

10 May 2016

ST Teleport Pte Ltd ("**ST Teleport**")
1 Temasek Avenue, #33-01
Millenia Tower
Singapore 039192
Attn: Mr. Joseph Chan
Managing Director

SpeedCast International Limited ("**SpeedCast**")
2405-08 Dah Sing Financial Centre
108 Gloucester Road
Wanchai, Hong Kong
Attn: Mr. Richard Carden
Senior Vice President, Global Sales

TA Associates, L.P. ("**TA Associates**")
200 Clarendon Street 56th Floor
Boston, MA 02116
Attn: Ms. Kelly Riera
Director of Compliance

(collectively, the "**Applicants**")

Dear Sirs,

THE DECISION OF THE INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY OF SINGAPORE ON THE PROPOSED CONSOLIDATION BETWEEN ST TELEPORT PTE LTD AND SPEEDCAST INTERNATIONAL LIMITED

1. We refer to:

- (a) the Short Form Consolidation Application dated 3 March 2016 (the "**Consolidation Application**") jointly submitted by the Applicants pursuant to Sub-section 10.3.6.3(b) of the Code of Practice for Competition in the Provision of Telecommunication Services 2012 (the "**Telecom Competition Code**"), in relation to the proposed acquisition of ST Teleport by SpeedCast (the "**Proposed Consolidation**"); and

- (b) IDA's public consultation in relation to the Consolidation Application issued on 11 March 2016, and which closed on 28 March 2016.

Unless otherwise defined, all capitalised terms in this letter shall have the same meanings ascribed to them in the Telecommunications Act (Cap. 323) ("**the Act**"), the Telecom Competition Code or the Telecom Consolidation and Tender Offer Guidelines, as applicable.

2. This letter summarises IDA's assessment and decision on the Consolidation Application. The details of IDA's assessment and grounds for the decision are set out in the Explanatory Memorandum, which is enclosed for your reference.

Summary of IDA's Assessment and Decision

3. Based on IDA's assessment, the Proposed Consolidation has elements of both a Horizontal and a Non-horizontal Consolidation.
4. With respect to the Horizontal element, while the Applicants collectively provide a range of telecommunication services, IDA notes that the only overlapping service provided by the Applicants is the Very Small Aperture Terminal ("**VSAT**") service, given that both ST Teleport and SpeedCast provide VSAT services to Singapore customers. IDA disagrees with the Applicants' submission that ST Teleport and SpeedCast do not directly compete with each other in any telecommunication markets, in Singapore or elsewhere, which they participate in. IDA had previously established that the geographic market for VSAT service is regional. Customers in Singapore can obtain VSAT service from any provider that has capacity on a satellite that can be accessed from Singapore. As such, a Singapore customer requiring VSAT service could be served by utilising facilities both inside (such as those provided by ST Teleport) and outside (such as those provided by SpeedCast) of Singapore. In this regard, ST Teleport and SpeedCast can be considered to be direct competitors in the VSAT market. However, IDA agrees that the market shares of the Applicants in the VSAT market are low, and the market share of the Post-Consolidation Entity in the VSAT market will remain low (less than 10% of VSAT market). IDA further notes that there are other VSAT service providers present in the market which will provide competitive constraint to the Post-Consolidation Entity.
5. Apart from the VSAT services segment, the Proposed Consolidation is largely a Non-horizontal Consolidation as ST Teleport and SpeedCast are not direct competitors in the other markets which they participate in. IDA notes that the Proposed Consolidation would allow SpeedCast to control ST Teleport's supply of a key input for VSAT services, such as satellite earth stations, in Singapore. IDA however notes that this is unlikely to lead to a distortion of the market or a foreclosure to an essential "upstream" input in Singapore, as there are other satellite earth station operators both within and outside of Singapore. VSAT service providers in Singapore which do not own teleports would still be able to gain access to teleports in the region to provide VSAT services to their customers. End users could also purchase and install their own VSAT dishes/equipment, and access any

provider that has capacity on a satellite that can be accessed from Singapore, for their own communication needs.

6. Given the above, IDA concludes that the Proposed Consolidation is not likely to substantially lessen competition in any telecommunication market in Singapore or harm the public interest. IDA therefore approves the Consolidation Application without conditions.
7. IDA has also considered the Applicants' request, and is agreeable that the following parties need not be considered as applicants for the purposes of this Proposed Application on a one-off and exceptional basis:
 - (a) Merrill Lynch (Australia) Nominees Pty Ltd;
 - (b) J P Morgan Nominees Australia Limited;
 - (c) Citicorp Nominees Pty Limited 1; and
 - (d) HSBC Custody Nominees (Australia) Limited.

(collectively the ("**Excluded Parties**")).

8. IDA further notes the Applicants' separate requests for the Excluded Parties and National Nominees to be exempted from notifying IDA and/or seek IDA's approval under 10.3 of the Telecom Competition Code for any future increase in their shareholdings in SpeedCast. IDA understands from the Applicants' submission that each of the Excluded Parties and National Nominees "*does not exercise voting rights in SpeedCast shares on its own account, but pursuant to the instructions of the beneficial owners or investment managers*" and act as mere custodians which hold the shares of SpeedCast on behalf of the beneficial owners, investment managers and clients. Subject to paragraph 9 below and the Applicants' adherence to the same, IDA agrees that the Excluded Parties and National Nominees need not notify IDA and/or seek IDA's approval for any future increase in their shareholdings in SpeedCast.
9. IDA's determination as set out above is made on the basis that:
 - (a) the submissions and representations made by the Applicants in the Consolidation Application, remain accurate and true, and there is no change to any of the arrangements as represented. This includes the Applicants' representation that the Excluded Parties and National Nominees are not in a position to control voting power in SpeedCast shares on their own account, but pursuant to the instructions of the beneficial owners or investment managers of such shares and that these companies act as intermediaries which hold the shares of SpeedCast on behalf of the beneficial owners, investment managers and clients (as the case may be) of such shares;

- (b) each of the Excluded Parties and National Nominees does not hold SpeedCast shares in which they are able to exercise control over the voting rights and/or voting power of SpeedCast and/or ST Teleport; and
 - (c) in the event that any beneficial owners, investment managers or clients (or such similar persons) of the Excluded Parties and National Nominees are required to provide notification to or obtain IDA's written approval in accordance with Section 32B of the Act and Section 10 of the Telecom Competition Code going forward, such persons must provide such notification to IDA or obtain such prior written approval from IDA (as the case may be).
10. Further, IDA notes and accepts ST Teleport's undertaking of notifying IDA if it receives a Substantial Holding Disclosure Notice from SpeedCast.
 11. For the avoidance of doubt, IDA's determination under paragraph 8 does not apply or extend to the beneficial owners, investment managers or clients (or such similar persons) of the Excluded Parties and National Nominees, or any other shareholders of SpeedCast. Notwithstanding ST Teleport's undertaking of notifying IDA if it receives a Substantial Holding Disclosure Notice from SpeedCast, IDA would reiterate that any person that holds voting shares or controls voting power in ST Teleport, by virtue of its relevant interest in SpeedCast whose investment in SpeedCast is being held through the Excluded Parties and/or National Nominees, shall remain subject to the notification and approval requirements stipulated under Part VA of the Act and Section 10 of the Telecom Competition Code. It should also be noted that such determination is specific to this Proposed Consolidation and does not apply to other future applications submitted to IDA pursuant to Part VA of the Act and Section 10 of the Telecom Competition Code. The Applicants should ensure that the Excluded Parties and National Nominees are aware of the above as well.
 12. Please be reminded that any false or misleading information or documents furnished to IDA in connection with the Consolidation Application may lead to appropriate regulatory action being taken against the relevant persons, including but not limited to the issuance of directions under Section 32D of the Act.
 13. Should you require any clarification, please contact the undersigned via email at IDA_ILO@ida.gov.sg.

Yours faithfully,



Ong Tong San
For Director-General (Telecoms and Post)