1.

10.8.3 IMDA

TPG Singapore also applied to the IMDA for approval of various matters to implement the Demerger, including:

- the transfer of TPG Singapore from TPG Australia to Tuas, to be listed on the ASX; and
- changes to TPG Singapore's board, including the appointment of David Teoh to the board of TPG Singapore.

As at the date of this Information Memorandum, TPG Singapore has received conditional approval from the IMDA. The conditions include ASX formally approving Tuas's listing. Subject to TPG Australia Shareholders and the court approving the TPG Australia Scheme, Tuas expects to be able to satisfy those conditions, so that the Demerger can proceed as described in this Information Memorandum.

10.9 Supplementary information

Tuas will issue a supplementary document to this Information Memorandum if it becomes aware, between the date of lodgement of this Information Memorandum with ASX and the date on which Tuas Shares are granted Official Quotation by ASX, that:

- a material statement in this Information Memorandum is misleading or deceptive in a material respect;
- there is a material omission from this Information Memorandum;
- there has been a significant change affecting a matter included in this Information Memorandum; or
- a significant new matter has arisen which would have been required to be included in this Information Memorandum if it had arisen before the date of lodgement of this Information Memorandum with ASX.

The form which the supplementary document may take will depend on the nature and timing of the new or changed circumstances.

10.10 Statements by Tuas Directors

This Information Memorandum has been authorised by each Tuas Director who has consented to its lodgement with ASX and its issue and has not withdrawn that consent.

Each director of Tuas believes that Tuas has enough working capital to carry out its stated objectives.

10.11 Fees and other costs

The indicative total costs of the Demerger payable by Tuas (exclusive of GST) for ASX lodgement, legal expenses and printing and other miscellaneous expenses are approximately A$2 million. As at the date of this Information Memorandum, approximately A$1.2 million in costs have been incurred in connection with the Demerger.

The total fees for professional services paid or payable by Tuas are approximately A$1.6 million. This includes fees for financial advisers, lawyers, accounting and tax advisers, other experts, and communication consultants (including the Tuas Share Registry).

10.12 Interests of experts or advisers

Other than as set out in this Information Memorandum, no expert or adviser named in this Information Memorandum or entity in which any such expert or adviser is a member or partner has any interest in the promotion of Tuas or in any property acquired or proposed to be acquired by Tuas and no amounts, whether in cash or securities or otherwise, have been paid or agreed to be paid by any person to any such expert or adviser or to any entity in which any such expert or adviser is a member or partner, either to induce him or her to become, or to qualify him or her as, a director, or otherwise for services rendered by him or her or by the entity in connection with the promotion or formation of Tuas.

10.13 Governing law

This Information Memorandum is governed by the law applicable in New South Wales and each Tuas Shareholder submits to the exclusive jurisdiction of the courts of New South Wales.

Signed on behalf of each Tuas Director

by

David Teoh
Executive Chairman

Date: 19 May 2020

SECTION 11

GLOSSARY

The meanings of the terms used in this Information Memorandum are set out below:

Term	Meaning
1G	First-Generation.
256-QAM	256-Quadrature Amplitude Modulation.
2G	Second-Generation.
3G	Third-Generation.
3GPP	3rd Generation Partnership Project.
4G	Fourth-Generation.
5G	Fifth-Generation.
A$	Australian dollars.
ASIC	Australian Securities & Investments Commission.
Associate	has the meaning given in section 12 of the Corporations Act, as if subsection 12(1) of the Corporations Act includes a reference to this Information Memorandum and TPG Australia or Tuas (as applicable) was the designated body.
ASX	Australian Securities Exchange.
ASX Listing Rules	official listing rules of ASX.
ASX Principles	ASX principles for listed entities developed and released by the ASX Corporate Governance Council.
ASX Settlement Operating Rules	the settlement operating rules of ASX.
ATO	Australian Taxation Office.
Audit & Risk Committee	Tuas Audit and Risk Committee.
CAGR	compounded annual growth rate.
CASS	Consumer Awareness and Satisfaction Survey that is conducted by the IMDA.
CFP	Call for Proposal.
CGT	capital gains tax.
CHESS	Clearing House Electronic Subregister System, operated in accordance with the Corporations Act.
Committee	a Tuas Board committee.
Conditions	the conditions set out in Section 2.5.
Corporations Act	*Corporations Act 2001* (Cth).
COVID-19 global pandemic	has the meaning set out in Section 7.4.6.
Demerger	the demerger of the Tuas Group from TPG Australia through the implementation of the In-Specie Dividend as described in this Information Memorandum.
Demerger Implementation Date	the date that the Demerger is implemented, which is expected to be Monday, 13 July 2020.
EBITDA	earnings before interest, tax, depreciation and amortisation.

Term	Meaning
Effective	the coming into effect, under subsection 411(10) of the Corporations Act, of a court order made under paragraph 411(4)(b) of the Corporations Act in relation to the TPG Australia Scheme.
Eligible TPG Australia Shareholder	a TPG Australia Shareholder (other than an Ineligible TPG Australia Shareholder).
FBO	Facilities-Based Operator.
FBO Licence	a 4G facilities-based operator licence granted by the IMDA to TPG Singapore on 1 April 2017.
Financial Information	the financial information described in Section 5.
Financial Year	• the period from 1 July 2016 (date of incorporation of TPG Singapore) to 31 July 2017; or • the 12 month period ended 31 July 2018 or 31 July 2019 (as the context requires). A reference to **FY17**, **FY18** or **FY19** is a reference to the financial years ended or ending 31 July 2017, 31 July 2018 and 31 July 2019 respectively.
FIRB	Foreign Investment Review Board.
GDP	gross domestic product.
GSA	General Spectrum Auction.
HY20	the six months ending 31 January 2020.
ICT	information and communications technology.
IDA	Info-communications Development Authority.
IMDA	Infocomm Media Development Authority of Singapore.
IMT	International Mobile Telecommunications.
IMT-Advanced	International Mobile Telecommunications-Advanced.
iN2015	Intelligent Nation 2015 masterplan.
Indicative Timetable	the indicative timetable on page 5 of this Information Memorandum.
Ineligible TPG Australia Shareholder	a TPG Australia Shareholder whose address shown in the TPG Australia Register on the In-Specie Dividend Record Date is a place outside Australia and its external territories or New Zealand, unless TPG Australia determines (in its absolute discretion) that it is lawful and not unduly onerous or impracticable to issue that TPG Australia Shareholder with Tuas Shares on the In-Specie Dividend Record Date.
Information Memorandum	this information memorandum.
In-Specie Dividend	the dividend in the amount of the In-Specie Dividend Value to be declared by the TPG Australia Board, to be satisfied by means of the distribution of Tuas Shares to TPG Australia Shareholders.
In-Specie Dividend Record Date	the time and date on which the entitlements of TPG Australia Shareholders to the In-Specie Dividend will be determined, which is currently expected to be 7.00pm (Sydney time), Wednesday, 1 July 2020.
In-Specie Dividend Value	the market value of the Tuas Shares received pursuant to the In-Specie Dividend calculated by reference to the VWAP of Tuas Shares for the first five trading days starting from the date of the commencement of trading of Tuas Shares on ASX (including on a conditional and deferred settlement basis).
Investigating Accountant's Report	the report produced by the Investigating Accountant set out in Section 8.

Term	Meaning
IP Deed	an agreement to be entered into by TPG Australia and TPG Singapore, under which each of TPG Australia and TPG Singapore assigns each other certain intellectual property rights in software to hold as co-owners following the Demerger, a description of which is set out in Section 4.7.3.
Key Management	the Executive Chairman and Chief Executive Officer of Tuas.
KPMG Singapore	KPMG LLP (Registration No. T08LL1267L), an accounting Limited Liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity.
KPMG Transaction Services or **Investigating Accountant**	KPMG Transaction Services, which is a division of KPMG Financial Advisory Services (Australia) Pty Ltd (ABN 43 007 363 215).
Merger	the merger of equals between VHA and TPG Australia that is proposed to take place pursuant to the TPG Australia Scheme.
MIMO	Multiple-Input, Multiple-Output.
MNO	Mobile Network Operator.
MRT	Mass Rapid Transport.
MVNO	Mobile Virtual Network Operators.
NESA	New Entrant Spectrum Auction.
Non-Executive Directors	the non-executive directors of Tuas.
NRF	National Research Foundation.
Official List	the Official List of the ASX.
Official Quotation	quotation of Tuas Shares on the Official List.
OTT	over-the-top.
Pro Forma Adjustments	the pro forma adjustments in respect of the Pro Forma Historical Statement of Financial Position as described in Section 5.5.2.
QoS	Quality of Service.
RAN	Radio Access Network.
RIO	Reference Interconnection Officer.
S$	Singapore dollars.
Sale Agent	the person nominated by TPG Australia to sell the Tuas Shares that are attributable to Ineligible TPG Australia Shareholders under the In-Specie Dividend.
Sale Facility	the sale facility described in Section 2.7.
Sale Facility Proceeds	the proceeds from the sale of an Ineligible TPG Australia Shareholder's Tuas Shares under the Sale Facility (after deduction of any applicable brokerage, stamp duty and other costs), calculated on an averaged basis so that all Ineligible TPG Australia Shareholders are entitled to the same amount for each Tuas Share sold on their behalf.
SBO	Services-Based Operator.
Scheme Implementation Deed	the scheme implementation deed dated 30 August 2018 between, among others, TPG Australia and VHA relating to the implementation of the TPG Australia Scheme.
Section	a section of this Information Memorandum.

Term	Meaning
Separation Deed	the agreement to be entered into by TPG Australia and Tuas dealing with the separation arrangements between the parties arising in connection with the Demerger, a summary of which is set out in Section 4.7.1.
SFN	Single Frequency Network.
SFRS	Singapore Financial Reporting Standards.
SGX	Singapore Exchange Limited.
Shareholder Information Line	1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia).
Singapore Telecommunications Act	Telecommunications Act (Cap. 323).
Singtel	Singapore Telecommunications.
Spectrum Right	the right granted to TPG Singapore as set out in Section 3.7.2.3.
SPH	Singapore Press Holdings.
TAS	Telecommunications Authority of Singapore.
Telecom Competition Code	Code of Practice for Competition in the Provision of Telecommunication Services 2012.
TPG Australia	TPG Telecom Ltd ACN 093 058 069.
TPG Australia Board	the board of directors of TPG Australia.
TPG Australia Constitution	the constitution of TPG Australia.
TPG Australia Convertible Notes	convertible notes with a face value of S$1.00 each issued by TPG Singapore to TPG Australia, which are convertible into ordinary shares in TPG Singapore.
TPG Australia Directors	the directors of TPG Australia.
TPG Australia Group	TPG Australia and each of its subsidiaries (excluding the Tuas Group).
TPG Australia Register	the register of members of TPG Australia maintained by or on behalf of TPG Australia in accordance with section 168(1) of the Corporations Act.
TPG Australia Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between TPG Australia and TPG Australia Shareholders under which it is proposed that VHA will acquire all shares in TPG Australia.
TPG Australia Scheme Booklet	the scheme booklet in respect of the TPG Australia Scheme lodged with ASIC on 19 May 2020.
TPG Australia Share	an ordinary share in the capital of TPG Australia.
TPG Australia Share Registry	Computershare Investor Services Pty Limited.
TPG Australia Shareholder	a registered holder of TPG Australia Shares.
TPG Singapore	TPG Telecom Pte. Limited.
TPG Singapore Board	the board of directors of TPG Singapore.
TPG Singapore Directors	the directors of TPG Singapore.

Term	Meaning
TPG Singapore Historical Financial Information	the historical financial information of TPG Singapore set out in Section 5.
TPG Singapore Historical Statement of Financial Position	the financial information set out in Section 5.5.1.
Transitional Services Agreement	an agreement to be entered into by TPG Australia, TPG Singapore and Tuas, under which TPG Australia will provide certain services to the Tuas Group and grant a licence over the TPG brand and logo for a period following the Demerger, a description of which is set out in Section 4.7.2.
Tuas	Tuas Limited ACN 639 685 975.
Tuas Board	the board of directors of Tuas.
Tuas Constitution	the constitution of Tuas.
Tuas Directors	the directors of Tuas.
Tuas Group	Tuas, TPG Singapore and Tuas Solutions.
Tuas Group Pro Forma Historical Statement of Financial Position	the financial information set out in Section 5.5.2.
Tuas Register	the register of members of Tuas maintained by or on behalf of Tuas.
Tuas Share	a fully paid an ordinary share in the capital of Tuas.
Tuas Share Registry	Computershare Investor Services Pty Limited.
Tuas Shareholder	a registered shareholder of Tuas Shares.
Tuas Solutions	Tuas Solutions.
US Securities Act	United States Securities Act of 1933, as amended.
VHA	Vodafone Hutchison Australia Pty Limited ACN 096 304 620.
Voting Power	has the meaning given in section 610 of the Corporations Act.
VWAP	the market volume weighted average price of the relevant shares traded on ASX during the relevant period but does not include any trades which TPG Australia, in its discretion, determines to be outside the ordinary course of trading, which may include off-market trades including but not limited to any “Crossing” transacted outside the “Open Session State” or any “Special Crossing” transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades or trades pursuant to the exercise of options over such shares.

APPENDIX 1

FY19 AUDITED FINANCIAL STATEMENTS OF TPG SINGAPORE

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TPG Telecom Pte. Ltd.
Registration Number: 201617990D

Annual Report
Year ended 31 July 2019

Directors' statement

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 July 2019.

In our opinion:

(a) the financial statements set out on pages FS1 to FS28 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 July 2019 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Stephen Banfield
Frederick Ronald Rajkumar Massillamoni

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Stephen Banfield		
Ordinary shares in TPG Telecom Limited	245,000	261,100

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Except as disclosed under the 'Share options' section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

Signed by the Board of Directors

Stephen Banfield
Director

Frederick Ronald Rajkumar Massillamoni
Director

27 November 2019

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Independent auditors' report

Member of the Company
TPG Telecom Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of TPG Telecom Pte. Ltd. ('the Company'), which comprise the statement of financial position as at 31 July 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS28.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 July 2019 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. Other information comprises the Directors' statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

KPMG

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

KPMG

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 November 2019

Statement of financial position
As at 31 July 2019

	Note	2019 $	2018 $
Assets			
Property, plant and equipment	4	156,789,089	74,160,373
Intangible assets	5	133,732,506	130,438,816
Deferred tax assets	6	587,011	311,317
Other receivables	7	616,420	405,099
Non-current assets		**291,725,026**	**205,315,605**
Other receivables	7	2,430,728	1,733,085
Inventory		26,529	–
Cash and cash equivalents		851,398	16,653,880
Current assets		**3,308,655**	**18,386,965**
Total assets		**295,033,681**	**223,702,570**
Equity			
Share capital	8	1,000,000	1,000,000
Accumulated losses		(4,030,860)	(1,519,963)
Total equity		**(3,030,860)**	**(519,963)**
Liabilities			
Other payables	11	151,612	151,612
Non-current liabilities		**151,612**	**151,612**
Convertible notes	9	284,232,546	214,235,180
Trade and other payables	11	13,680,383	9,835,741
Current liabilities		**297,912,929**	**224,070,921**
Total liabilities		**298,064,541**	**224,222,533**
Total equity and liabilities		**295,033,681**	**223,702,570**

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income
Year ended 31 July 2019

	Note	2019 $	2018 $
Revenue		16,210	–
Administrative expenses		(1,164,624)	(384,504)
Other expenses		(1,638,177)	(1,128,128)
Loss before tax	12	**(2,786,591)**	**(1,512,632)**
Tax income	13	275,694	257,147
Loss after tax and total comprehensive income for the year		**(2,510,897)**	**(1,255,485)**

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 July 2019

	Share capital $	Accumulated losses $	Total $
At 1 August 2017	1,000,000	(264,478)	735,522
Loss for the year/Total comprehensive income for the year	–	(1,255,485)	(1,255,485)
At 31 July 2018	**1,000,000**	**(1,519,963)**	**(519,963)**
At 1 August 2018	1,000,000	(1,519,963)	(519,963)
Loss for the year/Total comprehensive income for the year	–	(2,510,897)	(2,510,897)
At 31 July 2019	**1,000,000**	**(4,030,860)**	**(3,030,860)**

The accompanying notes form an integral part of these financial statements.

TPG Telecom Pte. Ltd.
Financial statements
Year ended 31 July 2019

Statement of cash flows
Year ended 31 July 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Cash paid to suppliers and employees		(2,682,937)	(1,571,735)
Cash used in operating activities		(2,682,937)	(1,571,735)
Tax paid		–	–
Net cash used in operating activities		**(2,682,937)**	**(1,571,735)**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(80,632,329)	(63,259,956)
Acquisition of intangibles		(2,484,582)	(224,277)
Net cash used in investing activities		**(83,116,911)**	**(63,484,233)**
Cash flows from financing activity			
Proceeds from issue of convertible notes	9	69,997,366	80,650,000
Net cash from financing activity		**69,997,366**	**80,650,000**
Net (decrease)/increase in cash and cash equivalents		**(15,802,482)**	**15,594,032**
Cash and cash equivalents at beginning of the year		16,653,880	1,059,848
Cash and cash equivalents at end of the year		**851,398**	**16,653,880**

Cash flows from investing activities comprise amounts paid during the current financial year for property, plant and equipment and intangibles acquired in the current or prior financial years. Additions for property, plant and equipment and intangibles during the year amounted to $82,815,242 (2018: $73,089,956) (Note 4) and $3,304,362 (2018: $256,277) (Note 5) respectively. In the current financial year, an amount of $83,116,911 (2018: $63,484,233) was paid, with the remaining amounts included in trade and other payables.

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 27 November 2019.

1 Domicile and activities

TPG Telecom Pte. Ltd. (the "Company") is incorporated in the Republic of Singapore. The address of the Company's registered office is 150 Beach Road, 07-05/08 Gateway West, Singapore 189720.

The Company is primarily involved in the construction and operation of a mobile cellular network.

The Company's immediate and ultimate holding company is TPG Telecom Limited, a company incorporated in Australia.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

This is the first set of the Company's annual financial statements in which FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* have been applied. The impact of the adoption of these new standards was not significant to the Company. The accounting policies arising from the adoption of these standards are described in Notes 3.2 and 3.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest dollar, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no areas of critical judgement in applying accounting policies that have a significant effect on the amounts recognised in the financial statements.

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

2.5 Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the Company's net current liabilities position as the immediate and ultimate holding company has undertaken not to demand the settlement of the convertible notes balances of $284,232,546 (2018: $214,235,180) within the next twelve months and to continue to provide such financial and other support as necessary to the Company at least for the next twelve months to enable the Company to continue to trade and to meet its obligations.

In the event that the planned merger (refer to note 17) of TPG Telecom Limited ('TPG'), the Company's ultimate parent company, with Vodafone Hutchison Australia and proposed separation of the Company do occur, TPG has undertaken to ensure that prior to the separation, the Company will be capitalised with sufficient funds to finance its ongoing construction of a mobile network and to continue to trade and meet its obligations for at least the next twelve months

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

3.2 Financial instruments

Recognition and initial measurement

Non-derivative financial instruments

Other receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit of loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 August 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company does not hold any financial assets other than those classified as being measured at amortised cost.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment– Policy applicable from 1 August 2018

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 August 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 August 2018

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial assets – Policy applicable before 1 August 2018

The Company used to classify non-derivative financial assets into loans and receivables.

The Company does not hold financial assets other than those classified as loans and receivables.

Financial assets previously classified as loans and receivables before 1 August 2018 are classified as amortised cost from 1 August 2018 with no changes to the carrying amount.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 August 2018

Loans and receivables

Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses. There is no change resulting from adoption of the new accounting standards.

Loans and receivables comprised cash and cash equivalents, and other receivables.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

The Company classifies non-derivative financial liabilities as other financial liabilities.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised convertible notes and trade and other payables.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use; and
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment is installed and ready for its intended use, or in respect of internally constructed assets, from the date that the asset is completed and ready for its intended use.

The estimated useful lives are as follows:

• Plant and equipment	3-10 years
• Office furniture and fittings	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Intangible assets

Intangible assets with definite useful lives comprise the following:

Spectrum licences

Spectrum licences are stated at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets comprise software licences. Other intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative year are as follows:

• Spectrum licences	- Amortised using the straight-line method over the licence term starting from the date the related network is ready for its intended use.
• Other intangible assets - Software	- Amortised over the expected useful life

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Impairment

(i) Non-derivative financial assets – Policy applicable from 1 August 2018

The Company recognises loss allowances for Expected Credit Losses (ECL) on financial assets measured at amortised costs.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Company applies the simplified approach to provide for ECLs for other receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Policy applicable before 1 August 2018

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.6 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.7 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.8 New standards and interpretations not yet adopted

A number of new standards and amendments to standards are applicable to the Company from 1 August 2019 and earlier adoption is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following new FRS applicable to the Company is effective for annual periods beginning after 1 August 2019:

Applicable to 2019 financial statements – FRS 116 *Leases*

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. FRS 116 replaces existing lease accounting guidance, including FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 August 2019, with early adoption permitted.

The Company plans to apply FRS 116 initially on 1 August 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting FRS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 August 2019, with no restatement of comparative information. The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply FRS 116 to all contracts entered into before 1 August 2019 and identified as leases in accordance with FRS 17 and INT FRS 104.

The Company as lessee

The Company has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee (refer to note 14). Based on the preliminary assessment, the Company expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. The operating lease commitments is not expected to have a significant impact on the Company's total assets and total liabilities.

4 Property, plant and equipment

	Plant and equipment $	Office furniture and fittings $	Total $
Cost			
At 31 July 2017	1,112,427	51,968	1,164,395
Additions	72,857,206	232,750	73,089,956
At 31 July 2018	**73,969,633**	**284,718**	**74,254,351**
Additions	82,759,387	55,855	82,815,242
At 31 July 2019	**156,729,020**	**340,573**	**157,069,593**
Accumulated depreciation			
At 31 July 2017	(5,828)	(1,855)	(7,683)
Depreciation	(65,862)	(20,433)	(86,295)
At 31 July 2018	**(71,690)**	**(22,288)**	**(93,978)**
Depreciation	(117,809)	(68,717)	(186,526)
At 31 July 2019	**(189,499)**	**(91,005)**	**(280,504)**
Carrying amounts			
At 31 July 2017	1,106,599	50,113	1,156,712
At 31 July 2018	**73,897,943**	**262,430**	**74,160,373**
At 31 July 2019	**156,539,521**	**249,568**	**156,789,089**

5 Intangible assets

	Spetrum licences $	Other intangibles $	Total $
Cost			
At 31 July 2017	130,181,409	1,471	130,182,880
Additions	–	256,277	256,277
At 31 July 2018	**130,181,409**	**257,748**	**130,439,157**
Additions	–	3,304,362	3,304,362
At 31 July 2019	**130,181,409**	**3,562,110**	**133,743,519**
Accumulated amortisation			
At 31 July 2017	–	(35)	(35)
Amortisation	–	(306)	(306)
At 31 July 2018	–	**(341)**	**(341)**
Amortisation	–	(10,672)	(10,672)
At 31 July 2019	–	**(11,013)**	**(11,013)**
Carrying amounts			
At 31 July 2017	130,181,409	1,436	130,182,845
At 31 July 2018	**130,181,409**	**257,407**	**130,438,816**
At 31 July 2019	**130,181,409**	**3,551,097**	**133,732,506**

6 Deferred tax assets

There is no income tax expense for the current financial year as the Company did not have any chargeable income. As at 31 July 2019, the Company has unutilised tax losses, capital allowance and timing difference from provisions of $3,453,003 (2018: $1,831,280) which are available for offset against future taxable income subject to compliance with the relevant provisions of the Singapore Income Tax Act and agreement with the Comptroller of Income Tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are attributable to the following:

	2019 $	2018 $
Property, plant and equipment	(119,721)	15,976
Provisions	87,825	66,788
Tax benefit of losses carried forward	618,907	228,553
Deferred tax assets	**587,011**	**311,317**

Movements in deferred tax assets during the year are as follows:

	Balance as at 1 July 2017 $	Recognised in profit or loss $	Balance as at 31 July 2018 $	Recognised in profit or loss $	Balance as at 31 July 2019 $
Property, plant and equipment	1,306	14,670	15,976	31,710	47,686
Provisions	22,244	44,544	66,788	(14,494)	52,294
Tax benefit of losses carried forward	30,620	197,933	228,553	258,478	487,031
	54,170	257,147	311,317	275,694	587,011

7 Other receivables

	2019 $	2018 $
Non-current		
Deposit for rental premises	**616,420**	**405,099**
Current		
Deposit for rental premises	59,294	79,294
GST receivable	1,905,988	1,348,302
Prepayments	352,474	305,489
Other debtors	112,972	–
	2,430,728	**1,733,085**

8 Share capital

	2019 Ordinary shares	2019 $	2018 Ordinary shares	2018 $
In issue at 1 August and 31 July	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**

All issued shares are fully paid, with no par value.

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

9 Convertible notes

	2019 $	2018 $
As at 1 August	214,235,180	133,585,180
Proceeds from issue of convertible notes	69,997,366	80,650,000
As at 31 July	**284,232,546**	**214,235,180**

(a) During the current reporting period, the Company issued 69,997,366 (2018: 80,650,000) convertible notes to its ultimate holding company - TPG Telecom Limited to secure funds for building its mobile network. These notes have a face value and issue price of $1 each, with zero-interest and no designated maturity date (similar terms for the notes issued in 2018).

The rights, preferences, privileges and restrictions of the convertible notes are summarised as follows:

- Each convertible note is issued by the Company and may be converted into shares or be redeemed for cash;
- Each convertible note, at the option of the holder, is convertible into shares, subject to certain conversion ratios; and
- All payments to the holder under the terms of the Convertible Note Deed in respect of the convertible notes will rank pari passu amongst themselves and behind any creditor holding security over the assets of the Company.

Each convertible note is repayable on demand at the option of the holder and is therefore classified as a current liability.

(b) Reconciliation of movement of liabilities to cash flows arising from financing activities:

	Note	Liabilities Convertible notes $	Total $
Balance at 1 August 2017		133,585,180	133,585,180
Changes from financing cash flows			
Proceeds from issue of convertible notes	9	80,650,000	80,650,000
Total changes from financing cash flows		**80,650,000**	**80,650,000**
Balance at 31 July 2018		**214,235,180**	**214,235,180**
Balance at 1 August 2018		214,235,180	214,235,180
Changes from financing cash flows			
Proceeds from issue of convertible notes	9	69,997,366	69,997,366
Total changes from financing cash flows		**69,997,366**	**69,997,366**
Balance at 31 July 2019		**284,232,546**	**284,232,546**

10 Financial instruments

Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure from those assets. At the reporting date, the Company's maximum exposure to credit risk was:

	2019 $	2018 $
Deposit for rental premises	675,714	484,393
Cash and cash equivalents	851,398	16,653,880
	1,527,112	**17,138,273**

Cash and cash equivalents

The cash and cash equivalents are held with bank and financial institution counterparties which are of reputable credit ratings. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflect the short maturities of the exposure. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is insignificant.

Deposits for rental premises

Deposits for rental premises are short and long term in nature. Based on the assessment of qualitative and quantitative factors, that are indicative of the risk of default (including, but not limited to external ratings, audited financial statements, management accounts and cash flow projections, press information, if available), these exposures are considered to have low credit risk. The Company considers these receivables to have low credit risk and the amount of the allowance to be insignificant.

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities due to shortage of funds. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operation expenses including the servicing of financial obligations. The Company has also received an undertaking from its immediate and ultimate holding company not to demand the settlement of the convertible notes balances of $284,232,546 (2018: $214,235,180) within the next twelve months and to provide such financial and other support as necessary for the Company to operate as a going concern.

Exposure to liquidity risk

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Contractual cash flows $	Within 1 year $	Between 1-5 years $	Carrying amount $
31 July 2019				
Non-derivative financial liabilities				
Convertible notes	(284,232,546)	(284,232,546)	–	(284,232,546)
Trade and other payables	(13,831,995)	(13,680,383)	(151,612)	(13,831,995)
	(298,064,541)	**(297,912,929)**	**(151,612)**	**(298,064,541)**
31 July 2018				
Non-derivative financial liabilities				
Convertible notes	(214,235,180)	(214,235,180)	–	(214,235,180)
Trade and other payables	(9,987,353)	(9,835,741)	(151,612)	(9,987,353)
	(224,222,533)	**(224,070,921)**	**(151,612)**	**(224,222,533)**

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Currency risk

Risk management policy

The Company is exposed to currency risk on purchases and inter-company balances, that are denominated in a currency other than the Company's functional currency, the Singapore dollar (SGD). These other currencies are primarily USD and AUD. The Company does not have significant exposure to currency risk as the purchases and inter-company balances denominated in other currencies is not significant.

Interest rate risk

Risk management policy

The Company adopts a policy of ensuring an optimal balance between its fixed rate and floating rate borrowings to manage its interest rate risk exposure.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Nominal amount	
	2019	**2018**
	$	**$**
Variable rate instruments		
Financial assets	851,398	16,653,880

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's interest income from cash at bank.

Fair value sensitivity analysis for fixed rate instruments

As at 31 July 2019, the Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at reporting date would have increased/(decreased) equity or profit or loss based on the balance of its variable rate instruments as at 31 July 2019, of $8,514 (2018: $166,539). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Accounting classifications and fair values

Fair value versus carrying amounts

	Note	Amortised cost $	Liabilities at amortised cost $	Total carrying amount $	Fair value $
31 July 2019					
Assets					
Deposit for rental premises	7	675,714	–	675,714	675,714
Cash and cash equivalents		851,398	–	851,398	851,398
		1,527,112	–	**1,527,112**	**1,527,112**
Liabilities					
Trade and other payables	11	–	(13,831,995)	(13,831,995)	(13,831,995)
Convertible notes	9	–	(284,232,546)	(284,232,546)	(284,232,546)
		–	**(298,064,541)**	**(298,064,541)**	**(298,064,541)**
31 July 2018					
Assets					
Deposit for rental premises	7	484,393	–	484,393	484,393
Cash and cash equivalents		16,653,880	–	16,653,880	16,653,880
		17,138,273	–	**17,138,273**	**17,138,273**
Liabiliies					
Trade and other payables	11	–	(9,987,353)	(9,987,353)	(9,987,353)
Convertible notes	9	–	(214,235,180)	(214,235,180)	(214,235,180)
		–	**(224,222,533)**	**(224,222,533)**	**(224,222,533)**

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company is not subject to externally imposed capital requirements.

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11 Trade and other payables

	2019 $	2018 $
Non – current		
Provision for reinstatement costs	**151,612**	**151,612**
Current		
Trade payables	13,315,378	9,504,121
Employee benefits	307,610	203,918
Accrued expenses	57,395	127,702
	13,680,383	**9,835,741**

12 Loss before tax

The following items have been included in arriving at the loss before tax:

	Note	2019 $	2018 $
Depreciation and amortisation expenses	4,5	(197,198)	(86,601)
Operating lease expense		(891,462)	(611,137)
Provision for reinstatement costs		–	(151,612)
Employee benefits expense:			
- Salaries, bonuses and other costs		(1,035,192)	(340,208)
- Contributions to defined contribution plans		(129,432)	(44,296)
		(1,164,624)	**(384,504)**

13 Tax income

Tax recognised in profit or loss

	Note	2019 $	2018 $
Current tax expense			
Current year		–	–
Deferred tax income			
Origination and reversal of temporary differences	6	275,694	257,147
Tax income		**275,694**	**257,147**

Reconciliation of effective tax rate

	2019	2018
Loss before tax	2,786,591	1,512,632
Tax using Singapore tax rate of 17% (2018: 17%)	473,720	257,147
Under-provision of deferred tax expense in the prior year	(198,026)	–
	275,694	**257,147**

14 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2019 $	2018 $
Within one year	891,462	874,341
Between one and five years	520,020	760,884
	1,411,482	**1,635,225**

During the year, an amount of $891,462 (2018: $611,137) was recognised as an expense in profit or loss in respect of operating leases.

15 Commitments

As at 31 July 2019, the Company has capital expenditure commitments of $19,131,123 (2018: $15,318,666). These commitments are expected to be settled within one year.

16 Related parties

Transactions with key management personnel

Key management personnel compensation comprised:

	2019 $	2018 $
Short-term employee benefits	36,000	36,000

Key management personnel and director transactions

During the year the Company purchased computers and office equipment from an entity related to a director of the Company, Mr Rajkumar Massillamoni. The total purchase for the year was $105,542 (2018: $128,971).

Other than disclosed elsewhere in the financial statements, there are no additional transactions with related parties.

17 Subsequent events

Background

On 30 August 2018, the ultimate holding company - TPG Telecom Limited (TPG) and Vodafone Hutchison Australia ("VHA") entered into a Scheme Implementation Deed under which the companies agreed a proposed merger of equals to establish a fully integrated telecommunications operator in Australia. The merger is subject to a number of conditions including shareholder and regulatory approvals. On 8 May 2019, the ACCC announced it had decided to oppose the proposed merger. Proceedings were lodged with the Federal Court of Australia on 24 May 2019 by the merger parties seeking orders that the proposed merger will not have the effect, or likely effect, of substantially lessening competition.

On or prior to the implementation of the merger, TPG intends to undertake a separation of the Company by way of an in-specie distribution of shares in the Company to TPG shareholders.

In the event that the planned merger with VHA and proposed separation of the Company do occur, TPG has undertaken to ensure that prior to the separation, the Company will be capitalised with sufficient funds to finance its ongoing construction of a mobile network and to continue to trade and meet its obligations for at least the next twelve months.

Subsequent events

The Federal Court hearing was held between 10 September and 1 October 2019 and the Group is currently awaiting judgment. The judge has indicated that his decision can be expected by February 2020.

APPENDIX 2

HY20 CONDENSED INTERIM FINANCIAL REPORT OF TPG SINGAPORE

KPMG

TPG Telecom Pte. Ltd.
Registration Number: 201617990D

Condensed Interim Financial Report
For the six months ended
31 January 2020

Directors' statement

In our opinion:

(a) the condensed interim financial statements of TPG Telecom Pte. Ltd. (the Company) for the six-month period ended 31 January 2020 are drawn up, in all material respects, in accordance with FRS 34 *Interim Financial Reporting*; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these condensed interim financial statements for issue.

Signed by the Board of Directors

Stephen Banfield
Director

Rajkumar Massillamoni

Frederick Ronald **Rajkumar Massillamoni**
Director

20 April 2020

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Report on review of Condensed Interim Financial Information

Member of the Company
TPG Telecom Pte. Ltd.

Introduction

We have reviewed the accompanying condensed statement of financial position of TPG Telecom Pte. Ltd. (the Company) as at 31 January 2020, and the related condensed statements of comprehensive income, changes in equity and cash flows of the Company for the six-month period then ended, and certain explanatory notes (the Condensed Interim Financial Information). Management is responsible for the preparation and presentation of this Condensed Interim Financial Information in accordance with Singapore Financial Reporting Standard (FRS) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of Condensed Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Information is not prepared, in all material respects, in accordance with FRS 34 *Interim Financial Reporting*.

KPMG

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Condensed Interim Financial Information for the private information of the member of the Company and for no other purpose. We do not assume any responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
20 April 2020

TPG Telecom Pte. Ltd.
Review of Condensed Interim Financial Information
For the six months ended 31 January 2020

Condensed statement of financial position
As at 31 January 2020

	Note	31 January 2020 $	31 July 2019 $
Assets			
Plant and equipment	4	210,897,392	156,789,089
Right-of-use assets		741,600	–
Intangible assets	4	134,776,770	133,732,506
Deferred tax assets		899,997	587,011
Other receivables	5	644,557	616,420
Non-current assets		347,960,316	291,725,026
Trade and other receivables	5	2,189,954	2,430,728
Inventory		66,929	26,529
Cash and cash equivalents		3,492,496	851,398
Current assets		5,749,379	3,308,655
Total assets		353,709,695	295,033,681
Equity			
Share capital		1,000,000	1,000,000
Accumulated losses		(5,558,973)	(4,030,860)
Total equity		(4,558,973)	(3,030,860)
Liabilities			
Lease liabilities		60,459	–
Other payables	7	151,612	151,612
Non-current liabilities		212,071	151,612
Convertible notes	6	353,155,552	284,232,546
Trade and other payables	7	4,189,591	13,680,383
Lease liabilities		711,454	–
Current liabilities		358,056,597	297,912,929
Total liabilities		358,268,668	298,064,541
Total equity and liabilities		353,709,695	295,033,681

The accompanying notes form an integral part of these interim financial statements.

FS1

Condensed statement of comprehensive income
For the six months ended 31 January 2020

	Six months ended	
	31 January 2020	**31 January 2019**
	$	**$**
Revenue	1,005,118	–
Network, carrier and hardware costs	(298,324)	–
Employee benefits expense	(968,701)	(355,533)
Other expenses	(1,069,687)	(458,170)
Depreciation	(451,388)	(85,497)
Amortisation of intangibles	(7,325)	(4,467)
Total expenses	**(2,795,425)**	**(903,667)**
Finance income	–	18,395
Finance expenses	(16,578)	–
Net finance (costs)/income	**(16,578)**	**18,395**
Loss before tax	**(1,806,885)**	**(885,272)**
Tax income/(expense)	307,170	(47,530)
Loss after tax and total comprehensive income for the period	**(1,499,715)**	**(932,802)**

The accompanying notes form an integral part of these interim financial statements.

Condensed statement of changes in equity
For the six months ended 31 January 2020

	Share capital $	Accumulated losses $	Total $
At 1 August 2018	1,000,000	(1,519,963)	(519,963)
Total comprehensive income for the period			
Loss for the period	–	(932,802)	(932,802)
At 31 January 2019	**1,000,000**	**(2,452,765)**	**(1,452,765)**
At 31 July 2019			
As previously stated	1,000,000	(4,030,860)	(3,030,860)
Adjustment on initial application of FRS 116, net of tax	–	(28,398)	(28,398)
Adjusted balance as 1 August 2019	**1,000,000**	**(4,059,258)**	**(3,059,258)**
Total comprehensive income for the period			
Loss for the period	–	(1,499,715)	(1,499,715)
At 31 January 2020	1,000,000	(5,558,973)	(4,558,973)

The accompanying notes form an integral part of these interim financial statements.

Condensed statement of cash flows
For the six months ended 31 January 2020

	Six months ended	
	31 January 2020	**31 January 2019**
	$	**$**
Cash flows from operating activities		
Cash receipts from customers	1,028,088	–
Cash paid to suppliers and employees	(2,727,640)	(1,576,869)
Net cash used in operating activities	**(1,699,552)**	**(1,576,869)**
Cash flows from investing activities		
Acquisition of plant and equipment	(63,302,200)	(43,456,199)
Acquisition of intangible assets	(917,400)	(1,150,400)
Net cash used in investing activities	**(64,219,600)**	**(44,606,599)**
Cash flows from financing activity		
Proceeds from issue of convertible notes	68,923,006	30,575,415
Repayment of lease liabilities	(346,178)	–
Finance costs paid	(16,578)	–
Net cash from financing activity	**68,560,250**	**30,575,415**
Net increase/(decrease) in cash and cash equivalents	2,641,098	(15,608,053)
Cash and cash equivalents at beginning of the period	851,398	16,653,880
Cash and cash equivalents at end of the period	**3,492,496**	**1,045,827**

The accompanying notes form an integral part of these interim financial statements.

Notes to the Condensed Interim Financial Information

These notes form an integral part of the Condensed Interim Financial Information.

The Condensed Interim Financial Information was authorised for issue by the Board of Directors on 20 April 2020.

1 Domicile and activities

TPG Telecom Pte. Ltd. (the Company) is incorporated in the Republic of Singapore. The address of the Company's registered office is 150 Beach Road, 07-05/08 Gateway West, Singapore 189720.

The Company is primarily involved in the construction and operation of a mobile cellular network.

The Company's immediate and ultimate holding company is TPG Telecom Limited, a company incorporated in Australia, and listed on the Australian Securities Exchange ("ASX").

2 Basis of preparation

2.1 Statement of compliance

This Condensed Interim Financial Information has been prepared in accordance with Singapore Financial Reporting Standard 34 – Interim Financial Reporting ("FRS 34"), and should be read in conjunction with the Company's last annual financial statements as at and for the year ended 31 July 2019 ("last annual financial statements"). They do not include all of the information required for a complete set of FRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The Condensed Interim Financial Information is presented in Singapore dollars, which is the Company's functional currency.

2.2 Going concern

The condensed Interim Financial Statements have been prepared on a going concern basis, notwithstanding the Company's net current liabilities position as the immediate and ultimate holding company has undertaken not to demand the settlement of the convertible notes balances of $353,155,552 (31 July 2019: $284,232,546) within the next twelve months and to continue to provide such financial and other support as necessary to the Company at least for the next twelve months to enable the Company to continue to trade and to meet its obligations.

In the event that the planned merger (refer to note 10) of TPG Telecom Limited ("TPG"), the Company's ultimate parent company, with Vodafone Hutchison Australia and proposed separation of the Company do occur, TPG has undertaken to ensure that prior to the separation, the Company will be capitalised with sufficient funds to finance its ongoing construction of a mobile network and to continue to trade and meet its obligations for at least the next twelve months.

3 Significant accounting policies

Except as described below, the accounting policies applied by the Company in this Condensed Interim Financial Information are the same as those applied in the Company's financial statements as at and for the year ended 31 July 2019.

The changes in accounting policies are also expected to be reflected in the Company's financial statements as at and for the year ending 31 July 2020.

The Company has initially adopted FRS 116 Leases from 1 August 2019. The adoption of other new standards does not have any significant impact on the financial statements except for FRS 116.

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. As a result, the Company, as a lessee, has recognised right of use ("ROU") assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Company has applied FRS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 August 2019. Accordingly, the comparative information has not been restated and transition adjustments were made through retained earnings as at 1 August 2019. The details of the changes in accounting policies are disclosed below.

The Company had elected to adopt the following practical expedients:

- applied the exemption not to recognise ROU assets and liabilities for leases with less than 12 months of lease term and of low-value assets;
- excluded initial direct costs attributable to obtaining a lease from the measurement of its ROU assets at the date of initial application;
- used a single discount rate for a portfolio of similar leases; and
- used hindsight when determining the lease term.

As at 1 August 2019, the adoption of FRS 116 resulted in the following key effects:

	$
Right-of-use assets	1,083,877
Deferred tax assets	5,817
Lease liabilities	(1,118,092)
Retained earnings	28,398

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1 August 2019.

Reconciliation of operating lease commitments to lease liabilities recognised at transition

	$
Operating lease commitments at 31 July 2019, as reported	1,411,482
Discounted using the incremental borrowing rate at 1 August 2019	(30,637)
Non-lease components not recognised	(262,753)
Lease liabilities recognised as at 1 August 2019	1,118,092

In preparing this Condensed Interim Financial Information, management has made judgements and estimates that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies relate to:

- Commencement of depreciation

  The Company determines that the network asset is considered completed and ready for use when it is technically ready for commercial paid services to be marketed. The assessment of when the asset is ready for its intended use affects when the depreciation of the asset commences, and the expense to be recognised in profit or loss.

- Calculation of lease liability under FRS 116

  The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and ROU assets recognised.

4 Plant and equipment and intangible assets

a) During the six months ended 31 January 2020, the Company acquired plant and equipment amounting to $54,217,414 (2019: $38,243,050). Employee costs of $5,589,327 (2019: $9,292,457) have been capitalised towards construction of the mobile network.

b) During the six months ended 31 January 2020, the Company acquired intangible assets amounting to $1,051,589 (2019: $1,162,544).

5 Trade and other receivables

	31 January 2020 $	31 July 2019 $
Non-current		
Deposit for rental premises	644,557	616,420
Current		
Trade receivables	47,388	–
Deposit for rental premises	59,294	59,294
GST receivable	877,705	1,905,988
Prepayments	1,103,695	352,474
Other debtors	101,872	112,972
	2,189,954	2,430,728

6 Convertible notes

	31 January 2020 $	31 July 2019 $
As at 1 August	284,232,546	214,235,180
Proceeds from issue of convertible notes	68,923,006	69,997,366
Balance as at 31 January 2020 and 31 July 2019	**353,155,552**	**284,232,546**

During the current reporting period, the Company issued 68,923,006 (2019: 69,997,366) convertible notes to its ultimate holding company - TPG Telecom Limited to secure funds for building its mobile network. These notes have a face value and issue price of $1 each, with zero-interest and no designated maturity date (similar terms for the notes issued in 2019).

The rights, preferences, privileges and restrictions of the convertible notes are summarised as follows:

- Each convertible note is issued by the Company and may be converted into shares or be redeemed for cash;
- Each convertible note, at the option of the holder, is convertible into shares, subject to certain conversion ratios; and
- All payments to the holder under the terms of the Convertible Note Deed in respect of the convertible notes will rank pari passu amongst themselves and behind any creditor holding security over the assets of the Company.
- Each convertible note is repayable on demand at the option of the holder and is therefore classified as a current liability.

7 Trade and other payables

	31 January 2020 $	31 July 2019 $
Non-current		
Provision for reinstatement costs	151,612	151,612
Current		
Trade payables	3,582,558	13,315,378
Employee benefits	395,034	307,610
Accrued expenses	211,999	57,395
	4,189,591	13,680,383

8 Commitments

As at 31 January 2020, the Company has capital expenditure commitments of $16,933,879 (2019: $19,131,123). These commitments are expected to be settled within one year.

9 Related parties

Transactions with key management personnel

Key management personnel compensation comprised:

	Six months ended 31 January 2020 $	Six months ended 31 January 2019 $
Short-term employee benefits	18,000	18,000

Key management personnel and director transactions

During the year the Company purchased computers and office equipment from an entity related to a director of the Company, Mr Rajkumar Massillamoni. The total purchase for the half-year was $13,329 (2019: $77,741).

Other than disclosed elsewhere in the financial statements, there are no additional transactions with related parties.

10 Subsequent events

a) Proposed merger of TPG Telecom Limited and Vodafone Hutchison Australia

Background

On 30 August 2018, the ultimate holding company - TPG Telecom Limited (TPG) and Vodafone Hutchison Australia ("VHA") entered into a Scheme Implementation Deed under which the companies agreed a proposed merger of equals to establish a fully integrated telecommunications operator in Australia. The merger is subject to a number of conditions including shareholder and regulatory approvals.

On 8 May 2019, the Australian Competition and Consumer Commission ("ACCC") announced it had decided to oppose the proposed merger. Proceedings were lodged with the Federal Court of Australia on 24 May 2019 by the merger parties seeking orders that the proposed merger will not have the effect, or likely effect, of substantially lessening competition. On 13 February 2020, the Federal Court ruled in favour of the merger parties.

The merger parties are continuing to work towards meeting the remaining regulatory conditions so as to complete the merger in mid-2020.

Planned separation of the Company

In accordance with the Scheme Implementation Deed, on or prior to the implementation of the merger, TPG intends to undertake a separation of the Company by transferring its shares in the Company to a new holding company, whose shares will be distributed to the current TPG shareholders and listed on the Australian Securities Exchange ('ASX').

In the event that the planned merger with VHA and proposed separation of the Company do occur, TPG has undertaken to ensure that prior to the separation, the Company will be capitalised with sufficient funds to finance its ongoing construction of a mobile network and to continue to trade and meet its obligations for at least the next twelve months.

b) COVID-19 Impact

On 11 March 2020, the World Health Organisation declared the 2019 Novel Coronavirus ("COVID-19") outbreak a pandemic. The spread of COVID-19 has created a high level of uncertainty to the near-term global economic prospects and caused disruptions to various businesses.

Whilst there has to-date been no material adverse financial impact on the Company and its operations, the Company is taking precautionary measures to mitigate risks arising from the pandemic in accordance with guidelines provided by the authorities in Singapore.

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