



**EXPLANATORY MEMORANDUM ON THE DECISION OF
THE INFO-COMMUNICATIONS MEDIA DEVELOPMENT AUTHORITY
IN RELATION TO THE PROPOSED CONSOLIDATION BETWEEN
SERAYA AQX PTE LTD AND SPTEL PTE LTD**

16 OCTOBER 2025

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SECTION I: INTRODUCTION

1. On 17 July 2025, Seraya AQX Pte Ltd ("**Seraya AQX**"), Singapore Technologies Engineering Ltd ("**ST Engineering**") and Singapore Power Limited ("**SP Limited**") announced that they had entered into a definitive agreement for Seraya AQX to acquire 100% of the shares in SPTel Pte Ltd ("**SPTel**") from ST Engineering's wholly-owned subsidiary, ST Engineering Urban Solutions Ltd ("**STEURS**"), and SP Limited (the "**Proposed Consolidation**").
2. Under the Telecommunications Act 1999 (the "**Act**"), Seraya AQX and SPTel were required to seek IMDA's approval for the Proposed Consolidation given that Seraya AQX would become a 30% controller and obtain effective control of SPTel. On 18 August 2025, Seraya AQX and SPTel (together with its relevant parent entities identified in paragraph 7 below) (collectively referred to as the "**Applicants**") jointly submitted a Short Form Consolidation Application ("**Consolidation Application**") to IMDA for approval, in accordance with Sub-section 10.3.6 of the Code of Practice for Competition in the Provision of Telecommunication and Media Services 2022 (the "**Code**").
3. On 5 September 2025, IMDA issued a consultation paper and invited comments from the industry and public on the Consolidation Application (the "**Consultation**"). IMDA did not receive any comments at the close of the Consultation on 22 September 2025.
4. This Explanatory Memorandum covers the following matters: the Consolidation Application, the legal standards, procedures and analytical framework that IMDA used to assess the Consolidation Application, IMDA's assessment of the Consolidation Application and IMDA's decision.
5. Unless otherwise defined, all capitalised terms in this decision paper shall have the same meanings ascribed to them in the Act, the Code or IMDA's Advisory Guidelines Governing Consolidation Review and Tender Offer Process, as applicable.

SECTION II: CONSOLIDATION APPLICATION

Background of the Applicants

6. SPTel, jointly owned by SP Limited and STEURS (under ST Engineering), was granted a Facilities-Based Operations ("**FBO**") licence on 1 April 2000. It is licensed to provide, amongst others, dark fibre connectivity and broadband Internet access services in Singapore, and is a designated telecommunication licensee.
7. Seraya AQX was incorporated in Singapore and is a wholly owned subsidiary of Seraya Partners Fund I, L.P. ("**Seraya Fund**"). Seraya AQX is indirectly owned by Seraya Holdings Ltd ("**Seraya Holdings**") and ultimately owned by individual shareholders, Mr Chern Chee Song and Mr Chern Chee Wee. Seraya AQX invests in digital infrastructure platforms, including fibre investments in Asia Pacific markets. Seraya AQX and its

affiliates do not hold any telecommunication licence or provide telecommunication services in Singapore or outside of Singapore.

Duties of Designated Telecommunication Licensees (“DTLs”) and Acquiring Parties

8. Pursuant to Section 37(2) of the Act, read with the Telecommunications (Designated Telecommunication Licensees) Notification 2012, a DTL for the purposes of Part 5A of the Act is:
 - (a) A telecommunication licensee which is granted a licence under Section 5 of the Act to provide facilities-based operations; or
 - (b) A telecommunication licensee which is granted a licence under Section 5 of the Act to provide services-based operations and is declared by IMDA to be a DTL.
9. Under Part 5A of the Act, DTLs and parties acquiring voting shares or voting power in DTLs (the “**Acquiring Party**”) are required to comply with various provisions relating to such acquisitions under the Act and Section 10 of the Code. Specifically, pursuant to Sub-section 10.3.6 of the Code, the DTL and every Acquiring Party must seek IMDA’s approval in connection with any transaction that results in a Consolidation. Under the Code, a Consolidation would occur if any transaction would result in, *inter alia*, the Acquiring Party becoming a 30% Controller of a DTL, acquiring the business of a DTL as a going concern, or obtaining Effective Control over the DTL.
10. According to Section 10.4.6.4(b) of the Code, a Short Form Consolidation Application may be submitted where the DTLs, Acquiring Parties and/or the Post-Consolidation Entity will not have:
 - (a) A market share of 30% or more of any telecommunication market in Singapore; or
 - (b) A market share of between 20% and 30% of any telecommunication market in Singapore, and the post-Consolidation combined market share of the three largest DTLs or a combination thereof, is 70% or more of any telecommunication market in Singapore.

The Consolidation Application

11. On 18 August 2025, the Applicants submitted a Short-form Consolidation Application as the Proposed Consolidation will not result in the Post-Consolidation Entity having a market share of more than 30% in any telecommunication market in Singapore. Based on the Consolidation Application, neither Seraya AQX nor its affiliates currently participate in any of the telecommunication markets in Singapore or outside of Singapore. Hence, the Proposed Consolidation will not alter the market share of the Post-Consolidation Entity in any telecommunication market in Singapore.
12. The Applicants submitted that SPTel provides the following categories of services to enterprise customers: Public Internet Access Services, Machine-to-Machine

Connectivity Services, Dark Fibre Services and Managed Data Network Services. SPTel does not provide services to residential customers.

13. The Applicants also submitted that they do not foresee any significant impact to competition in any telecommunication market in Singapore following the completion of the Proposed Consolidation for the following reasons:
 - (a) SPTel currently participates in only a limited number of telecommunication markets in Singapore and has a market share of less than 5% for each telecommunication market;
 - (b) There are a significant number of market competitors in the telecommunication markets in which SPTel participates in, and some competitors have significantly larger shares of the markets than SPTel; and
 - (c) The Proposed Consolidation will not result in a reduction of the number of competitors or lessen the competition of the telecommunication markets in Singapore, considering that neither Seraya AQX nor its affiliates currently participate in any of the telecommunication markets in Singapore or outside of Singapore.
14. Furthermore, the Applicants submitted that the Proposed Consolidation would put SPTel in a position to be able to rapidly develop and grow its businesses. Seraya AQX and its affiliates are committed to developing SPTel into a leading enterprise fibre operator with regional and international reach, thus facilitating growth, vibrancy and competition in the Singapore telecommunication industry.
15. The Applicants also submitted that they do not foresee any disruption to the provision of telecommunication services to SPTel's existing customers as a result of the Proposed Consolidation.

SECTION III: ASSESSMENT APPROACH

16. Pursuant to Section 10.7.1 of the Code, IMDA will not approve a Consolidation Application where it determines that the transaction is likely to substantially lessen competition in any telecommunication market in Singapore or it is in the public interest to deny the Consolidation Application. IMDA will find that a consolidation substantially lessens competition where the consolidation would likely: (a) result in a significant reduction in existing competition in any Singapore telecommunication market; or (b) significantly impede the development of future competition in any Singapore telecommunication market.
17. IMDA may also approve the Consolidation Application with conditions designed to reduce any anti-competitive harm or effect, or public interest concern. The Applicants may propose possible conditions for IMDA's consideration that could reduce any potential adverse competitive impact of the consolidation or public interest concern arising from the consolidation.

18. Consolidations can generally be considered as “Horizontal Consolidations” or “Non-Horizontal Consolidations”. A Horizontal Consolidation refers to a consolidation involving two or more entities that are current competing providers of the same services or services that are reasonable substitutes. A Non-Horizontal Consolidation refers to a consolidation involving two or more entities that are not current competitors. Where a consolidation has both Horizontal and Non-Horizontal aspects, IMDA will assess each aspect of the consolidation under the appropriate standard.
19. IMDA recognises that Horizontal Consolidations may give rise to competition concerns by eliminating direct competitors. This may result in the creation of a market participant with Significant Market Power (“SMP”) which has the ability to unilaterally restrict output, raise prices, reduce quality or otherwise act, to a significant extent, independently of competitive market forces. Such consolidations may also result in a concentrated market in which the remaining participants are more easily able to undertake concerted anti-competitive actions, such as price-fixing. However, Horizontal Consolidations that result in the Post Consolidation Entity having a market share of 30% or less in any Singapore telecommunication market are generally less likely to raise competitive concerns.
20. In contrast, Non-horizontal Consolidations are generally less likely to raise competitive concerns and often facilitate competition by creating a more efficient market participant. However, Non-Horizontal Consolidations can have adverse competitive effects where at least one of the entities has SMP or participates in a concentrated market with few other competitors. The risk is that the Non-Horizontal Consolidation may eliminate a potential competitor or limit the ability of non-affiliated competitors to access an “upstream” input or a “downstream” facility necessary to deliver services to end-users.
21. IMDA will also consider whether the consolidation will result in significant efficiencies that could not have been achieved without the consolidation and which would likely be passed to consumers. In addition, IMDA will also take into account any other public interest considerations.

SECTION IV: ASSESSMENT

A. Assessment of Whether the Proposed Consolidation is Horizontal or Non-Horizontal

22. The Applicants submitted that SPTel provides Public Internet Access Services, Machine-to-Machine Connectivity Services, Dark Fibre Services and Managed Data Network Services to only enterprise customers and government agencies.
23. IMDA notes that Seraya AQX, a digital infrastructure investment entity, does not currently participate in any telecommunication market in Singapore and the Proposed Consolidation would involve only a transfer of ownership of SPTel from STEURS and SP Limited to Seraya AQX. Hence, IMDA considers that the Proposed Consolidation will result in a Non-Horizontal Consolidation.

B. Competition and Public Interest Assessment

24. Notwithstanding the above, IMDA conducted an assessment on the likely competitive effect of the Proposed Consolidation on the four service segments SPTel participates in. IMDA also assessed potential public interest concerns that may arise from the Proposed Consolidation.

Public Internet Access Services

Market Definition

25. IMDA had previously defined two markets for Public Internet Access Services¹:
- (a) Business Public Internet Access Services Market; and
 - (b) Residential Public Internet Access Services Market.
26. The Applicants submitted that SPTel only provides fixed-line broadband Internet access services to enterprises and government agencies. SPTel does not provide these services to residential customers.
27. For the purposes of this assessment, IMDA will adopt the market definition as set out at Paragraph 25 above. As SPTel only offers services to enterprises and government agencies, IMDA will focus the market assessment on the Business Public Internet Access Services Market.
28. The Business Public Internet Access Service Market will include only fibre-based broadband services. The geographic market for this market is assessed to be national. Customers in Singapore that require public Internet access service must purchase it from a service provider within Singapore.

Competitiveness Assessment

Market 1 – Business Public Internet Access Services Market

29. Given that Seraya Holdings and Seraya AQX do not currently provide public Internet access services, IMDA is satisfied that there is little risk that the Proposed Consolidation would substantially lessen competition in the Business Public Internet Access Services Market. This is in light of the following considerations:
- (a) IMDA notes that SPTel currently has a minimal presence in this market, with a share of less than 5% (based on the number of subscriptions for public Internet access services). The Proposed Consolidation will not alter SPTel's position or market share.

¹ Refer to 2022 Explanatory Memorandum on the "Decision of the Info-communications Development Authority of Singapore in relation to Proposed Consolidation between StarHub Online Pte Ltd and MyRepublic Group Limited."

- (b) With more than thirty service providers in the Business Public Internet Access Services Market, it is unlikely that SPTel will be able to unilaterally restrict output, raise prices or reduce quality, as business customers can switch to other service providers.
30. Accordingly, IMDA concludes that the Proposed Consolidation is unlikely to result in a substantial lessening of competition in the Business Public Internet Access Services Market.

Machine-to-Machine (“M2M”) Connectivity Services

Market Definition

31. IMDA notes that SPTel currently offers M2M connectivity services through the resale of mobile connectivity (e.g., mobile SIM / eSIM solutions) and the deployment of Low Power Wide Area Network (“**LPWAN**”) technology (e.g., Lorawan, WiFi).
32. IMDA requires that all providers of M2M connectivity services obtain a telecommunication licence (i.e., FBO or SBO licence)², regardless of the underlying connectivity technology used to offer these services (e.g. mobile operators’ 4G / 5G connectivity or LPWAN). Accordingly, for the purposes of this assessment, IMDA does not consider it necessary to distinguish between the different types of connectivity and will be defining this market to include all types of connectivity technologies for M2M connectivity services.
33. Nevertheless, IMDA notes that M2M connectivity services provided to enterprises or government agencies (e.g., utilities metering, logistics tracking) are different from services provided to individual consumers (e.g., smart home solutions, wearable devices). Enterprises and government agencies would usually purchase M2M services in bulk and require service level agreements (“**SLAs**”) with service providers. In contrast, individual consumers would usually make single-unit purchases without SLAs, and M2M connectivity is often bundled with devices.
34. In view of the purchase and service requirement differences for business and individual consumers, IMDA considers it appropriate to define two markets for M2M connectivity services:
- (a) Business M2M Connectivity Services Market; and
 - (b) Consumer M2M Connectivity Services Market.
35. The Applicants have submitted that SPTel only provides M2M connectivity services to enterprises and government agencies. Accordingly, IMDA will focus the market assessment on the Business M2M Connectivity Services Market.

² According to Schedule C of SPTel’s FBO Licence, M2M connectivity services are to be used only for the “automated communication between machines and devices (including voice communication within the scope of a pre-defined service feature and within a closed user group), and not for other purposes (such as voice communication with an external person) unless the prior written approval of the Authority has been obtained.”

36. The geographic market for this market is assessed to be national. Customers in Singapore that require M2M connectivity services must purchase it from a service provider within Singapore.

Competitiveness Assessment

Market 2 – Business M2M Connectivity Services Market

37. Given that Seraya Holdings and Seraya AQX do not currently provide M2M connectivity services, IMDA is satisfied that there is little risk that the Proposed Consolidation would substantially lessen competition in the Business M2M Connectivity Services Market. This is in light of the following considerations:
- (a) IMDA notes that SPTel currently has a minimal presence in this market, with a share of less than 5% (based on the number of subscriptions for M2M connectivity services). The Proposed Consolidation will not alter SPTel’s position or market share.
 - (b) With more than ten service providers in the Business M2M Connectivity Services Market, it is unlikely that SPTel will be able to unilaterally restrict output, raise prices or reduce quality, as business customers can switch to other service providers.
38. Accordingly, IMDA concludes that the Proposed Consolidation is unlikely to result in a substantial lessening of competition in the Business M2M Connectivity Services Market.

Dark Fibre Services

Market Definition

39. IMDA has previously defined two markets for the provision of domestic dark fibre services³:
- (a) Wholesale “Layer 1” Residential Dark Fibre Services Market; and
 - (b) Wholesale “Layer 1” Non-Residential Dark Fibre Services Market.
40. In line with past practice, IMDA generally treats dark fibre services as wholesale in nature, as they are passive facilities generally used as input for downstream services. They must be “lit” by Operating Companies (“OpCos”) using their own active equipment before any retail services such as consumer Internet broadband, enterprise data connectivity, or voice solutions can be delivered to end-user customers.
41. The Applicants submitted that SPTel currently provides dark fibre connectivity directly to enterprises and some government agencies. While this may resemble a retail service,

³ See the Explanatory Memorandum on the “Decision of the Info-communications Development Authority of Singapore in relation to the Long Form Consolidation Application submitted by OpenNet Pte Ltd, the Netlink Trust, CityNet Infrastructure Management Pte Ltd and Singapore Telecommunications Ltd” dated 28 August 2013.

IMDA notes that enterprises and government agencies are still required to procure the necessary equipment or services, either by themselves or through a systems integrator, to light and operate the dark fibre. Hence, IMDA considers that SPTel's dark fibre services are part of a wholesale market.

42. For the purposes of this assessment, IMDA will adopt the market definition set out at Paragraph 39 above. As SPTel only offers its dark fibre services to enterprises and government agencies, IMDA will focus the market assessment on the Wholesale "Layer 1" Non-Residential Dark Fibre Services Market.
43. The geographic market for Wholesale "Layer 1" Non-Residential Dark Fibre Services Market is assessed to be national. Customers in Singapore that require dark fibre connectivity must purchase from a service provider within Singapore.

Competitiveness Assessment

Market 3 – Wholesale "Layer 1" Non-Residential Dark Fibre Services Market

44. Given that Seraya Holdings and Seraya AQX do not currently provide dark fibre services, IMDA is satisfied that there is little risk that the Proposed Consolidation would substantially lessen competition in the Wholesale "Layer 1" Non-Residential Dark Fibre Services Market. This is in light of the following considerations:
 - (a) IMDA notes that SPTel has a minimal market presence in this market, with a share of less than 5% (based on the number of subscriptions for dark fibre services). The Proposed Consolidation will not alter SPTel's position or market share.
 - (b) IMDA notes that there are several dark fibre providers operating in the non-residential market such as NetLink NBN Management Pte Ltd ("**NLT**"), SingTel Ltd, StarHub Limited, Xenith IG Singapore Pte Ltd and BlueTel Networks Pte Ltd. These providers deploy and operate their own dark fibre infrastructure to commercial buildings, government facilities and data centres to either provide their own downstream telecommunication services or provide wholesale services to other telecommunication service providers. In view of these alternatives, it is unlikely that SPTel could unilaterally restrict output, raise prices or reduce quality, as enterprises can switch to competing providers if they wish.
 - (c) NLT continues to serve as the baseline provider of dark fibre services in Singapore as the network company of the Nationwide Broadband Network. NLT operates a nationwide duct and fibre footprint and is subject to regulatory obligations to offer wholesale "Layer 1" dark fibre services for both residential and non-residential areas on regulated terms. The presence of NLT ensures that other telecom service providers will always have access to a competitively priced and regulated source of dark fibre services to offer to enterprise end users, which mitigates any risk of foreclosure by SPTel or any single provider.

45. Accordingly, IMDA concludes that the Proposed Consolidation is unlikely to result in the substantial lessening of competition in the Wholesale “Layer 1” Non-Residential Dark Fibre Services Market.

Managed Data Network Services

Market Definition

46. Managed Data Network Services are packet-based services – such as Asynchronous Transfer Mode (“ATM”), Frame Relay, Internet Protocol-Virtual Private Network (“IP-VPN”), and Ethernet – that provide managed connectivity across multiple customer sites. As these services enable managed connectivity between sites that are either all located within Singapore or where one site is located outside of Singapore, IMDA had previously defined two markets for the Managed Data Network Services⁴:
- (a) Local Managed Data Services (“LMDS”) Market; and
 - (b) International Managed Data Services (“IMDS”) Market.
47. For the purposes of this assessment, IMDA will continue to adopt the market definitions set out at Paragraph 46 above. Based on the services offered by SPTel, IMDA has assessed that SPTel participates in both the LMDS and IMDS markets. Hence, IMDA will conduct market assessments for each of these markets.
48. The geographic market for LMDS is national. Customers in Singapore that require LMDS must purchase from a LMDS provider within Singapore. The geographic market for IMDS is also national as it consists of all sales of IMDS made within Singapore.

Competitiveness Assessment

Market 4 – Local Managed Data Network Services Market

49. Given that Seraya Holdings and Seraya AQX do not currently provide LMDS, IMDA is satisfied that there is little risk that the Proposed Consolidation would substantially lessen competition in the LMDS Market. This is in light of the following considerations:
- (a) Based on the data available, IMDA estimates that SPTel accounts for less than 5% of the LMDS market (based on amount of revenue⁵ from packet-based services). The Proposed Consolidation will not alter SPTel’s position or market share.
 - (b) The LMDS market remains competitive, with more than twenty service providers offering such services. Hence, it is unlikely that SPTel will be able to unilaterally

⁴ See the 2009 Explanatory Memorandum on “Final Decision on the Request by Singapore Telecommunications Limited for Exemption from Dominant Licensee Obligations with respect to the Business and Government Customer Segment and Individual Markets” dated 30 January 2009.

⁵ Revenue is used as a basis for market share determination for the Local Managed Data Network Services Market as this market consists of ATM, Frame Relay, IP-VPN and Ethernet and each service may have differing subscription measurements.

restrict output, raise prices or reduce quality as enterprises can switch to other providers.

Market 5 – International Managed Data Network Services Market

50. Similarly, IMDA notes that Seraya Holdings and Seraya AQX also do not provide IMDS. Hence, IMDA is satisfied that there is little risk that the Proposed Consolidation would substantially lessen competition in the IMDS Market. This is in light of the following considerations:
- (a) Based on the data available, IMDA estimates that SPTel has less than 5% share⁶ in this market (based on its revenue from packet-based services). The Proposed Consolidation will not alter SPTel's position or market share.
 - (b) IMDA notes that the IMDS market is competitive with more than ten service providers, including local providers like Singtel and StarHub; and international providers such as Tata Communications International Pte Ltd, PCCW Global (Singapore) Pte Ltd and Telstra Singapore Pte Ltd. In light of the competitive landscape, IMDA has assessed that it is unlikely for SPTel to unilaterally restrict output, raise prices or reduce quality as enterprises can switch to other providers.
51. Accordingly, IMDA concludes that the Proposed Consolidation is unlikely to result in the substantial lessening of competition in the LMDS and IMDS markets.

Public Interest Assessment

52. IMDA has not identified any public interest concerns arising from the Proposed Consolidation.

Assessment on Other Key Points from the Applicants

53. Overall, IMDA notes that the Proposed Consolidation will not risk foreclosure of access to any telecommunication services in Singapore as there are multiple alternative providers across all markets in which SPTel participates in.
54. The Applicants have confirmed that the Proposed Consolidation will not affect, nor result in any changes to, existing contracts with enterprise customers and government agencies. The Applicants do not foresee any service disruption arising from the Proposed Consolidation. They further shared that SPTel is fully committed to honouring all existing contractual obligations and has proactively engaged key customers to inform them about the Proposed Consolidation and provide reassurances that services will remain business-as-usual.

⁶ IMDA notes that SPTel provides international dark fibre services which IMDA has included into the IMDS market for assessment. This takes into consideration the following: (i) that IMDA has not previously defined any narrow market specifically for international dark fibre; and (ii) SPTel only has a small number of international dark fibre lines.

55. The Applicants also indicated that neither Seraya AQX nor its affiliates participate in any telecommunication markets outside of Singapore. Accordingly, there is no potential for overseas market power to be leveraged in any Singapore market for telecommunication services.

SECTION V: DECISION

56. IMDA has concluded its review of the Consolidation Application. Taking into consideration the Applicants' submissions and further clarifications, and IMDA's assessment above, IMDA has assessed that the Proposed Consolidation is not likely to result in a substantial lessening of competition in any of the telecommunication markets in Singapore. IMDA is also of the view that there are no public interest concerns arising from the Proposed Consolidation. IMDA therefore approves the Consolidation Application.