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KEPPEL CORPORATION, IN COLLABORATION WITH SINGAPORE PRESS HOLDINGS, SEEKS MAJORITY CONTROL OF M1 IN STRATEGIC INITIATIVE TO DRIVE BUSINESS TRANSFORMATION

- **Keppel Corporation and Keppel Telecommunications and Transportation (Keppel T&T) also propose Scheme of Arrangement to privatize Keppel T&T**
- **Shareholders of M1 and Keppel T&T receive separate opportunities to exit for cash at compelling premiums over the respective share prices of M1 and Keppel T&T**

Singapore, 27 September 2018 – Keppel Corporation Limited (Keppel Corporation) announced today a strategic initiative to gain majority control of M1 Limited (M1), in collaboration with Singapore Press Holdings Limited (SPH), in order to drive business changes in M1 that will enable M1 to compete more effectively in the telecommunications industry. The initiative complements Keppel's mission as a solutions provider for sustainable urbanisation, which includes connectivity. M1 can serve as a digital platform and connectivity partner to complement and augment Keppel's current suite of solutions, and at the same time benefit from harnessing the synergies of the Keppel group.

Keppel Corporation, together with SPH, has announced through a jointly held special purpose vehicle (the "**Offeror**") a Pre-Conditional Voluntary General Offer for M1 (the "**Offer**") to seek majority control of M1 while giving shareholders a cash exit at a compelling premium over the current share price. The Offeror is majority held by Keppel Corporation. The Offer will not be extended to Keppel T&T as it is a related corporation of the Offeror.

In addition, Keppel Corporation and Keppel T&T are jointly proposing a Scheme of Arrangement (the "**Scheme**") to also provide Keppel T&T's minority shareholders with a cash exit at a compelling premium over the current share price. The proposed Scheme is consistent with Keppel Corporation's strategy to simplify the Keppel group's corporate structure, with a view to improving capital allocation and better aligning Keppel T&T's interests with the rest of the Keppel group's.

The Offer for M1

The consideration for each M1 share will be S$2.06 in cash (the "**Offer Price**"), representing:

- 26% premium over the last traded price
- 30% premium to the 1-month VWAP
- 14.3x P/E multiple[1]
- 7.6x EV/EBITDA multiple[1]

To deal with the fast-changing landscape and increasing competition in the Singapore telecommunication sector, M1 will need to undertake extensive business transformation requiring long-term shareholder and management commitment. With majority control, Keppel Corporation and SPH, who are long-term shareholders of M1, would be better able to support M1's management to implement strategic and operational changes to strengthen its performance and position as a connectivity platform. This would include digital transformation, cost management initiatives in both front and back-end operations, growth initiatives into new market segments, and optimization of the balance sheet to unlock value.

Keppel Corporation believes that with the necessary transformational efforts, M1 can significantly improve its performance and be a long-term contributor to the Keppel group. However, the business transformation is expected to be a complex multi-year journey. The Offer provides an opportunity for M1 shareholders who are not prepared to bear the risks associated with the transformation to realise their investment in M1 for cash, at a compelling premium to the current share price.

Approval from the Info-communications Media Development Authority is a pre-condition to making the Offer. On satisfaction of the pre-condition, the Offer will be formally made, and is conditional upon the Offeror and its concert parties obtaining more than 50 per cent of the issued share capital of M1 at the close of the Offer.

The Keppel T&T Scheme

The Scheme consideration is S$1.91 in cash per share ("**Scheme Price**"), exceeding the highest closing price since September 2008, and representing:

- 40% premium over the last traded price
- 40% premium to the 1-month VWAP
- 24% premium over the NAV per share[2]
- 16.4x P/E multiple[3]

[1] Based on the Offer Price, 925.5 million M1 shares in issue excluding treasury shares and the potential dilutive effect of options or awards, and the last twelve months' earnings up to 30 June 2018.

[2] Based on NAV per share of $1.54 as at 30 June 2018.

[3] Based on the Scheme Price, 559.1 million shares in issue excluding the potential dilutive effect of awards, and the last twelve months' earnings up to 30 June 2018.

As Keppel T&T will remain a shareholder of M1, the Scheme gives Keppel T&T's minority shareholders an opportunity to realise their investment in Keppel T&T for cash at a compelling premium to the current share price. Keppel T&T's minority shareholders, who are cautious of the prospects of M1 in the face of heightened competition, can obtain a clean cash exit from Keppel T&T if the Scheme is approved by shareholders and becomes effective.

In view of the relatively small public float of Keppel T&T, the Scheme is designed to delist and privatise Keppel T&T if the Scheme is approved by the minority shareholders of Keppel T&T at a Scheme meeting to be convened.

The Scheme will be executed independently of the Offer, in that the Scheme is not conditional on the Offer being declared unconditional, nor vice versa. This will allow (a) shareholders of M1 to benefit from the Offer Price regardless of the outcome of the Scheme, and (b) minority shareholders of Keppel T&T to benefit from the Scheme Price regardless of the outcome of the Offer.

The Scheme will require, among others:

- Approval by more than 50% of the number of independent Keppel T&T shareholders representing at least 75% in value of the Keppel T&T shares held by Keppel T&T shareholders present and voting in person or by proxy at the Scheme Meeting, which is expected to be convened in the first quarter of 2019; and
- Approval of the High Court of Singapore

Keppel Corporation will be required to abstain from voting.

Mr Loh Chin Hua, CEO of Keppel Corporation, said, "The Offer for M1 is in line with Keppel Corporation's mission as a solutions provider for sustainable urbanisation. Keppel Corporation has increasingly been transforming its traditional B-to-B business to include retail customers in gas, electricity and urban logistics. Incorporating M1's capabilities and two million customers in a combined digital platform would provide opportunities for synergies and cross selling of services.

"Keppel and SPH have been long-term shareholders of M1 since the 1990s. Notwithstanding the challenges currently facing the industry, we see considerable potential in M1 and have developed a transformation plan to sharpen M1's competitiveness. Through majority control, we would, together with SPH, be better able to support M1's management to drive changes and create greater value in the company.

"However, while we are confident about the long-term potential of M1, the transformation is a complex undertaking that will take several years. The Offer allows shareholders of M1 who are not prepared to wait and bear the related risks to realise their investment in M1 upfront."

Mr Loh added, “The Scheme will similarly allow Keppel T&T’s minority shareholders, who may be concerned about the prospects of M1 in the face of heightened competition, to make a clean cash exit from Keppel T&T at a substantial premium.”

Mr Ng Yat Chung, CEO of SPH, said, “We are supporting Keppel Corporation in this Offer as we see the potential for long-term value creation in M1 from the growth and business transformation initiatives to be undertaken post close of the Offer. The transaction is earnings accretive for SPH shareholders, and is part of SPH’s ongoing strategy to enhance value for its shareholders.

“Keppel Corporation has demonstrated strong commitment to lead M1 in its transformation plans, and we believe they are the right partner to take M1 further. We also see opportunities for SPH to leverage on M1's mobile platform to offer on demand and ready digital content to better serve our customers. We look forward to working together to utilise our resources and expertise to best develop M1.”

Assuming that the Offeror and its concert parties obtain 100 per cent of the issued share capital of M1 at the close of the Offer and Keppel T&T is privatized, and based on the latest audited financial statements of the Group for the financial year ended 31 December 2017 (“**FY2017**”):

(a) had the Offer been closed and Scheme been effective on 31 December 2017, the net tangible assets per share as at 31 December 2017 would have decreased from S$6.21 (before the Offer and Scheme) to S$5.49 (after the Offer and Scheme); and
(b) had the Offer been closed and Scheme been effective on 1 January 2017, the earnings per share for FY2017 would have increased from 11.9 cents (before the Offer and Scheme) to 15.1 cents (after the Offer and Scheme, and excluding gains arising from re-measurement of the existing M1 interest held by Keppel T&T).

All capitalised terms which are used in this press release but not otherwise defined herein shall have the meanings ascribed to them in the Pre-conditional Offer Announcement and the Joint Scheme Announcement dated 27 September 2018. This press release should be read in conjunction with the full text of the Pre-Conditional Offer Announcement and Joint Scheme Announcement which are available on www.sgx.com.

Financial Adviser

DBS Bank Ltd is the sole financial adviser to Keppel Corporation in respect of the Offer and the Scheme.

Responsibility Statements

The directors of Keppel Corporation (including any director who may have delegated detailed supervision of the preparation of this press release) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this press release are fair and accurate and that there are no material facts not contained in this press release, the omission of which would make

any statement in this press release misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror or Keppel T&T, the sole responsibility of the directors of Keppel Corporation has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release.

Forward-looking Statements

All statements other than statements of historical facts included in this press release are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future and conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect Keppel Corporation's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements. Neither Keppel Corporation nor DBS guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements.

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About Keppel Corporation
Keppel Corporation is a global multi-business company committed to providing robust solutions for sustainable urbanisation through its key businesses in Offshore & Marine, Property, Infrastructure and Investments. The Group's ecosystem of companies work closely together to offer a spectrum of products and services that addresses the world's growing needs for energy, clean environments, urban living solutions and connectivity.

Keppel Corporation harnesses the Group's collective strengths in technology and innovation, engineering and project management, the operation and maintenance of assets, and capital management to seize opportunities and create enduring value.

Keppel Corporation was listed on 24 October 1980 on the SGX-ST. As at 30 June 2018, the Group had approximately S$26.96 billion in total assets. The Group has a global footprint spanning over 20 countries, with markets outside of Singapore contributing to approximately 25.90% of the Group's revenue as at 30 June 2018.

About Singapore Press Holdings Ltd
Incorporated in 1984, main board-listed Singapore Press Holdings Ltd (SPH) is Asia's leading media organisation, engaging minds and enriching lives across multiple languages and platforms.

SPH's core business is publishing of newspapers, magazines and books in both print and digital editions. It also owns other digital products, online classifieds, radio stations and outdoor media.

On the property front, SPH owns 70% in a real estate investment trust called SPH REIT which

comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road, The Clementi Mall, a mid-market suburban mall and The Rail Mall, a stretch of shopping and dining outlets along Upper Bukit Timah Road. SPH also owns and operates The Seletar Mall. It is developing a new commercial cum residential site at Woodleigh. It also has a stake in Chinatown Point and acquired a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom.

It is in the aged care sector and owns Orange Valley, Singapore's largest private nursing home operator.

SPH runs a regional events arm and a chain of Buzz retail outlets. It also invested in the education business.

For more information, please visit www.sph.com.sg.

About Offeror

Konnectivity Pte. Ltd. is a company incorporated to undertake the M1 Offer, in which Keppel holds an indirect equity interest of 80% and SPH holds an indirect equity interest of 20%.

About Keppel T&T

Keppel Telecommunications & Transportation Ltd (Keppel T&T), is a subsidiary of Keppel Corporation Limited, a multi-business company listed on the Main Board of the SGX-ST with key businesses in offshore and marine, property, infrastructure and investments. Keppel T&T is also listed on the Main Board of SGX-ST with logistics and data centre operations in Europe and Asia-Pacific. In Singapore, wholly owned subsidiary Keppel Logistics has more than 40 years of experience in providing customised integrated logistics solutions. It currently also operates logistics facilities in China, Hong Kong, Malaysia, Indonesia, Vietnam and Australia.

Keppel Data Centres, Keppel T&T's data centre division has a track record of more than a decade in owning, developing and managing high quality carrier-neutral data centre facilities that support mission-critical computer systems.

Keppel T&T is also the sponsor of Keppel DC REIT, the first data centre Real Estate Investment Trust (REIT) listed in Asia and on the SGX-ST. Together with assets owned through Keppel DC REIT, Keppel T&T has a global portfolio of 21 data centres located across Asia Pacific and Europe.