M1 Offer and KT&T Scheme

Investor Presentation

27 September 2018

Keppel Corporation

Disclaimer

This presentation may contain forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. Such risks and uncertainties include industry and economic conditions, competition, and legal, governmental and regulatory changes. The forward-looking statements reflect the current views of Management on future trends and developments.

Overview of the M1 Offer

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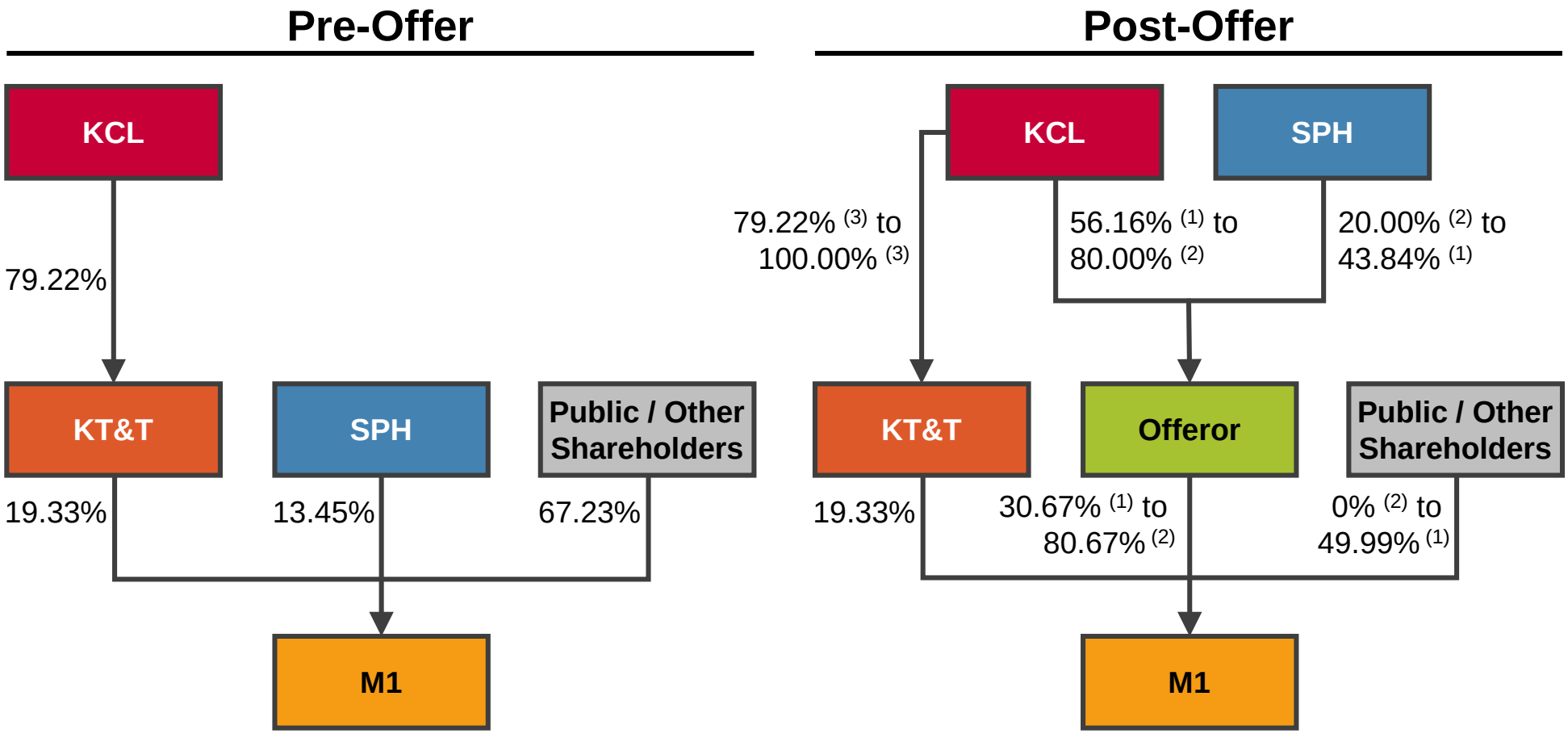
- **Pre-conditional Voluntary General Offer ("Offer") for M1 Limited ("M1")** by Konnectivity Pte. Ltd. ("Offeror")
- **Offeror is a special purpose vehicle majority held by Keppel Corporation Limited ("KCL")**; Singapore Press Holdings Limited has undertaken to roll-over its M1 shares and maintain a minimum shareholding of 20% in the Offeror
- The Offer Price amounts to a cash consideration of **S$2.06 per M1 share**
- The Offer Price implies an EV/EBITDA (1) multiple of **7.6x** and a P/E (1) multiple of **14.3x**
- **Offer is conditional** upon:
  1. All necessary authorisations and approvals from the Info-communications Media Development Authority ("IMDA") having been obtained and remaining in full force and effect
  2. The Offeror receiving sufficient acceptances such that the Offeror and its concert parties hold more than 50% of the issued share capital of M1 at the close of the Offer

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(1) Based on the Offer Price, 925,536,682 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.

Overview of the M1 Offer

Potential pro forma shareholding structure of M1



(1) Assuming Offeror and concert parties hold 50% of M1 Shares at close of Offer

(2) Assuming Offeror and concert parties hold 100% of M1 Shares at close of Offer

(3) KCL's final post-Offer shareholding in KT&T is dependent on the outcome of the KT&T Scheme

Note A: Percentage stakes calculated based on 925,536,682 M1 shares in issue, based on M1's business profile extracted from the Accounting and Corporate Regulatory Authority on 26 September 2018. Any discrepancy in aggregated figures are due to rounding.

Note B: The figures above do not factor in the potential dilutive effect of options or awards. As at the date of the Pre-Conditional Offer Announcement, there were 27,999,000 options outstanding and up to 640,700 shares subject to Awards and a further 1,533,360 shares provisionally granted which are subject to Awards.

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Overview of the M1 Offer

KCL's rationale for the Offer

1. Majority control allows KCL and SPH to **better support** M1 management to **transform the business**
2. Complements the Keppel Group's mission as a solutions provider for sustainable urbanisation, providing **connectivity** as a **consumer digital platform** and part of **the solutions for smart cities**
3. Transaction **earnings accretive**, expanding KCL's revenue streams and base of recurring income



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Overview of the M1 Offer

Opportunity to create value through transformation of M1



- Digital transformation



- Cost management in both front and back-end operations



- Growth initiatives into new markets and segments



- Infrastructure assets restructuring and sharing



- Synergies with the Keppel Group

Overview of the M1 Offer

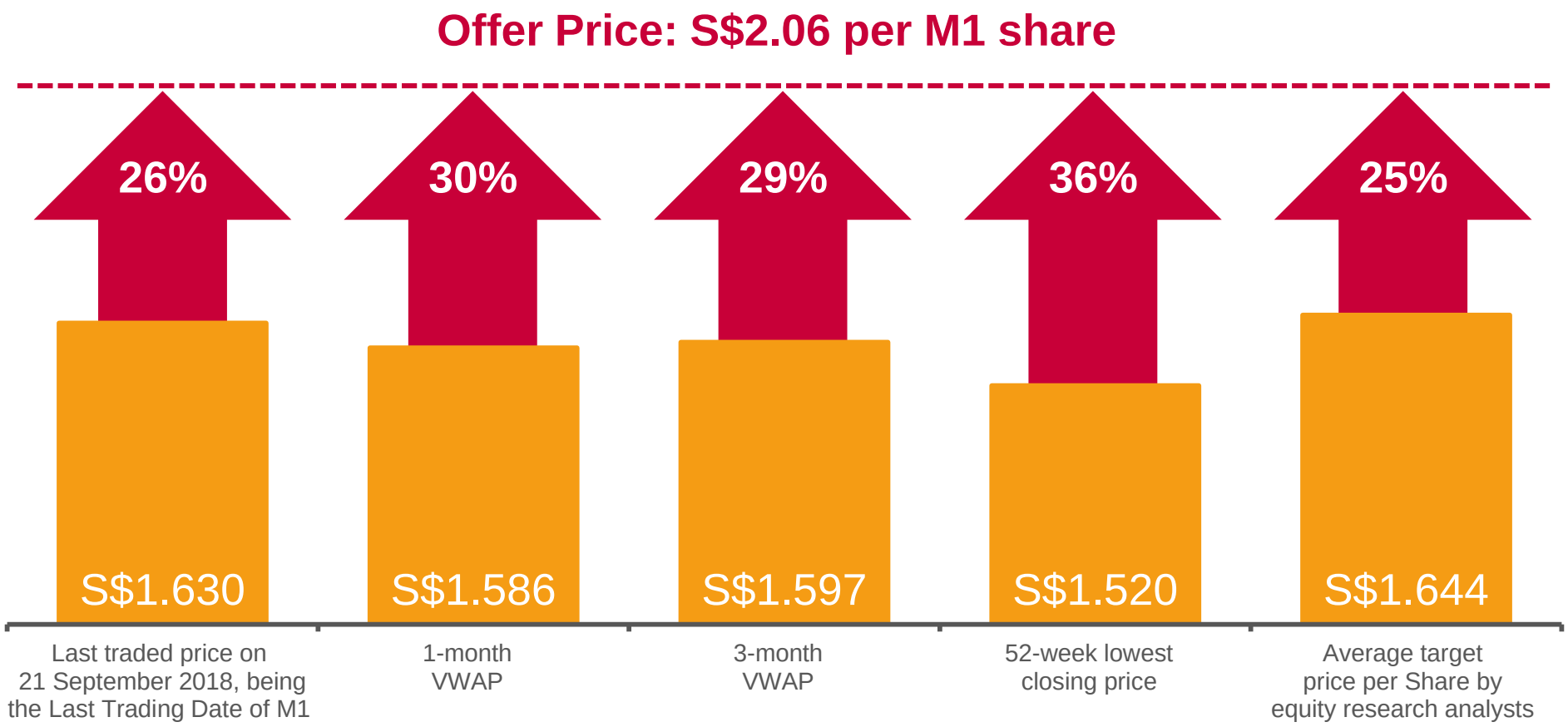
Long-term shareholder of M1

- In 1994, **Keppel and SPH established M1** with consortium partners Hong Kong Telecom and Cable & Wireless
- Worked with and supported M1 as a long-term shareholder of **more than 20 years**
- Keppel has **invested S$170m** over the years, and in return has **received S$737m of dividends and proceeds** from sale of some shares. In addition, Keppel's present 19.33% stake (held through KT&T) has a market value of **S$291.2m** as at 21 September 2018

Overview of the M1 Offer

Upfront premium compared to M1 historical prices

Offer premium to historical prices

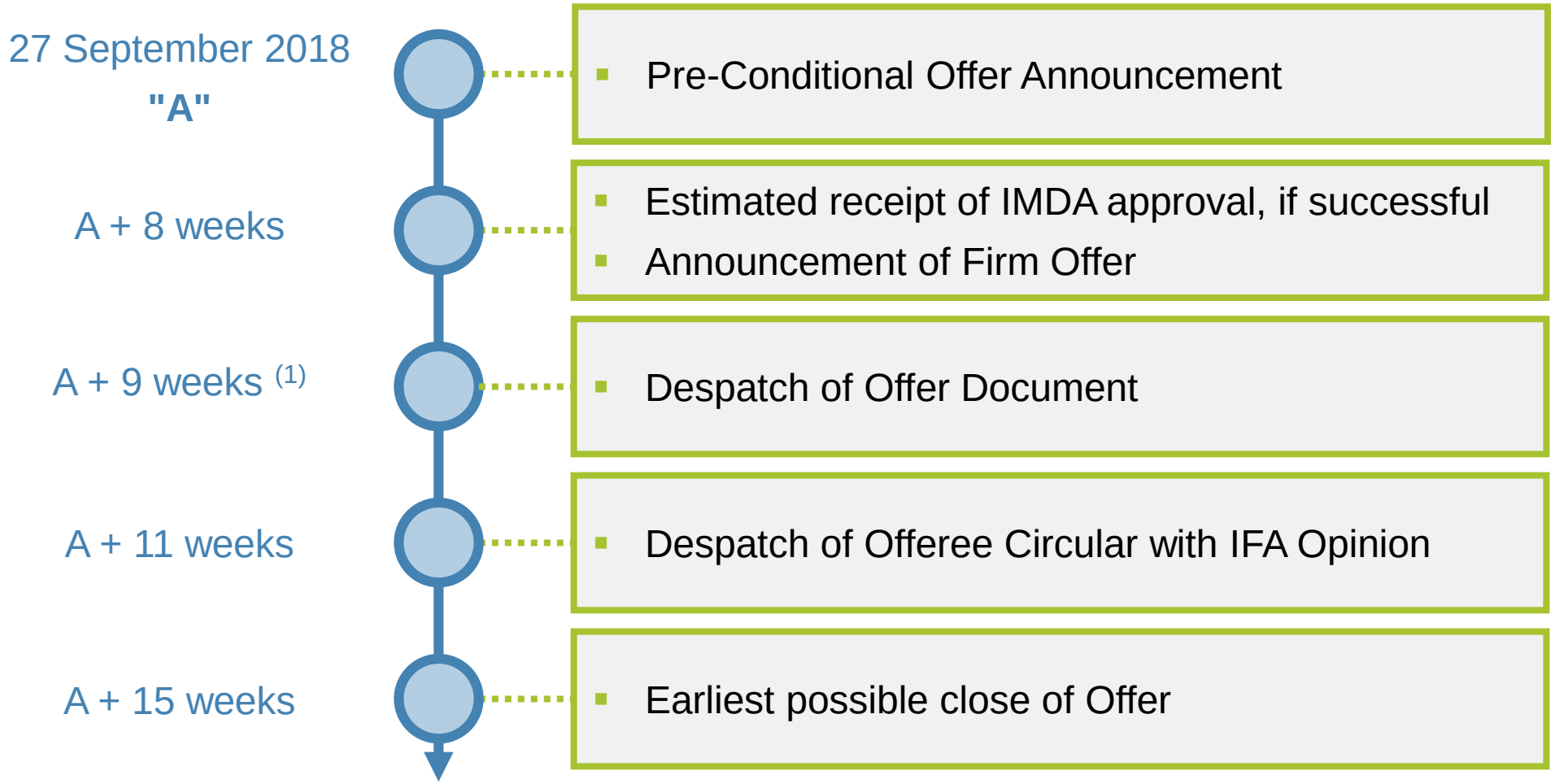


Notes: Figures above are calculated based on data extracted from Bloomberg L.P. as at 21 September 2018, and rounded to the nearest 3 decimal places. Premia rounded to the nearest per. cent

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Timeline of the M1 Offer

Key milestones assuming IMDA approval is received within 8 weeks of Announcement of the Pre-Conditional General Offer



(1) This assumes the SIC permits the Offer Document to be despatched on a date earlier than 14 days after the Firm Offer Announcement

Overview of the KT&T Scheme

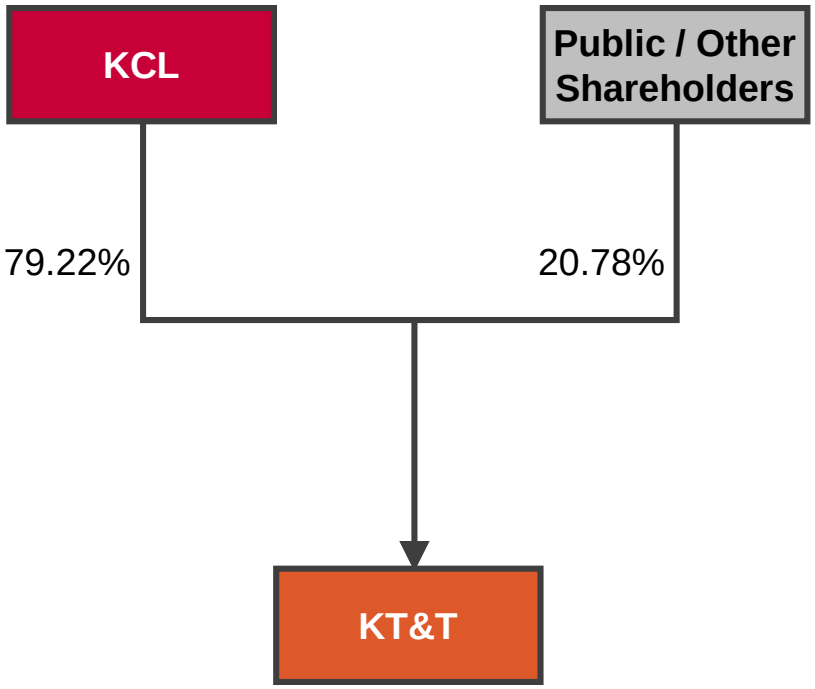
Overview of the KT&T Scheme

- Concurrently to the Offer, KCL is proposing to **privatise Keppel Telecommunications & Transportation Ltd ("KT&T")** by way of a scheme of arrangement ("Scheme")
- The scheme consideration amounts to a cash consideration of **S$1.91 per KT&T share**
- Requires approval of more than **50% of the number of Shareholders representing at least 75% in value of the KT&T shares** held by Shareholders present and voting in person or by proxy; KCL will abstain from voting
- In addition to the approvals from Shareholders, the Scheme will require the approval of the High Court of Singapore

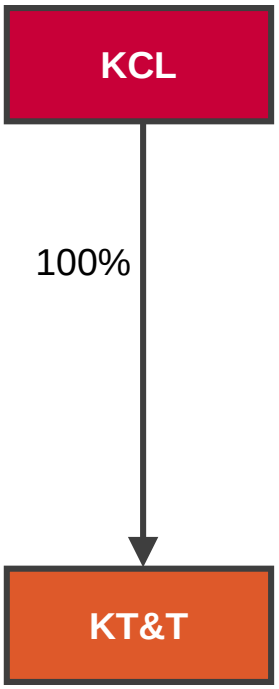
Overview of the KT&T Scheme

Pro Forma shareholding structure of KT&T

Pre-Scheme



Post-Scheme



Note: Percentage stakes calculated based on 559,112,660 KT&T shares in issue, based on KT&T's business profile extracted from ACRA on 26 September 2018

Overview of the KT&T Scheme

KCL's rationale for the Scheme

1. Simplifies KCL's corporate structure, allowing **more efficient allocation of resources and capital** across the KCL group
2. Allows KCL to **better support KT&T** as it grows its data centre and urban logistics businesses
3. Allows KT&T's **minority shareholders to obtain a clean cash exit at a compelling premium**

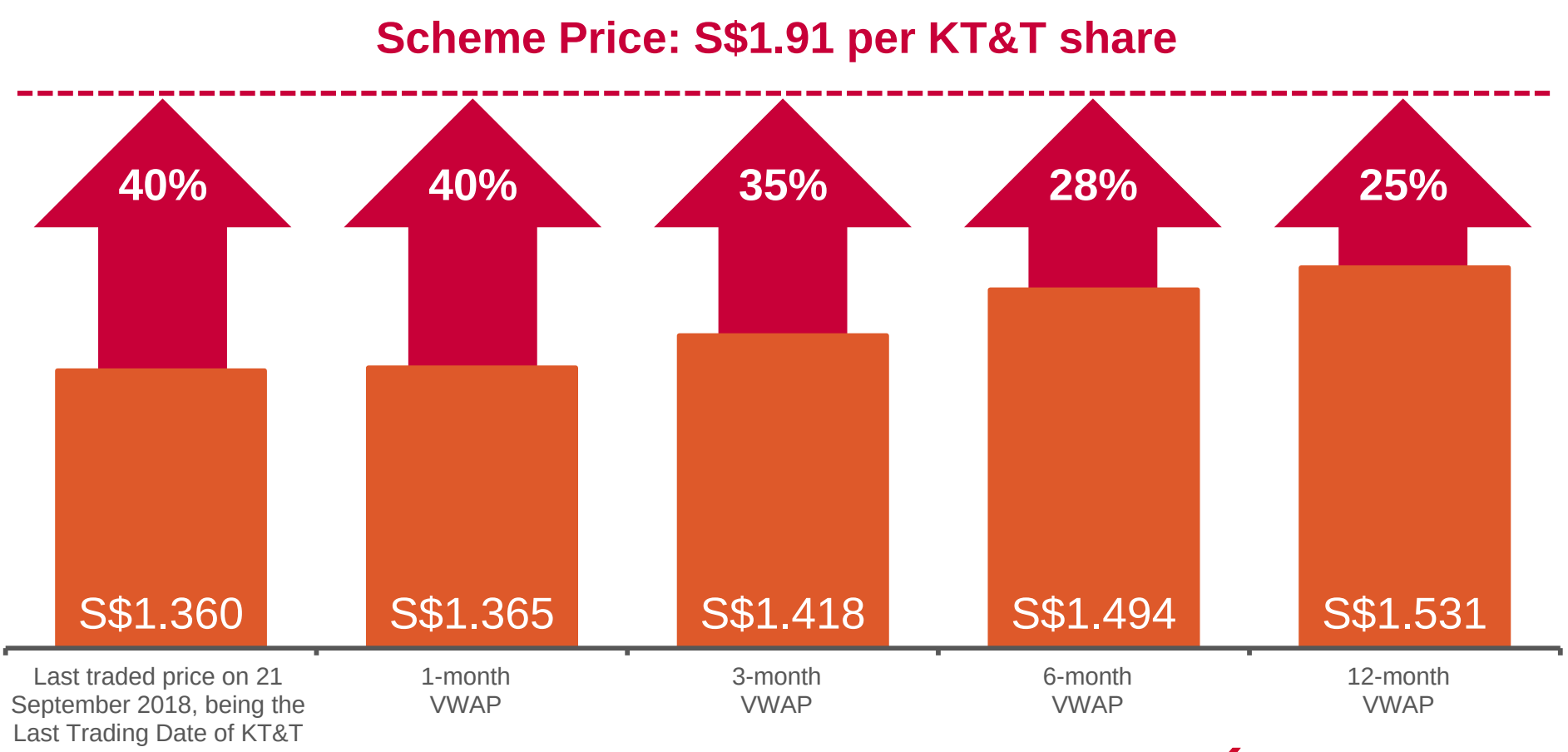


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Overview of the KT&T Scheme

Upfront premium compared to KT&T historical prices

Scheme Price premium to historical prices

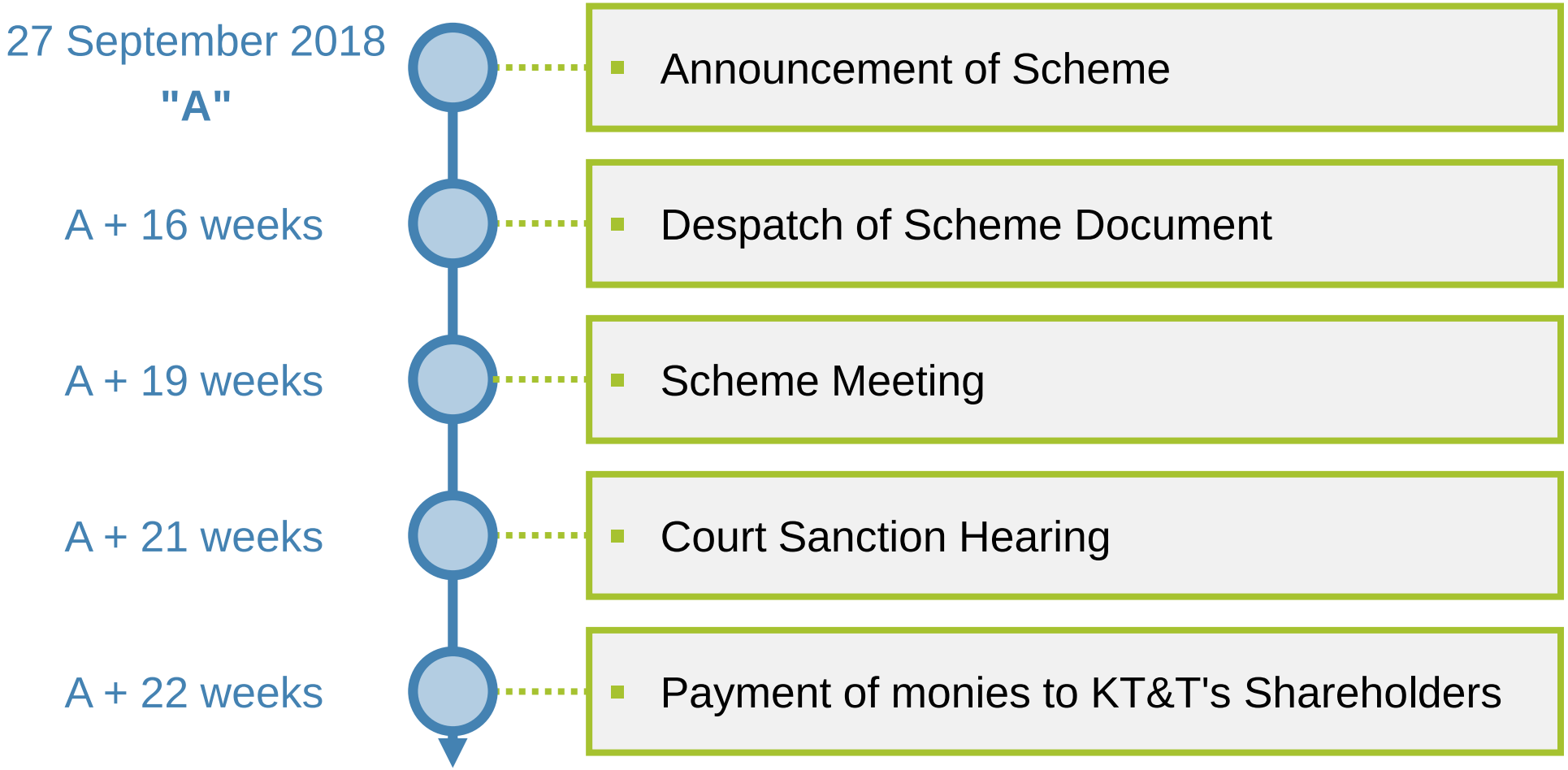


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Timeline of the KT&T Scheme

Key milestones

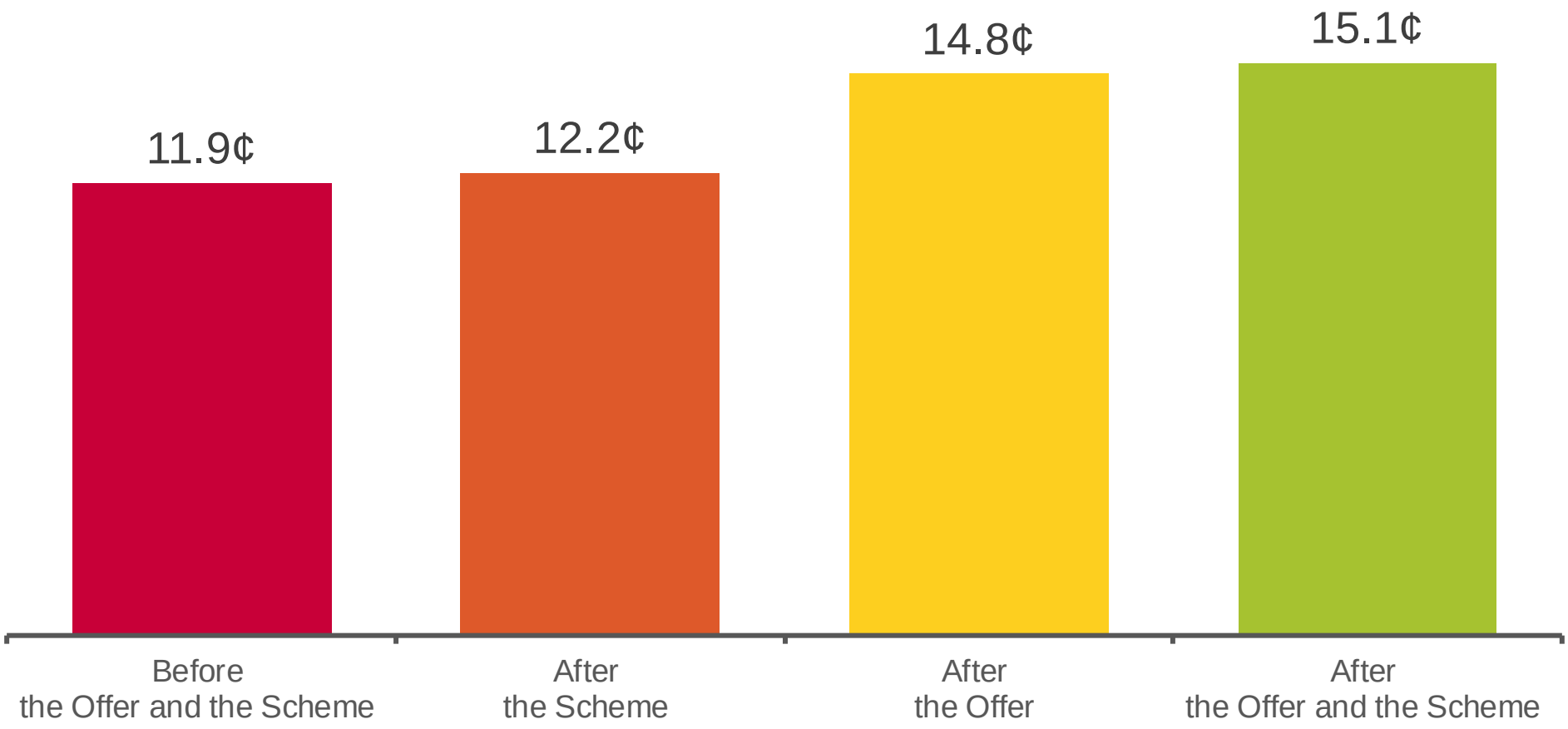


Pro Forma Financial Effects of the M1 Offer and KT&T Scheme

Pro Forma financial effects of the Offer and Scheme

*Assuming Offeror and Concert Parties hold **100%** of M1 Shares at close of Offer*

Earnings per share – FY2017



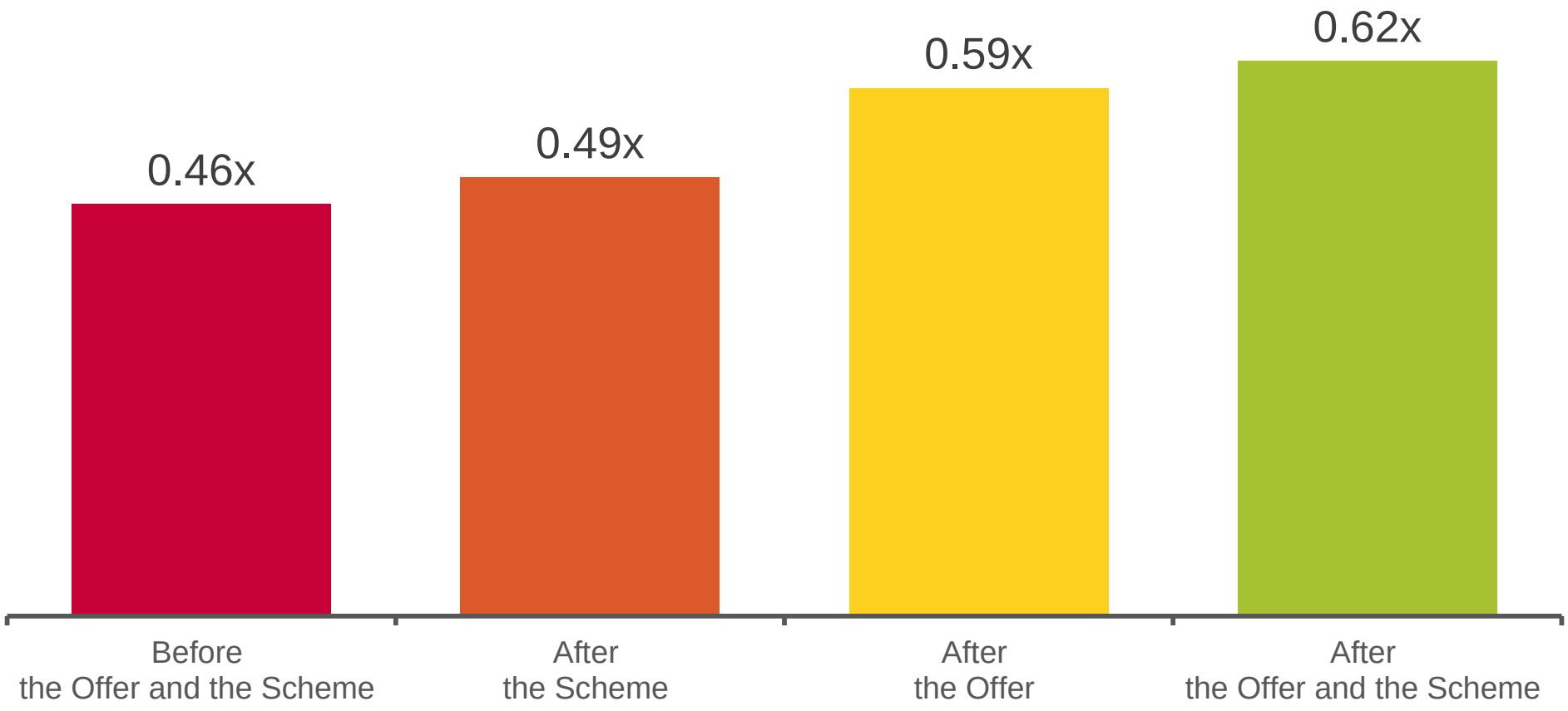
Note: For more details, refer to paragraph 12 of the announcement released by KCL on SGX-ST in relation to the Offer and proposed Scheme. Effect of Offer on profit attributable to shareholders and EPS excludes gains arising from re-measurement of M1 interest held by KT&T

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Pro Forma financial effects of the Offer and Scheme

*Assuming Offeror and Concert Parties hold **100%** of M1 Shares at close of Offer*

Net gearing – As at 31 December 2017



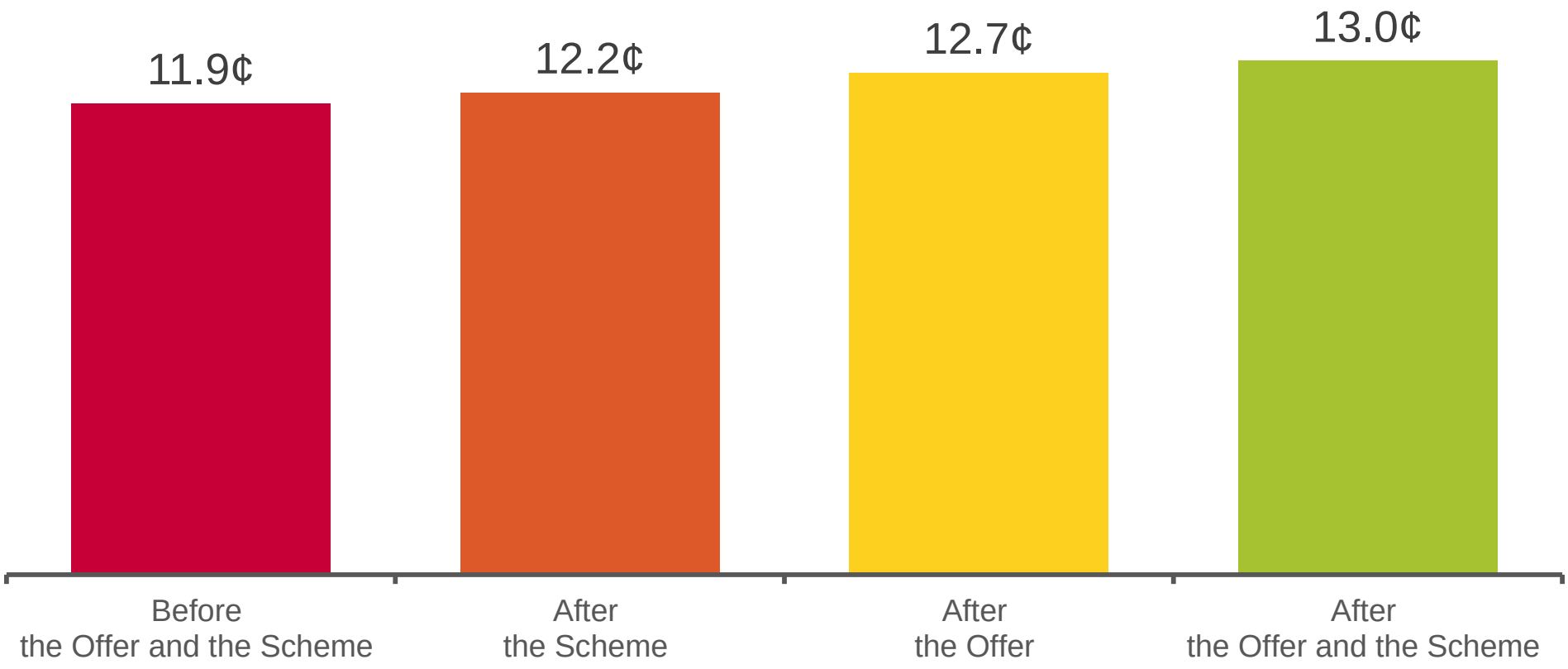
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Appendix

Pro Forma financial effects of the Offer and Scheme

*Assuming Offeror and Concert Parties hold **50%** of M1 Shares at close of Offer*

Earnings per share – FY2017



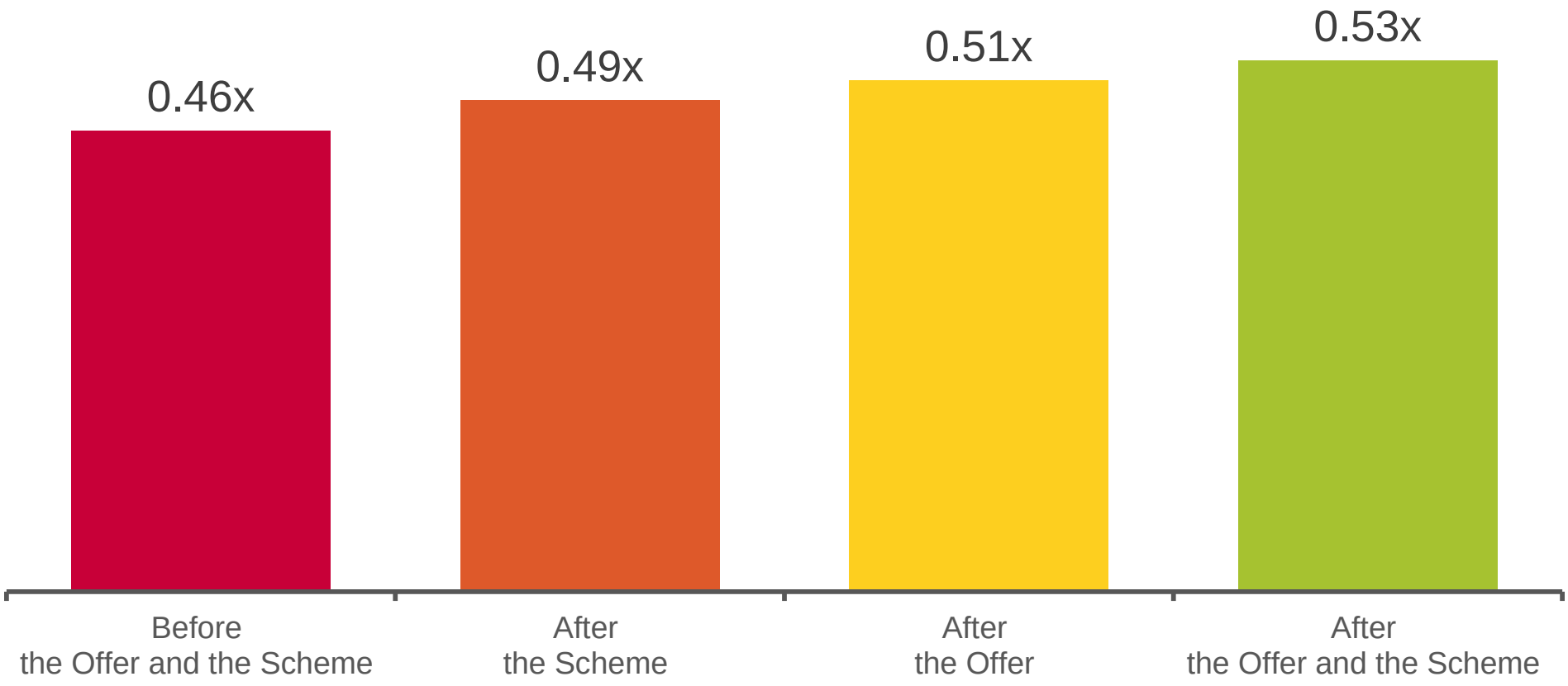
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Pro Forma financial effects of the Offer and Scheme

*Assuming Offeror and Concert Parties hold **50%** of M1 Shares at close of Offer*

Net gearing – As at 31 December 2017



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