ANNOUNCEMENT

PRE-CONDITIONAL VOLUNTARY GENERAL OFFER FOR M1 LIMITED AND PROPOSED SCHEME OF ARRANGEMENT IN RELATION TO KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

1. INTRODUCTION

1.1 The Offer

The board of directors of Keppel Corporation Limited ("**KCL**") wishes to announce that Konnectivity Pte. Ltd. (a subsidiary of KCL), has today announced that, subject to the satisfaction of the Pre-Condition (as referred to in paragraph 2.1.1 of this Announcement), the Offeror intends to make a voluntary conditional general offer (the "**Offer**") for all the issued and paid up ordinary shares in the capital of M1 Limited (the "**Target**") (excluding treasury shares) ("**Target Shares**"), other than those Target Shares already owned, controlled, or agreed to be acquired by the Offeror, its related corporations and their respective nominees, in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**") (the "**Pre-Conditional Offer Announcement**"). The Offeror also intends to make a proposal to holders of the Options (as defined in paragraph 2.2.1 of this Announcement) (the "**Options Proposal**"), further details of which are set out in the Pre-Conditional Offer Announcement.

The Offeror was incorporated for the purposes of making the Offer and its shareholders are Keppel Konnect Pte. Ltd. ("**KKPL**") and SPH Multimedia Private Limited ("**SMPL**"). Further information on the Offeror, KKPL and SMPL are set out in paragraph 3 of this Announcement.

The Offer and the Options Proposal will not be made unless and until the Pre-Condition has been satisfied by the Offeror on or before 5.00 p.m. on 27 March 2019 (or such other later date as the Offeror may determine in consultation with the Securities Industry Council of Singapore (the "SIC")) (the "Cut Off Date"). Accordingly, all references to the Offer in this Announcement refer to the possible Offer which will only be made if and when the Pre-Condition is satisfied.

Shareholders of KCL ("Shareholders") should exercise caution and seek appropriate independent advice when dealing in shares of KCL ("KCL Shares").

Further details of the Offer (including its terms and conditions, and the rationale and benefits of the Offer) are contained in the Pre-Conditional Offer Announcement, which is set out in **Schedule 1** to this Announcement and a copy of which is available on the website of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") at www.sgx.com. References to the Offer and its terms and conditions in this Announcement should be read together with, and are subject to, the Pre-Conditional Offer Announcement.

1.2 The Scheme

The board of directors of KCL also wishes to announce that the respective boards of directors of KCL and Keppel Telecommunications & Transportation Ltd ("**KT&T**") have announced the proposed acquisition (the "**Acquisition**") by KCL of all the issued ordinary shares in the capital of KT&T ("**KT&T Shares**") (other than KT&T Shares already held by KCL) by way of a scheme of arrangement (the "**Scheme**") in accordance with Section 210 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and the Code (the "**Scheme Announcement**").

In connection with the Acquisition, KCL and KT&T (each, a "**Scheme Party**" and collectively, the "**Scheme Parties**") have today entered into an implementation agreement (the "**Implementation Agreement**") setting out the terms and conditions on which KCL and KT&T will implement the Scheme.

Further details of the Scheme (including its terms and conditions, and the rationale and benefits of the Scheme) are contained in the Scheme Announcement, which is set out in **Schedule 2** to this Announcement and a copy of which is available on the website of the SGX-ST at www.sgx.com. References to the Scheme and its terms and conditions in this Announcement should be read together with, and are subject to, the Scheme Announcement.

1.3 Chapter 10 of the Listing Manual

This Announcement is made in compliance with Chapter 10 of the listing manual of the SGX-ST ("**Listing Manual**") and should be read in conjunction with the Pre-Conditional Offer Announcement and the Scheme Announcement.

Capitalised terms used in this Announcement which are undefined shall have the meanings ascribed to them in the Pre-Conditional Offer Announcement or the Scheme Announcement (as the context requires).

2. THE OFFER

2.1 Pre-Condition

2.1.1 As set out in paragraph 2.1 of the Pre-Conditional Offer Announcement, the making of the Offer will be subject to the satisfaction by the Offeror of the following condition (the "**Pre-Condition**"):

(i) all authorisations, clearances, licences, orders, confirmations, consents, exemptions, grants, permissions, registrations, recognitions, clearances and other approvals from the Info-communications Media Development Authority of Singapore necessary or appropriate for or in connection with (i) the Offer; or (ii) the acquisition of control of any of the Target or its subsidiaries arising from or in connection with the Offer ("**Authorisations**"):

(a) having been obtained;

(b) if such Authorisations are subject to conditions precedent or conditions, such conditions precedent or conditions are reasonably acceptable to the Offeror and have been fulfilled on or before the Cut Off Date; and

(c) such Authorisations remaining in full force and effect,

and all necessary statutory or regulatory obligations in connection with the Offer and the acquisition of control of any of the Target or its subsidiaries arising from or in connection with the Offer and their implementation in any jurisdiction having been complied with.

2.1.2 The SIC has confirmed that it has no objection to the Pre-Condition.

2.1.3 If and when the Pre-Condition is satisfied, an announcement will be made by or on behalf of the Offeror, of its firm intention to make the Offer. **However, in the event that the Pre-Condition is not satisfied by the Offeror on or before the Cut Off Date, the Offer will not be made and an announcement will be issued by or on behalf of the Offeror, confirming that fact as soon as reasonably practicable.**

Shareholders should note that there is no certainty that the Pre-Condition will be satisfied and that the Offer will be made. Shareholders are advised to exercise caution when dealing in KCL Shares.

2.2 Principal Terms of the Offer. Subject to and contingent upon the satisfaction of the Pre-Condition and the terms and conditions of the Offer to be set out in the formal offer document to be issued in respect of the Offer (the "**Offer Document**"), the Offeror will make the Offer in accordance with Rule 15 of the Code on the following basis:

2.2.1 **Offer Shares.** The Offer will be extended to all the Target Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations, and their respective nominees (the "**Offer Shares**") at the Offer Price (as defined below).

The Offer will also be extended to all new Target Shares unconditionally issued or to be issued prior to the final closing date of the Offer (the "**Closing Date**") pursuant to:

(i) the valid exercise of outstanding options granted by the Target (the "**Options**") pursuant to the M1 Share Option Scheme 2002 which was approved and adopted by the Target's shareholders on 8 November 2002 and the M1 Share Option Scheme 2013 which was approved and adopted by the Target's shareholders on 5 April 2013 (collectively, the "**Option Schemes**"); and

(ii) the valid vesting and release of any outstanding awards granted under the M1 Share Plan 2016 ("**Awards**") which was approved and adopted by the Target's shareholders on 6 April 2016 (the "**M1 Share Plan 2016**").

For the purposes of the Offer, the expression "**Offer Shares**" shall include all such Target Shares.

2.2.2 **Minimum Acceptance Condition.** The Offer, if and when made, will be conditional on the Offeror having received by the close of the Offer, valid acceptances in respect of such number of Target Shares which, when taken together with Target Shares owned by the Offeror and parties acting or deemed to be acting in concert with it, will result in the Offeror and parties acting or deemed to be acting in concert with it holding more than 50 per cent. of the Target Shares in issue as at the close of the Offer (including any Target Shares which may be unconditionally issued pursuant to the valid exercise of the Options or the valid vesting and release of the Awards prior to the close of the Offer).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Target Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of Target Shares amounting to more than 50 per cent. of the maximum potential issued share capital of the Target. For this purpose, the "**maximum potential issued share capital of the Target**" means the total number of Target Shares which would be in issue had all the outstanding Options been validly exercised and all the Target Shares under awards granted under the M1 Share Plan 2016 been issued and delivered as at the date of such declaration.

2.2.3 **Other Principal Terms of the Offer.** Please refer to paragraph 3 of the Pre-Conditional Offer Announcement for information on the other principal terms of the Offer.

2.3 Rationale for the Offer

Please refer to paragraph 9 of the Pre-Conditional Offer Announcement for the rationale and benefits of the Offer.

3. INFORMATION ON THE OFFEROR, KKPL, SMPL AND KT&T

3.1 The Offeror. The Offeror is a company incorporated in the Republic of Singapore for the purposes of making the Offer and its shareholders are KKPL and SMPL. As at the date of the Pre-Conditional Offer Announcement (the "**Pre-Conditional Offer Announcement Date**"):

3.1.1 the Offeror has an issued share capital of S$10 comprising 10 issued ordinary shares ("**Offeror Shares**"), held as follows:

(i) KKPL has an interest in 8 Offeror Shares, representing 80 per cent. of the Offeror Shares; and

(ii) SMPL has an interest in 2 Offeror Shares, representing 20 per cent. of the Offeror Shares; and

3.1.2 the directors of the Offeror are (i) Mr. Chan Hon Chew; (ii) Mr. Sebastien Lamy; (iii) Mr. Louis Lim; (iv) Ms. Janice Wu Sung Sung; and (v) Mr. Chua Hwee Song.

KCL and Singapore Press Holdings Limited have also entered into a joint transaction agreement (the "**JTA**") pursuant to which, *inter alia*, the shareholding interest of each of KKPL and SMPL in the Offeror may be adjusted after the close of the Offer ("**Post Closing Shareholding Adjustment**"). Further details of the Post Closing Shareholding Adjustment are set out in the Pre-Conditional Offer Announcement.

3.2 **KT&T and KTPL.** KT&T is a public listed company incorporated in Singapore and listed on the Main Board of the SGX-ST. As at the Pre-Conditional Offer Announcement Date:

3.2.1 KCL has an interest in 79.22 per cent. in the issued share capital of KT&T; and

3.2.2 KT&T has an interest in 178,864,000 Target Shares (representing approximately 19.33 per cent. of the Target Shares) which is held through Keppel Telecoms Pte Ltd ("**KTPL**") (its wholly-owned subsidiary). Accordingly, KCL is deemed interested in the Target Shares held by KTPL.

Each of KT&T and KTPL is a related corporation of the Offeror. As Target Shares already owned, controlled or agreed to be acquired by the Offeror's related corporations are excluded from the Offer, Target Shares which are owned, controlled or acquired by KT&T or KTPL are excluded from the Offer. KTPL has also undertaken not to tender any of its Target Shares in acceptance of the Offer pursuant to the terms of the KTPL Irrevocable Undertaking (as set out in paragraph 8 of the Pre-Conditional Offer Announcement).

3.3 **Singapore Press Holdings Limited, SMPL and the Roll-over Arrangement.** Singapore Press Holdings Limited is a public listed company incorporated in Singapore and listed on the Main Board of the SGX-ST. As at the Pre-Conditional Offer Announcement Date, Singapore Press Holdings Limited has an interest in 124,453,000 Target Shares (representing approximately 13.45 per cent. of the Target Shares) which is held through SMPL (its wholly-owned subsidiary).

SMPL has undertaken to tender all of its Target Shares in acceptance of the Offer pursuant to the SMPL Irrevocable Undertaking (as set out in paragraph 8 of the Pre-Conditional Offer Announcement). SMPL has also agreed to waive the receipt of the cash consideration payable to it in exchange for the issuance of new Offeror Shares following the valid tender of all of SMPL's Shares in acceptance of the Offer (the "**Roll-over Arrangement**").

3.4 **Shareholders' Agreement.** KKPL, SMPL and KTPL have also entered into a binding shareholders' agreement ("**Shareholders' Agreement**") to, *inter alia*, regulate their relationship as concert parties in relation to the Target and agree on their voting rights in relation to certain matters which relate to the Target and to regulate KKPL's and SMPL's relationship *inter se* as shareholders of the Offeror.

3.5 **No Special Deal.** The SIC has confirmed that the Roll-over Arrangement, the Shareholders' Agreement, the JTA and the Post Closing Shareholding Adjustment do not constitute a special deal.

4. INFORMATION ON THE TARGET

4.1 **Introduction.** The Target is incorporated in Singapore and was listed on the Main Board of the SGX-ST on 4 December 2002. The principal activities of the Target and its subsidiaries (the "**Target Group**") are the provision of telecommunications services, international call services and fixed services, retail sales of telecommunications equipment and accessories, and customer services.

4.2 **Share Capital.** As at the date of this Announcement, based on the latest information available to KCL [1], the Target has:

4.2.1 an issued and fully paid up share capital of S$206,174,026.72 comprising 925,536,682 Target Shares and 11,701,100 treasury shares;

4.2.2 27,999,000 outstanding Options, which are exercisable into Target Shares; and

4.2.3 up to 640,700 Target Shares which are subject to the Awards[2]. These Awards will be released and vested in tranches between 2018 and 2021.

Save as disclosed above, KCL is not aware of any outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights in the Target.

4.3 **Directors.** As at the date of this Announcement, the directors of the Target are as follows:

4.3.1 Mr. Danny Teoh Leong Kay, Non-Independent and Non-Executive Chairman;

4.3.2 Ms. Karen Kooi Lee Wah, Non-Independent and Executive Director;

4.3.3 Tan' Sri Jamaludin Ibrahim, Non-Independent and Non-Executive Director;

4.3.4 Mr. Low Huan Ping, Non-Independent and Non-Executive Director;

4.3.5 Mr. Huang Cheng Eng, Independent Director;

4.3.6 Ms. Elaine Lee Kia Jong, Independent Director;

4.3.7 Mr. Lionel Lim Chin Teck, Independent Director;

4.3.8 Mr. Moses Lee Kim Poo, Independent Director;

4.3.9 Mr. Tan Wah Yeow, Independent Director; and

4.3.10 Mr. Guy Daniel Harvey Samuel, Independent Director.

[1] Based on the Target's annual report for the financial year ended 31 December 2017 and the Target's business profile extracted from the Accounting and Corporate Regulatory Authority on 26 September 2018.

[2] The Target has also provisionally granted up to 1,533,360 Shares on 1 February 2018 which are subject to the Awards.

5. CONSIDERATION FOR THE OFFER

5.1 Offer Price

As stated in paragraph 3.1.2 of the Pre-Conditional Offer Announcement, the consideration for each Offer Share will be as follows:

For each Offer Share: S$2.06 in cash (the "**Offer Price**").

The Offer Price was arrived at taking into account, *inter alia*, KCL's existing indirect interests in the Target held through KTPL and the prevailing and historical market price of Target Shares.

5.2 Assumed Maximum Consideration

Assuming that:

5.2.1 the Offer Price is S$2.06 for each Offer Share;

5.2.2 the total number of Offer Shares is 776,845,742 Target Shares[3] ("**Maximum Offer Shares**");

5.2.3 SMPL tenders the Target Shares held by it in acceptance of the Offer but waives the receipt of the cash consideration payable to it pursuant to the Roll-over Arrangement; and

5.2.4 KKPL has an interest of 80 per cent in the Offeror and therefore has an 80 per cent interest in the Maximum Offer Shares

5.2.5 there is full acceptance of the Offer in respect of the Maximum Offer Shares (excluding the Target Shares held by SMPL) ("**Maximum Payable Tendered Offer Shares**"),

KKPL's maximum aggregate consideration for the acquisition of all the Maximum Payable Tendered Offer Shares pursuant to the Offer would be S$1,280,241,783 ("**Assumed Maximum Consideration**").

6. VALUE OF THE OFFER SHARES

6.1 **Book Value.** Based on the audited consolidated financial statements of the Target Group for the financial year ended 31 December 2017 ("**FY2017**") ("**Target Group FY2017 Results**") and the unaudited consolidated financial statements of the Target Group for the second quarter and half year ended 30 June 2018 ("**1H2018**") ("**Target Group 1H2018 Results**"), the book value of the assets being acquired (being KKPL's 80 per cent interest in the Maximum Offer Shares) is approximately S$278,891,037 and S$330,406,025 respectively.

[3] Calculated based on the maximum potential issued share capital of the Target (as defined in paragraph 2.2.2 of this Announcement, which, for the avoidance of doubt, excludes any Target Shares held by KTPL.

6.2 **Asset Value.** Based on the Target Group FY2017 Results and the Target Group 1H2018 Results, the net tangible asset value of KKPL's 80 per cent interest in the Maximum Offer Shares is approximately S$175,927,390 and S$232,799,364 respectively.

6.3 **Market Value.** The market value of KKPL's 80 per cent interest in the Maximum Offer Shares, which has been calculated based on the volume weighted average price ("**VWAP**") per Target Share for all the trades done on 21 September 2018 (being the last full day of trading in Target Shares on the SGX-ST immediately prior to the date of the Pre-Conditional Offer Announcement ("**Last Trading Day**")), is approximately S$1,022,743,781[4].

6.4 **Net Profits.** Based on the Target Group FY2017 Results and the Target Group 1H2018 Results, the net profit before income tax, minority interests and extraordinary items ("**Net Profit**") attributable to KKPL's 80 per cent interest in the Maximum Offer Shares is S$105,757,240 and S$56,053,925 respectively.

7. THE SCHEME

7.1 **The Acquisition.** Under the Scheme, all the KT&T Shares held by the shareholders of KT&T (the "**KT&T Shareholders**") (other than KCL) will be transferred to KCL.

7.2 **Delisting.** Upon the Scheme becoming effective and binding, KT&T will become a wholly-owned subsidiary of KCL, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

7.3 **Scheme Conditions.** The Scheme is conditional upon the satisfaction or waiver (as the case may be) of a number of conditions precedent (the "**Scheme Conditions**") which are set out in **Schedule 1** to the Scheme Announcement, including:

7.3.1 the approval of the Scheme by the KT&T Shareholders at the meeting of the KT&T Shareholders to be convened pursuant to the order of the High Court of the Republic of Singapore (the "**Court**") to approve the Scheme and any adjournment thereof (the "**Scheme Meeting**") in compliance with Section 210(3AB) of the Companies Act;

7.3.2 the grant of the order of the Court under Section 210 of the Companies Act sanctioning the Scheme (the "**Court Order**") and such Court Order having become final; and

7.3.3 the lodgement of the Court Order with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") pursuant to Section 210(5) of the Companies Act.

7.4 **Right to Terminate.** The Implementation Agreement provides that it may be terminated at any time on or prior to the date on which the Scheme becomes effective in accordance with its terms by either of the Scheme Parties for the reasons set out in paragraph 6.1 of the Scheme Announcement, in each case after prior consultation with the SIC.

[4] Calculated based on the maximum potential issued share capital of the Target (as defined in paragraph 2.2.2 of this Announcement.

7.5 **Non-fulfilment of Scheme Conditions.** As set out in paragraph 6.2 of the Scheme Announcement, if for any reason the Scheme Conditions are not satisfied (or, if applicable, waived) or if the Scheme has not become effective on or before 5.00 p.m. on 30 April 2019 or such other date as the Scheme Parties may agree in writing, either Scheme Party may immediately terminate the Implementation Agreement (save for certain surviving provisions such as those relating to confidentiality, costs and expenses and governing law (the "**Surviving Provisions**"[5])) by notice in writing to the other Scheme Party, and no Party shall have a claim against any other Party under the Implementation Agreement. Subject to Clause 3.2 of the Implementation Agreement, KT&T and/or KCL (as the case may be) may invoke the non-fulfilment of any of the Scheme Conditions to terminate the Implementation Agreement, if it has first consulted the SIC and the SIC gives its approval for, or states that it has no objection to, such termination.

7.6 **Effect of Termination.** In the event of termination of the Implementation Agreement by either KT&T or KCL (as the case may be) pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for the Surviving Provisions) and there shall be no other liability on the part of either Scheme Party, except that any termination of the Implementation Agreement shall be without prejudice to any rights which a Scheme Party may have against the other Scheme Party for any breach by that other Scheme Party prior to the termination of the Implementation Agreement.

7.7 **Rationale for the Acquisition.** Please refer to paragraph 9 of the Scheme Announcement for the rationale and benefits of the Acquisition.

7.8 **Approvals Required.** The Scheme will require, *inter alia*, the following approvals:

7.8.1 the approval of the Scheme by a majority in number of KT&T Shareholders representing not less than three-fourths in value of the KT&T Shares held by KT&T Shareholders present and voting either in person or by proxy at the Scheme Meeting; and

7.8.2 the sanction of the Scheme by the Court.

In addition, the Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement and a copy of the Court Order has been lodged with ACRA.

7.9 **SIC Confirmations.** The SIC has confirmed, *inter alia*, that the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code, subject to, *inter alia*, KCL abstaining from voting at the Scheme Meeting.

7.10 **Other Principal Terms of the Acquisition and the Scheme.** Please refer to the Scheme Announcement for information on the other principal terms of the Acquisition and the Scheme.

[5] "**Surviving Provisions**" means Clauses 1, 4.4, 7, 8 and 9 of the Implementation Agreement.

8. INFORMATION ON KT&T

8.1 **Introduction.** KT&T was incorporated in Singapore on 27 May 1965 and is listed on the Main Board of the SGX-ST. The principal activity of KT&T is that of an investment holding and management company. KT&T offers integrated services and solutions in two core businesses: logistics and data centres. The logistics business helps clients of KT&T to manage their entire supply chain, while the data centre business owns, acquires, develops and manages high-availability data centre facilities.

8.2 **Share Capital and Other Securities.** As at the date of this Announcement, based on the latest information available to KCL, KT&T has:

8.2.1 an issued and paid-up share capital of S$83,101,317.88, comprising 559,112,660 KT&T Shares;

8.2.2 1,228,719 awards released under the KT&T Restricted Share Plan;

8.2.3 830,000 contingent awards of KT&T Shares granted and not released under the KT&T Performance Share Plan (together with the KT&T Restricted Share Plan, the "**KT&T Share Plans**"). Based on achievement factor, the actual release of the awards could range from zero to a maximum of 1,245,000 KT&T Shares; and

8.2.4 S$100,000,000 fixed rate notes bearing initial interest at a fixed rate of 2.85 per cent. per annum, issued under the KT&T S$500,000,000 Multicurrency Medium Term Note Programme.

Save as disclosed, KCL is not aware of any outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights in KT&T.

8.3 **Directors.** As at the date of this Announcement, the directors of KT&T are as follows:

8.3.1 Mr. Loh Chin Hua, Non-Independent and Non-Executive Chairman;

8.3.2 Mr. Thomas Pang Thieng Hwi, Non-Independent and Executive Director and Chief Executive Officer;

8.3.3 Mr. Chan Hon Chew, Non-Independent and Non-Executive Director;

8.3.4 Mr. Karmjit Singh, Independent Director;

8.3.5 Mr. Neo Boon Siong, Independent Director;

8.3.6 Mr. Khor Poh Hwa, Independent Director;

8.3.7 Mr. Lim Chin Leong, Independent Director; and

8.3.8 Ms. Lee Ai Ming, Independent Director.

8.4 **KCL's Shareholdings.** KCL has a direct interest in 442,935,526 KT&T Shares, representing approximately 79.22 per cent.[6] of the KT&T Shares.

9. CONSIDERATION FOR THE SCHEME

9.1 Scheme Consideration

As stated in paragraph 1.3 of the Scheme Announcement, the consideration for each KT&T Share will be as follows:

For each KT&T Share: S$1.91 in cash (the "**Scheme Consideration**")

The aggregate cash amount that is payable to any KT&T Shareholder in respect of the KT&T Shares held by such KT&T Shareholder (other than KCL) will be rounded down to the nearest whole cent.

The Scheme Consideration was arrived at taking into account, *inter alia*, KCL's existing interests in KT&T and the prevailing and historical market price of KT&T Shares.

9.2 Assumed Maximum Consideration

Assuming that:

9.2.1 the Scheme Consideration is S$1.91 in cash for each KT&T Share;

9.2.2 the total number of KT&T Shares (excluding KT&T Shares held by KCL) is 118,650,853 KT&T Shares ("**Maximum Scheme Shares**")[7]; and

9.2.3 the Scheme becomes effective in accordance with its terms,

the maximum aggregate consideration for the acquisition of all the Maximum Scheme Shares pursuant to the Scheme would be S$226,623,129 (the "**Assumed Maximum Scheme Consideration**").

9.3 Source of Funding for the Scheme

KCL will utilise an existing DBS credit facility to fund the consideration for the Scheme.

10. VALUE OF THE KT&T SHARES

10.1 **Book Value.** Based on the audited consolidated financial statements of KT&T and its subsidiaries (the "**KT&T Group**") for FY2017 ("**KT&T Group FY2017 Results**") and the unaudited consolidated financial statements of the KT&T Group for 1H2018 ("**KT&T Group 1H2018 Results**"), the book value of the assets being acquired (being the Maximum Scheme Shares) is approximately S$176,355,023 and S$181,994,878 respectively.

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[6] Calculated based on 559,112,660 KT&T Shares, based on KT&T's business profile extracted from the Accounting and Corporate Regulatory Authority on 26 September 2018.

[7] Calculated based on the total number of KT&T Shares which would be in issue had all the KT&T Shares under awards granted under the KT&T Share Plans been issued and delivered as at the Books Closure Date (as defined in the Scheme Announcement).

10.2 **Asset Value.** Based on the KT&T Group FY2017 Results and the KT&T Group 1H2018 Results, the net tangible asset value of the Maximum Scheme Shares is approximately S$175,940,073 and S$181,620,283 respectively.

10.3 **Market Value.** The market value of the Maximum Scheme Shares, which has been calculated based on the volume weighted average price ("**VWAP**") per KT&T Share for all the trades done on 21 September 2018 (being the last full day of trading in KT&T Shares on the SGX-ST immediately prior to the date of the Scheme Announcement ("**Last KT&T Trading Day**")), is approximately S$161,651,760.

10.4 **Net Profits.** Based on the KT&T Group FY2017 Results and the KT&T Group 1H2018 Results, the net profit before income tax, minority interests and extraordinary items ("**Net Profit**") attributable to the Maximum Scheme Shares is S$15,179,269 and S$8,125,752 respectively.

11. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures for the Offer and the Scheme as computed on the bases set out in Rule 1006 of the Listing Manual are set out below[8]:

Rule 1006	Bases	Relative Figures (%)
(b)	**Offer** Net profits(1) attributable to KKPL's 80 per cent interest in the Maximum Offer Shares(2) compared with the net profits of KCL and its subsidiaries ("**KCL Group**") (3)	7.9
	Scheme Net profits(1) attributable to the Maximum Scheme Shares(4) compared with the net profits of the KCL Group(3)	1.1
	Offer and Scheme Aggregate net profits(1) attributable to KKPL's 80 per cent interest in the Maximum Offer Shares(2) and the Maximum Scheme Shares (4) compared with the net profits of the KCL Group(3)	9.0
(c)	**Offer** The aggregate amount of consideration for the Offer(5) compared with the market capitalisation(6) of KCL	9.9
	Scheme The aggregate amount of consideration for the Scheme(7) compared with the market capitalisation(6) of KCL	1.7

[8] As each of the Offer and the Scheme is not a disposal and no KCL Shares will be issued as consideration, Rules 1006(a) and (d) of the Listing Manual, respectively, are not applicable.

Rule 1006	Bases	Relative Figures (%)
	Offer and Scheme The aggregate amount of consideration for the Offer[5] and the Scheme[7] compared with the market capitalisation[6] of KCL	11.6

Notes:

(1) Net profits is defined as profit before income tax, minority interest and extraordinary items.

(2) The net profits of S$56,053,925 attributable to KKPL's 80 per cent interest in the Maximum Offer Shares is calculated based on the Target Group 1H2018 Results.

(3) The net profits of the KCL Group, as derived from the unaudited consolidated financial statements of the KCL Group for 1H2018 ("**KCL Group 1H2018 Results**") is S$711,034,000.

(4) The net profits of S$8,125,752 attributable to the Maximum Scheme Shares is calculated based on the KT&T Group 1H2018 Results.

(5) The aggregate amount of consideration payable for the Offer is based on the Assumed Maximum Consideration.

(6) The market capitalisation of KCL is based on a total number of 1,812,441,588 KCL Shares in issue (excluding treasury shares) as at the date of this Announcement multiplied by the VWAP of the KCL Shares transacted on 26 September 2018, being S$7.16.

(7) The aggregate amount of consideration payable for the Scheme is based on the Assumed Maximum Scheme Consideration.

As the relative figures under Rule 1006(b) and Rule 1006(c) of the Listing Manual do not exceed 20%, the Offer and the Scheme are each a "discloseable transaction" for KCL and no Shareholders' approval is required.

12. ILLUSTRATIVE FINANCIAL EFFECTS OF THE OFFER AND THE SCHEME

12.1 Bases and Assumptions

12.1.1 The pro forma financial effects of the Offer and the Scheme set out below are for illustrative purposes only, and are neither indicative of the actual financial effects of the Offer and/or the Scheme on the consolidated net tangible assets ("**NTA**") per KCL Share, the earnings per KCL Share ("**EPS**"), nor represent the actual or future financial position and/or results of the KCL Group immediately after the close of the Offer, the effective date of the Scheme (the "**Effective Date**"), or upon the completion of the acquisition of all the Offer Shares and/or KT&T Shares pursuant to the Offer and/or the Scheme.

12.1.2 The pro forma financial effects of the Offer and/or Scheme set out below have been prepared based on (i) the audited consolidated financial statements of the KCL Group for FY2017 ("**KCL Group FY2017 Results**"); (ii) the Target Group FY2017 Results; and (iii) the KT&T Group FY2017 Results, and on the following assumptions:

(i) the Offer Price is S$2.06 for each Offer Share;

(ii) the total number of Offer Shares is the Maximum Offer Shares, being 776,845,742 Target Shares;

(iii) SMPL tenders the Target Shares held by it in acceptance of the Offer but waives the receipt of the consideration payable to it pursuant to the Roll-over Arrangement;

(iv) KKPL has an interest of 80 per cent in the Offeror and therefore has an 80 per cent interest in the Maximum Offer Shares

(v) there is full acceptance of the Offer in respect of all the Maximum Offer Shares;

(vi) the Scheme Consideration is S$1.91 for each KT&T Share; and

(vii) the total number of Maximum Scheme Shares is 118,650,853 KT&T Shares.

12.2 Effect on NTA per KCL Share – FY2017

Assuming that the Offer had closed and the Scheme was effective on 31 December 2017, being the end of FY2017, the financial effects of the Offer and/or Scheme on the consolidated NTA per KCL Share as at 31 December 2017 are set out below:

	Before the Offer and the Scheme	**After the Offer**	**After the Scheme**	**After the Offer and the Scheme**
NTA (S$'000)	11,300	10,033	11,246	9,978
NTA per KCL Share (S$)[(1)]	6.21	5.52	6.18	5.49

Note:

(1) Based on a total of 1,818,323,392 KCL Shares (excluding treasury shares) as at 31 December 2017.

12.3 Effect on EPS – FY2017

Assuming the Offer had closed and the Scheme was effective on 1 January 2017, being the beginning of FY2017, the financial effects of the Offer and/or Scheme on the EPS for FY2017 are set out below:

	Before the Offer and the Scheme	After the Offer	After the Scheme	After the Offer and the Scheme
Profit attributable to shareholders (S$'000)	216,668	269,081[(2)]	221,272	273,685[(2)]
Weighted average number of KCL Shares ('000)	1,816,965	1,816,695	1,816,695	1,816,695
EPS[(1)] (cents)	11.9	14.8[(2)]	12.2	15.1[(2)]

Note:

(1) Based on 1,816,965,000 KCL Shares, being the weighted average number of KCL Shares (excluding treasury shares) during FY2017.
(2) Effect on profit attributable to shareholders and EPS excludes gains arising from re-measurement of the Target Shares held by KT&T.

12.4 Share Capital

As no KCL Shares will be issued in connection with the Offer and the Scheme, the Offer and the Scheme will not have any impact on the issued share capital of KCL.

13. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS OF THE OFFEROR AND KCL

13.1 Directors

As at the date of this Announcement:

13.1.1 Mr. Danny Teoh Leong Kay, an independent and non-executive director of KCL, is also the chairman of the board of directors of the Target and a director of DBS, the sole financial adviser to KCL in relation to the Offer and Scheme;

13.1.2 Dr. Lee Boon Yang is the chairman of the board of directors of both KCL and Singapore Press Holdings Limited;

13.1.3 Mr. Loh Chin Hua, the Chief Executive Officer and an executive director of KCL, is also the chairman of the board of directors of KT&T;

13.1.4 Mr. Chan Hon Chew, the Chief Financial Officer of KCL, is also on the board of directors of KT&T; and

13.1.5 Mr. Thomas Pang Thieng Hwi, the Chief Executive Officer and an executive director of KT&T, is (i) also a director of other entities in the KCL Group, including Keppel Capital Holdings Pte Ltd and Keppel DC REIT Management Pte. Ltd. and (ii) as at the date of this Announcement and based on the latest information available to KCL, holds 185,737 KCL Shares, 110,000 options under the KCL employee share option scheme and 200,000 contingent awards granted under the KCL Transformation Incentive Plan.

13.2 Controlling Shareholders

As at the date of this Announcement:

13.2.1 KCL has an indirect interest in 178,864,000 Target Shares, representing approximately 19.33 per cent. of the Target Shares, which are held directly by KTPL. KTPL is a wholly-owned subsidiary of KT&T, which is a subsidiary of KCL; and

13.2.2 KCL has a direct interest in 442,935,526 KT&T Shares, representing approximately 79.22 per cent. of the KT&T Shares.

Save as disclosed in this Announcement, none of the directors and controlling shareholders of the Offeror or KCL has any interest, direct or indirect, in the Offer or the Scheme.

14. NO DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed to the board of KCL as part of the Offer or the Scheme, and no director's service contract is proposed to be entered into by KCL with any person in connection with the Offer or the Scheme.

15. DOCUMENTS FOR INSPECTION

A copy of the Implementation Agreement, the SMPL Irrevocable Undertaking and KTPL Irrevocable Undertaking will be made available for inspection during normal business hours at the registered office of KCL from the date of this Announcement up until the Effective Date.

16. RESPONSIBILITY STATEMENT

The directors of KCL (including any director who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that there are no material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of KCL 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 Announcement.

By Order of the Board of
Keppel Corporation Limited

Caroline Chang
Company Secretary
27 September 2018

Any enquiries relating to this Announcement should be directed to the following during office hours:

DBS Bank Ltd.
Strategic Advisory
Tel: (65) 6682 8999

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement 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 the Offeror's and/or KCL'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 the Offeror, KCL, nor DBS guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements.

Schedule 1
Pre-Conditional Offer Announcement

DBS BANK LTD.
(Company Registration No.: 196800306E)
(Incorporated in the Republic of Singapore)

Sole Financial Adviser to
Keppel Corporation Limited

CREDIT SUISSE (SINGAPORE) LIMITED
(Company Registration No.: 197702363D)
(Incorporated in the Republic of Singapore)

Sole Financial Adviser to
Singapore Press Holdings Limited

Konnectivity Pte. Ltd.

(Company Registration No.: 201832874H)
(Incorporated in the Republic of Singapore)

a company jointly owned by Keppel Corporation Limited and Singapore Press Holdings Limited is making a

PRE-CONDITIONAL VOLUNTARY GENERAL OFFER

to acquire all the issued and paid-up ordinary shares in the capital of

M1 Limited

(Company Registration No.: 199206031W)
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired by Konnectivity Pte. Ltd., its related corporations and their respective nominees

PRE-CONDITIONAL OFFER ANNOUNCEMENT

1. INTRODUCTION

Konnectivity Pte. Ltd. (the "**Offeror**") announces that, subject to the satisfaction of the Pre-Condition (as referred to in paragraph 2.1 of this Announcement), the Offeror intends to make a voluntary conditional general offer (the "**Offer**") for all the issued and paid up ordinary shares in the capital of M1 Limited (the "**Company**" or "**M1**") (excluding treasury shares) ("**Shares**"), other than those Shares already owned, controlled, or agreed to be acquired by the Offeror, its related corporations, and their respective nominees, in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**").

The Offeror was incorporated for the purposes of making the Offer and its shareholders are Keppel Konnect Pte. Ltd. ("**KKPL**"), a wholly-owned subsidiary of Keppel Corporation Limited ("**KCL**"), and SPH Multimedia Private Limited ("**SMPL**"), a wholly-owned subsidiary of Singapore Press Holdings Limited ("**SPH**"). Further information on the Offeror, KCL, KKPL, SPH and SMPL is set out in paragraph 6 of this Announcement. The Offeror also intends to make an Options Proposal to Optionholders (each as defined in paragraph 4.1 of this Announcement) pursuant to the Option Schemes (as defined in paragraph 3.1.1(i) of this Announcement) if the Offer is made.

The Offer and the Options Proposal will not be made unless and until the Pre-Condition has been satisfied by the Offeror on or before 5.00 p.m. on 27 March 2019 (or such other later date as the Offeror may determine in consultation with the Securities Industry Council of Singapore (the "SIC")) (the "Cut Off Date"). Accordingly, all references to the Offer in this Announcement refer to the possible Offer which will only be made if and when the Pre-Condition is satisfied.

Shareholders of the Company ("Shareholders") should exercise caution and seek appropriate independent advice when dealing in the Shares.

2. PRE-CONDITION TO THE MAKING OF THE OFFER

2.1 **Pre-Condition.** The making of the Offer will be subject to the satisfaction of the following condition (the "**Pre-Condition**"):

2.1.1 all authorisations, clearances, licences, orders, confirmations, consents, exemptions, grants, permissions, registrations, recognitions, clearances and other approvals from the Info-communications Media Development Authority ("**IMDA**") necessary or appropriate for or in connection with (i) the Offer; or (ii) the acquisition of control of any of the Company or its subsidiaries arising from or in connection with the Offer ("**Authorisations**"):

(i) having been obtained;

(ii) if such Authorisations are subject to conditions precedent or conditions, such conditions precedent or conditions are reasonably acceptable to the Offeror and have been fulfilled on or before the Cut Off Date; and

(iii) such Authorisations remaining in full force and effect,

and all necessary statutory or regulatory obligations in connection with the Offer and the acquisition of control of any of the Company or its subsidiaries arising from or in connection with the Offer and their implementation in any jurisdiction having been complied with.

2.2 **SIC Confirmation.** The SIC has confirmed that it has no objection to the Pre-Condition.

2.3 **Firm Offer Announcement.** If and when the Pre-Condition is satisfied by the Offeror, an announcement will be made by the Offeror of its firm intention to make the Offer (the "**Firm Offer Announcement**"). **However, in the event that the Pre-Condition is not satisfied on or before the Cut Off Date, the Offer will not be made and the Offeror will issue an announcement confirming that fact as soon as reasonably practicable.**

Shareholders should note that there is no certainty that the Pre-Condition will be satisfied and that the Offer will be made. Shareholders are advised to exercise caution when dealing in the Shares.

3. THE OFFER

3.1 **Principal Terms of the Offer.** Subject to and contingent upon the satisfaction of the Pre-Condition and the terms and conditions of the Offer to be set out in the formal offer document

to be issued in respect of the Offer (the "**Offer Document**"), the Offeror will make the Offer in accordance with Rule 15 of the Code on the following basis:

3.1.1 **Offer Shares.** The Offer will be extended to all the Shares, other than those Shares already owned, controlled, or agreed to be acquired by the Offeror, its related corporations and their respective nominees (the "**Offer Shares**") at the Offer Price (as defined below).

For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror (other than the Offeror's related corporations and their respective nominees). For the purpose of the Offer, the expression "**Offer Shares**" shall include such Shares.

The Offer will also be extended to all new Shares unconditionally issued or to be issued prior to the final closing date of the Offer (the "**Closing Date**") pursuant to:

(i) the valid exercise of outstanding options granted by the Company (the "**Options**") pursuant to the M1 Share Option Scheme 2002 which was approved and adopted by Shareholders on 8 November 2002 and the M1 Share Option Scheme 2013 which was approved and adopted by Shareholders on 5 April 2013 (collectively, the "**Option Schemes**"); and

(ii) the valid vesting and release of any outstanding awards granted under the M1 Share Plan 2016 ("**Awards**") which was approved and adopted by Shareholders on 6 April 2016 (the "**M1 Share Plan 2016**").

For the purposes of the Offer, the expression "**Offer Shares**" shall include all such Shares.

3.1.2 **Offer Consideration.** The consideration for each Offer Share will be as follows:

For each Offer Share: S$2.06 in cash (the "**Offer Price**").

3.1.3 **No Encumbrances.** The Offer Shares are to be acquired (i) fully paid, (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing, and (iii) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement ("**Pre-Conditional Offer Announcement Date**") and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, "**Distributions**") on or after the Pre-Conditional Offer Announcement Date.

3.1.4 **Adjustment for Distributions.** Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.

Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Pre-Conditional Offer Announcement Date, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer (if and when made) shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such accepting Shareholder falls, as follows:

(i) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the "**Books Closure Date**"), the Offer Price shall remain unadjusted for each such Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; and

(ii) if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

For the avoidance of doubt, the interim dividend of S$0.052 per Share announced by the Company on 27 July 2018 and paid to Shareholders on 17 August 2018 will not be deducted from the Offer Price.

3.1.5 **Minimum Acceptance Condition.** The Offer, if and when made, will be conditional on the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Shares which, when taken together with Shares owned by the Offeror and parties acting or deemed to be acting in concert with it, will result in the Offeror and parties acting or deemed to be acting in concert with it holding more than 50 per cent. of the Shares in issue as at the close of the Offer (including any Shares which may be unconditionally issued pursuant to the valid exercise of the Options or the valid vesting and release of the Awards prior to the close of the Offer).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of Shares amounting to more than 50 per cent. of the maximum potential issued share capital of the Company. For this purpose, the "**maximum potential issued share capital of the Company**" means the total number of Shares which would be in issue had all the outstanding Options been validly exercised and all the Shares under Awards been issued and delivered as at the date of such declaration.

Further information on the Offer and the terms and conditions upon which the Offer will be made will be set out in the Offer Document.

4. OPTIONS PROPOSAL

4.1 As at the date of this Announcement, based on the latest information available to the Offeror, there are 27,999,000 outstanding Options which are exercisable into 27,999,000 Shares. Under the rules of the Option Schemes, the Options are not transferable by the holders

thereof (the "**Optionholders**"). In view of this restriction, the Offeror will not make an offer to acquire the Options although, for the avoidance of doubt, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Options prior to the final Closing Date. Instead, the Offeror will make a proposal (the "**Options Proposal**") to the Optionholders on the following terms, that subject to:

4.1.1 the Offer becoming or being declared unconditional in all respects; and

4.1.2 the relevant Options continuing to be exercisable into new Shares,

the Offeror will pay to such Optionholders a cash amount (as determined below) (the "**Option Price**") in consideration of such Optionholders agreeing:

(i) not to exercise any of such Options into new Shares; and

(ii) not to exercise any of their rights as Optionholders,

and in each case from the date of their acceptance of the Options Proposal to the respective dates of expiry of such Options. Further, if the Offer becomes or is declared unconditional, Optionholders who have accepted the Options Proposal will also be required to surrender their relevant Options for cancellation. If the Offer lapses or is withdrawn or if the relevant Options cease to be exercisable into new Shares, the Options Proposal will lapse accordingly.

4.2 The Option Price is computed on a "see-through" basis. In other words, the price to be paid for each Option will be the amount (if positive) of the Offer Price less the exercise price of the Option. If the exercise price of an Option is equal to or more than the Offer Price, the Option Price for each Option will be the nominal amount of S$0.001.

4.3 For the avoidance of doubt, whilst the Options Proposal is conditional upon the Offer becoming or being declared unconditional in all respects, the Offer will not be conditional upon acceptances received in relation to the Options Proposal. The Offer and the Options Proposal are separate and mutually exclusive. The Options Proposal does not form part of the Offer, and vice versa. Without prejudice to the foregoing, if Optionholders exercise their Options in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise, they may not accept the Options Proposal in respect of such Options. Conversely, if Optionholders wish to accept the Options Proposal in respect of their Options, they may not exercise those Options in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise.

4.4 Details of the Options Proposal will be despatched to Optionholders no later than the date of despatch of the Offer Document.

5. AWARDS

As the Awards are not transferable by the holders thereof, the Offeror will not make an offer to acquire the Awards, although, for the avoidance of doubt, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid vesting and release of any outstanding Awards prior to the final Closing Date.

6. INFORMATION ON THE OFFEROR, KCL, KT&T AND SPH

6.1 **The Offeror.** The Offeror is a company incorporated in the Republic of Singapore for the purposes of making the Offer and its shareholders are KKPL and SMPL. The Offeror has not carried on any business since its incorporation, except for matters in connection with making the Offer. As at the Pre-Conditional Offer Announcement Date:

6.1.1 the Offeror has an issued share capital of S$10 comprising 10 issued ordinary shares ("**Offeror Shares**"), held as follows:

(i) KKPL has an interest in 8 Offeror Shares, representing 80 per cent. of the Offeror Shares; and

(ii) SMPL has an interest in 2 Offeror Shares, representing 20 per cent. of the Offeror Shares; and

6.1.2 the directors of the Offeror are (i) Mr. Chan Hon Chew; (ii) Mr. Sebastien Lamy; (iii) Mr. Louis Lim; (iv) Ms. Janice Wu Sung Sung; and (v) Mr. Chua Hwee Song.

6.2 **KCL and KKPL.** KCL is a public company incorporated in Singapore and listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The principal activities of the companies in KCL's group consist of (i) offshore oil-rig construction, shipbuilding & shiprepair and conversion; (ii) environmental engineering, power generation, logistics and data centres; (iii) property development & investment; and (iv) investments and asset management.. The subsidiaries of KCL include, amongst others, (a) Keppel Offshore & Marine Limited; (b) Keppel Land Limited; (c) Keppel Infrastructure Holdings Pte Ltd; (d) Keppel Telecommunications & Transportation Ltd ("**KT&T**"); and (e) Keppel Capital Holdings Pte Ltd. KKPL does not hold any Shares. Further details relating to KT&T are set out in paragraph 6.3 of this Announcement.

6.3 **KT&T and KTPL.** KT&T is a public company incorporated in Singapore and listed on the Main Board of the SGX-ST. As at the Pre-Conditional Offer Announcement Date:

6.3.1 KCL has an interest in 79.22 per cent. in the issued share capital of KT&T; and

6.3.2 KT&T has an interest in 178,864,000 Shares (representing approximately 19.33 per cent. of the Shares[1]) which is held through Keppel Telecoms Pte Ltd ("**KTPL**") (its wholly-owned subsidiary). Accordingly, KCL is deemed interested in the Shares held by KTPL.

Each of KT&T and KTPL is a related corporation of the Offeror. As Shares already owned, controlled or agreed to be acquired by the Offeror's related corporations are excluded from the Offer, Shares which are owned, controlled or agreed to be acquired by KT&T or KTPL are excluded from the Offer. Pursuant to the terms of the KTPL Irrevocable Undertaking (as set out in paragraph 8.4 of this Announcement), KTPL has also undertaken not to tender any of its Shares in acceptance of the Offer.

[1] In this Announcement, percentages are calculated based on 925,536,682 Shares, based on the Company's business profile extracted from the Accounting and Corporate Regulatory Authority on 26 September 2018.

6.4 **SPH, SMPL and the Roll-over Arrangement.** SPH is a public company incorporated in Singapore and listed on the Main Board of the SGX-ST. As at the Pre-Conditional Offer Announcement Date, SMPL holds 124,453,000 Shares (representing approximately 13.45 per cent. of the Shares) and SPH has a deemed interest in the 124,453,000 Shares held by SMPL.

Pursuant to the SMPL Irrevocable Undertaking (as set out in paragraph 8.1 of this Announcement), SMPL has undertaken to tender all of its Shares in acceptance of the Offer. SMPL has also agreed to waive its rights under Rule 30 of the Code to receive the cash consideration payable to it by the Offeror under the terms of the Offer in exchange for the issuance of new Offeror Shares following the valid tender of all of SMPL's Shares in acceptance of the Offer (the "**Roll-over Arrangement**").

6.5 **Post Closing Shareholding Adjustment, the Shareholders' Agreement and the JTA**

6.5.1 The final shareholding percentages of KKPL and SMPL in the Offeror shall be adjusted after the close of the Offer by way of an issuance of new Offeror Shares to SMPL and KKPL. The issuance of new Offeror Shares will enable SMPL to have an effective interest in at least 13.45 per cent. of the Company, provided that:

(i) KKPL shall at all times have a shareholding interest in over 50 per cent. of the total number of Offeror Shares; and

(ii) SMPL shall at all times have a shareholding interest in at least 20 per cent. of the total number of Offeror Shares,

(collectively, the "**Post Closing Shareholding Adjustment**"). Accordingly, depending on the level of acceptances for the Offer, KKPL's shareholding interest in the Offeror shall range from a minimum of 56.16 per cent. to a maximum of 80 per cent. and SMPL's shareholding interest in the Offeror shall range from a minimum of 20 per cent. to a maximum of 43.84 per cent.

6.5.2 KCL and SPH have entered into a binding joint transaction agreement (the "**JTA**") to, *inter alia*, provide for the mechanism to carry out the Post Closing Shareholding Adjustment and regulate the affairs of the Offeror in connection with the Offer.

6.5.3 KKPL, SMPL and KTPL have also entered into a binding shareholders' agreement ("**Shareholders' Agreement**") to, *inter alia*, regulate their relationship as concert parties in relation to the Company and agree on their voting rights in relation to certain matters which relate to the Company and to regulate KKPL's and SMPL's relationship *inter se* as shareholders of the Offeror.

6.5.4 The SIC has confirmed that the Roll-over Arrangement, the Shareholders' Agreement, the JTA and the Post Closing Shareholding Adjustment do not constitute a special deal.

6.6 **Shareholding in M1.** As at the Pre-Conditional Offer Announcement Date, based on the latest information available to the Offeror, the Offeror and parties acting in concert with the Offeror (including KTPL and SMPL) have an aggregate interest in 307,923,375 Shares (representing approximately 33.27 per cent. of the Shares).

7. INFORMATION ON THE COMPANY

7.1 **Introduction.** The Company is incorporated in Singapore and was listed on the Main Board of the SGX-ST on 4 December 2002. The principal activities of the Company and its subsidiaries are the provision of telecommunications services, international call services and fixed services, retail sales of telecommunications equipment and accessories, and customer services.

7.2 **Share Capital.** As at the Pre-Conditional Offer Announcement Date, based on the latest information available to the Offeror[2], the Company has:

7.2.1 an issued and fully paid up share capital of S$206,174,026.72, comprising 925,536,682 Shares with 11,701,100 treasury shares;

7.2.2 27,999,000 outstanding Options, which are exercisable into Shares; and

7.2.3 up to 640,700 Shares which are subject to the Awards[3]. These Awards will be released and vested in tranches between 2018 and 2021.

Save as disclosed above, the Offeror is not aware of any outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights in the Company.

7.3 **Directors.** As at the Pre-Conditional Offer Announcement Date, the directors of the Company are as follows:

7.3.1 Mr. Danny Teoh Leong Kay, Non-Independent and Non-Executive Chairman;

7.3.2 Ms. Karen Kooi Lee Wah, Non-Independent and Executive Director;

7.3.3 Tan' Sri Jamaludin Ibrahim, Non-Independent and Non-Executive Director;

7.3.4 Mr. Low Huan Ping, Non-Independent and Non-Executive Director;

7.3.5 Mr. Huang Cheng Eng, Independent Director;

7.3.6 Ms. Elaine Lee Kia Jong, Independent Director;

7.3.7 Mr. Lionel Lim Chin Teck, Independent Director;

7.3.8 Mr. Moses Lee Kim Poo, Independent Director;

7.3.9 Mr. Tan Wah Yeow, Independent Director; and

7.3.10 Mr. Guy Daniel Harvey Samuel, Independent Director.

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[2] Based on the business profile of the Company extracted from the Accounting and Corporate Regulatory Authority of Singapore on 26 September 2018 and various announcements by the Company on SGXNet as at 26 September 2018.

[3] The Company has also provisionally granted up to 1,533,360 Shares on 1 February 2018 which are subject to the Awards.

8. SMPL IRREVOCABLE UNDERTAKING AND KTPL IRREVOCABLE UNDERTAKING

8.1 **SMPL Irrevocable Undertaking.** As at the Pre-Conditional Offer Announcement Date, the Offeror has received an undertaking from SMPL (the "**SMPL Irrevocable Undertaking**") pursuant to which SMPL has, amongst other things, unconditionally and irrevocably undertaken, represented and warranted to the Offeror (i) to tender all of its Shares (representing approximately 13.45 per cent. of the Shares) in acceptance of the Offer, and (ii) not to accept (or permit the acceptance of) any competing offer.

8.2 **Waiver of Consideration.** As set out in paragraph 6.4 of this Announcement, pursuant to the Roll-over Arrangement, SMPL has agreed to waive its rights under Rule 30 of the Code to receive the cash consideration payable to it by the Offeror under the terms of the Offer in exchange for the issuance of new Offeror Shares following the valid tender of all of SMPL's Shares in acceptance of the Offer.

8.3 **Cessation of SMPL Irrevocable Undertaking.** The SMPL Irrevocable Undertaking shall lapse and be of no further force and effect on the earliest to occur of the following:

8.3.1 on the Cut Off Date if the Pre-Condition is not satisfied by such date;

8.3.2 if the Firm Offer Announcement is not released within two (2) business days of the satisfaction of the Pre-Condition; or

8.3.3 on the date on which the Offer (including any revised or improved Offer by or on behalf of the Offeror) closes, lapses, fails to become or be declared unconditional or is withdrawn other than as a result of SMPL breaching its obligations under the SMPL Irrevocable Undertaking.

8.4 **KTPL Irrevocable Undertaking.** As at the Pre-Conditional Offer Announcement Date, the Offeror has received an undertaking from KTPL (the "**KTPL Irrevocable Undertaking**") pursuant to which KTPL has, amongst other things, irrevocably undertaken to and confirmed with the Offeror (i) the concert party relationship between the Offeror and KTPL for the purposes of the Offer, (ii) not to tender any Shares (representing approximately 19.33 per cent. of the Shares) held by it in acceptance of the Offer and (iii) not to accept (or permit the acceptance of) any competing offer.

8.5 **No Other Undertakings.** Save for the SMPL Irrevocable Undertaking and the KTPL Irrevocable Undertaking, as at the Pre-Conditional Offer Announcement Date, neither the Offeror nor any party acting in concert with the Offeror has received any undertakings from any other party to accept or reject the Offer.

8.6 **Available for Inspection.** Copies of the SMPL Irrevocable Undertaking and the KTPL Irrevocable Undertaking are available for inspection at the offices of the Offeror at 1 HarbourFront Avenue #17-01 Keppel Bay Tower Singapore 098632 during normal business hours from the Pre-Conditional Offer Announcement Date until the date on which the Offer closes or lapses or is withdrawn in accordance with its terms.

9. RATIONALE FOR THE OFFER

9.1 The Company is facing intensifying competition and industry disruption from the impending launch of a fourth Mobile Network Operator ("MNO"), as well as the launch of new Mobile Virtual Network Operators ("MVNO") in Singapore. Continuing the status quo risks stagnation and further decline in shareholder value

9.1.1 On 14 December 2016, IMDA announced that TPG Telecom Pte Ltd had made the winning bid for the new entrant spectrum auction, noting that the entry of the new MNO was expected to enhance innovation and competition in the Singapore telecommunications market[4].

9.1.2 Several MVNOs have also recently commenced operations in Singapore. On 8 July 2015, the Company announced that it had reached a MVNO agreement with Liberty Wireless, operating under the brand of Circles Asia[5], while on 3 May 2018, MyRepublic and Starhub announced that they had formed a MVNO partnership[6].

9.1.3 The emergence of new entrants will intensify the competition in the Singapore telecommunications market, potentially leading to shifts in market share between competitors, as well as potential downward pressure on revenue generation and margins for MNOs at a time when sustained investments are required to ensure long-term competitivity.

9.1.4 The decline in the share price of the Company following IMDA's announcements on the entry of a new MNO likely reflects the impeding intensification of competition in the Singapore telecommunications market, and the potential risks to shareholder value of the Company in the status quo.

9.2 KCL and SPH, collaborating through the Offeror, seek to arrest the decline in M1 shareholder value through a combination of transformational efforts which are expected to take several years. Dividends from the Company could be affected during such time by the intensifying competition in the Singapore telecommunications market, as well as the allocation of resources required for these transformation efforts

9.2.1 The Offeror believes that to compete more effectively in the Singapore telecommunications industry, the Company, with the support of all Shareholders, would need to undertake a transformation requiring management commitment and allocation of resources.

9.2.2 KCL and SPH, collaborating through the Offeror, seek to undertake business changes at the Company, including but not limited to the digital transformation of the Company's operating platform, cost management initiatives in the Company's front and back-end operations, the exploration by the Company of balance sheet

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[4] https://www.imda.gov.sg/about/newsroom/media-releases/2016/tpg-telecom-pte-ltd-makes-winning-bid-in-new-entrant-spectrum-auction

[5] https://www.m1.com.sg/AboutM1/NewsReleases/2015/M1%20and%20Liberty%20Wireless%20announce%20MVNO%20agreement.aspx

[6] http://www.starhub.com/about-us/newsroom/2018/may/myrepublic-and-starhub-form-mvno-partnership.html

optimization initiatives to unlock value from underlying infrastructure, as well as growth initiatives into new markets and segments.

9.2.3 The anticipated business transformation is complex and expected to take a number of years. During such time, dividends from the Company could be affected by the intensifying competition in the Singapore telecommunications market, as well as the allocation of resources required for these transformation efforts.

9.3 The Offeror obtaining majority control will facilitate the business transformation of M1, and is in line with KCL's and SPH's long-term strategies

9.3.1 Today, neither KCL nor SPH have majority control of the Company. Gaining majority control through the Offer will enable KCL and SPH, collaborating through the Offeror, to support the Company's management to:

(i) compete effectively in the challenging Singapore telecommunications operating environment;

(ii) manage the business of the Company;

(iii) facilitate the implementation of strategic and operational changes; and

(iv) optimise the use of its management and capital resources.

9.3.2 Furthermore, the Offer will allow the Company to cooperate with KCL's other business units, and to harness the synergies of the multi-business group.

9.3.3 Conversely, the Company will complement KCL's mission as a solutions provider for sustainable urbanisation, and will allow KCL to leverage the Company as a connectivity platform to better meet the needs of KCL's customers. SPH also sees further opportunities to leverage on M1's mobile platform to offer on demand and ready digital content to better serve SPH's customers. KCL and SPH are confident that, further to the Offer and with the necessary transformational efforts, the Company can significantly improve its performance.

9.4 Opportunity for Shareholders who are not prepared to bear the risks associated with the complex business transformation to realise their investment in cash at a premium

9.4.1 Shareholders who are not prepared to bear the risks associated with the complex business transformation outlined above will benefit from the cash exit provided through the Offer. The Offer provides an opportunity for Shareholders who wish to realise their investment in the Shares to do so in cash, at a premium to prevailing market prices and without incurring brokerage fees.

9.4.2 As set out in paragraph 11 of this Announcement, the Offer Price represents a premium of approximately:

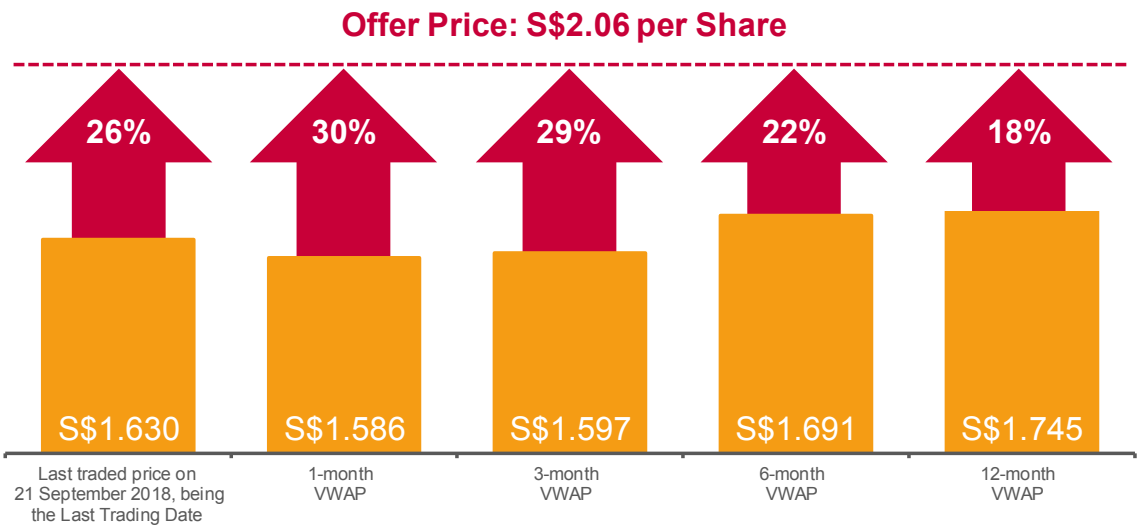
(i) 26 per cent. over the last traded price per Share as quoted on the SGX-ST on 21 September 2018, being the last full trading day on which the Shares were traded on the SGX-ST prior to the Pre-Conditional Offer Announcement Date (the "**Last Trading Date**");

(ii) 30 per cent. over the volume weighted average price ("**VWAP**") of the Shares for the **one-month period** prior to and including the Last Trading Date;

(iii) 29 per cent. over the VWAP of the Shares for the **three-month period** prior to and including the Last Trading Date;

(iv) 22 per cent. over the VWAP of the Shares for the **six-month period** prior to and including the Last Trading Date; and

(v) 18 per cent. over the VWAP of the Shares for the **twelve-month period** prior to and including the Last Trading Date.



The Offer Price also represents (i) approximately **36 per cent. premium** over the lowest closing price of S$1.520 over the 52-week period preceding the Last Trading Date; and (ii) approximately **25 per cent. premium** over the average target price per Share of S$1.644 by equity research analysts covering the Company.

Note:

(1) Figures are based on data extracted from Bloomberg L.P. on 21 September 2018, being the Last Trading Date.

(2) Premia rounded to the nearest per. cent.

10. OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror will, following the close of the Offer, conduct a review of the Company's operations with the aim of implementing strategic and operational changes which will allow the Company to compete more effectively in the telecommunications sector.

The Offeror's intention is to gain majority control of the Company. In the event the Free Float Requirement is not satisfied, the Offeror does not intend to preserve the listing status of the Company and has no intention of undertaking or supporting any action to satisfy the Free Float Requirement.

The board of directors of the Offeror retains the flexibility at any time to consider any options in relation to the Company and its subsidiaries which may present themselves and which the board may regard to be in the interest of the Offeror.

Save as disclosed above, the Offeror has no intention to (i) introduce any major changes to the business of the Company; (ii) re-deploy the fixed assets of the Company; or (iii) discontinue the employment of any of the existing employees of the Company and its subsidiaries, other than in the ordinary course of business.

11. FINANCIAL EVALUATION OF THE OFFER

The Offer Price represents the following premia over the relevant closing prices and VWAP of the Shares on the SGX-ST:

Description	**Benchmark Price (S$)[(1)]**	**Premium over Benchmark Price[(2)]**
Last traded price per Share as quoted on the SGX-ST on the Last Trading Date (being 21 September 2018)	1.630	26%
VWAP per Share for the one (1)-month period prior to and including the Last Trading Date	1.586	30%
VWAP per Share for the three (3)-month period prior to and including the Last Trading Date	1.597	29%
VWAP per Share for the six (6)-month period prior to and including the Last Trading Date	1.691	22%
VWAP per Share for the twelve (12)-month period prior to and including the Last Trading Date	1.745	18%

Source: Bloomberg L.P.

Notes:

(1) Based on data extracted from Bloomberg L.P. on 21 September 2018, being the Last Trading Date, figures rounded to the nearest 3 decimal places.

(2) Premia rounded to the nearest per. cent.

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12. COMPULSORY ACQUISITION AND LISTING STATUS

12.1 **Compulsory Acquisition.** The Offeror's intention is to gain majority control of the Company. In the event the Offeror receives valid acceptances pursuant to the Offer or otherwise acquires Shares following the despatch of the Offer Document other than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of despatch of the Offer Document) (the "**Compulsory Acquisition Threshold**"), the Offeror would be entitled to exercise its right under Section 215(1) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") to

compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") on the same terms as those offered under the Offer. For the avoidance of doubt, as KTPL is a related corporation of the Offeror, Shares which are held by KTPL will not count towards the Compulsory Acquisition Threshold.

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

In addition, pursuant to Section 215(3) of the Companies Act, Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with treasury shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of Shares.

12.2 Listing Status and Trading Suspension. Under Rule 1105 of the Listing Manual of the SGX-ST (the "**Listing Manual**"), upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings of the Shares owned by the Offeror and parties acting in concert with the Offeror to above 90 per cent. of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of the listed securities of the Company on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public (the "**Free Float Requirement**"). Rule 1303(1) of the Listing Manual provides that where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of Shares (excluding treasury shares), thus causing the percentage of the total number of Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the Shares at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of Shares (excluding treasury shares) held in public hands falls below 10 per cent., the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the listed securities of the Company on the SGX-ST. Rule 724(2) of the Listing Manual further states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the total number of Shares (excluding treasury shares) held by members of the public to be raised to at least 10 per cent., failing which the Company may be removed from the Official List of the SGX-ST.

The Offeror's intention is to gain majority control of the Company. In the event that the Free Float Requirement is not met and/or trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror does not intend to preserve the listing status of the Company and has no intention of undertaking or supporting any action to satisfy the Free Float Requirement or for any such trading suspension by the SGX-ST to be lifted.

13. DISCLOSURE OF HOLDINGS AND DEALINGS

13.1 Holdings and Dealings in Relevant Securities. As at the Pre-Conditional Offer Announcement Date, based on the latest information available to the Offeror and save as disclosed in Appendix A and Appendix B of this Announcement, none of (i) the Offeror, KCL,

KKPL, KT&T, KTPL, SPH or SMPL; (ii) the directors of each of the entities identified above; and (iii) DBS Bank Ltd. ("**DBS**") or Credit Suisse (Singapore) Limited ("**CS**") (collectively, the "**Relevant Parties**"):

13.1.1 owns, controls or has agreed to acquire any Shares, securities which carry voting rights in the Company, or convertible securities, warrants, options, awards or derivatives in respect of the Shares or securities which carry voting rights in the Company (collectively, "**Relevant Securities**"); or

13.1.2 has dealt for value in any Relevant Securities in the three months preceding 24 September 2018 (the "**Relevant Period**").

13.2 **Other Arrangements.** As at the Pre-Conditional Offer Announcement Date, based on the latest information available to the Offeror and save as disclosed in paragraphs 6.5, 8 and Appendix A and Appendix B of this Announcement, none of the Relevant Parties has:

13.2.1 entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to any Relevant Securities or the securities of the Offeror which might be material to the Offer;

13.2.2 received any irrevocable commitment to accept the Offer in respect of any Relevant Securities;

13.2.3 granted any security interest in respect of any Relevant Securities in favour of any other person, whether through a charge, pledge or otherwise;

13.2.4 borrowed any Relevant Securities from any other person (excluding those which have been on-lent or sold); or

13.2.5 lent any Relevant Securities to any other person.

13.3 **Further Enquiries.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be deemed to be acting in concert with the Offeror in connection with the Offer. Similarly, in the interests of confidentiality, DBS and CS have not made any enquiries in respect of the other members of their respective groups. Further enquiries will be made of such persons after the Pre-Conditional Offer Announcement Date and the relevant disclosures will be made in due course and in the Offer Document (if and when the Offer is made).

14. FINANCIAL ADVISERS TO KCL AND SPH

DBS is the sole financial adviser to KCL. CS is the sole financial adviser to SPH.

15. DESPATCH OF OFFER DOCUMENT

If and when the Offer is made, the Offer Document setting out the terms and conditions of the Offer and enclosing the relevant form(s) of acceptance of the Offer will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the date of the Firm Offer Announcement, or such other date permitted by the SIC, provided that there may be restrictions on sending the Offer Document to any overseas jurisdictions as disclosed in paragraph 16 below.

16. OVERSEAS SHAREHOLDERS

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law.

The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

For the avoidance of doubt, the Offer will be open to all Shareholders, including those to whom the Offer Document and relevant form(s) of acceptance may not be sent.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the register of shareholders of the Company or, as the case may be, in the records of The Central Depository (Pte) Limited (collectively, "**Overseas Persons**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Persons should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Where there are potential restrictions on sending the Offer Document to any overseas jurisdictions, the Offeror, DBS and CS each reserves the right not to send the Offer Document to such overseas jurisdictions. Alternatively, an affected Overseas Person may write to the Company's share registrar to request the Offer Document to be sent to an address in Singapore by ordinary post at his own risk.

17. RESPONSIBILITY STATEMENT

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

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from M1, the sole responsibility of the directors of the Offeror 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 Announcement.

The directors of the Offeror jointly and severally accept responsibility accordingly.

Konnectivity Pte. Ltd.

27 September 2018

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast", "targets" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror'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, and none of the Offeror, DBS and CS undertakes any obligation to update publicly or revise any forward-looking statements.

Any inquiries relating to the Offer should be directed during office hours to:

DBS Bank Ltd.
Strategic Advisory
Tel: (65) 6682 8999

Credit Suisse (Singapore) Limited
Investment Banking and Capital Markets
Tel: (65) 6212 2000

APPENDIX A

DETAILS OF SHARES HELD BY RELEVANT PARTIES

No.	Name	Direct Interest	
		No. of Shares	%[1]
1.	KTPL[2]	178,864,000	19.33
2.	SMPL	124,453,000	13.45
3.	DBS	4,462,375	0.48
4.	Neo Boon Siong	60,000	n.m.
5.	Danny Teoh Leong Kay	20,000	n.m.

Notes:

(1) Calculated based on 925,536,682 Shares (excluding treasury shares) and rounded to the nearest two (2) decimal places.

(2) KTPL is a related corporation of the Offeror and is therefore a concert party of the Offeror.

(3) n.m. means not meaningful.

APPENDIX B

DETAILS OF DEALINGS IN SHARES BY THE RELEVANT PARTIES IN THE RELEVANT PERIOD

No.	Name	Date	No. of Shares Acquired	No. of Shares Sold	Average Transaction price per Share
1.	DBS	22/6/2018	-	160,000	1.5981
2.	DBS	26/6/2018	32,100	-	1.5848
3.	DBS	9/7/2018	-	27,000	1.6500
4.	DBS	12/7/2018	-	54,500	1.6201
5.	DBS	13/7/2018	-	112,600	1.6135
6.	DBS	16/7/2018	-	95,000	1.6237
7.	DBS	17/7/2018	-	187,600	1.6277
8.	DBS	18/7/2018	-	510,000	1.5838
9.	DBS	19/7/2018	-	90,100	1.5833
10.	DBS	20/7/2018	-	230,000	1.5830
11.	DBS	23/7/2018	-	140,000	1.5846
12.	DBS	24/7/2018	-	200,000	1.5875
13.	DBS	25/7/2018	-	183,930	1.6038
14.	DBS	26/7/2018	-	150,000	1.6000
15.	DBS	30/7/2018	100,000	-	1.6250
16.	DBS	30/7/2018	-	100,000	1.6350
17.	DBS	3/8/2018	125,000	-	1.6340
18.	DBS	6/8/2018	8,700	-	1.6400
19.	DBS	28/8/2018	-	33,700	1.6000
20.	DBS	30/8/2018	-	5,100	1.6000
21.	DBS	31/8/2018	-	47,400	1.6011

Schedule 2
Scheme Announcement

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION. THIS ANNOUNCEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO SUBSCRIBE FOR OR BUY SECURITIES IN ANY JURISDICTION, INCLUDING IN THE UNITED STATES.

Keppel Telecommunications & Transportation Ltd
(Company Registration No: 196500115G)
(Incorporated in Singapore)

Keppel Corporation Limited
(Company Registration No: 196800351N)
(Incorporated in Singapore)

JOINT ANNOUNCEMENT

PROPOSED ACQUISITION BY KEPPEL CORPORATION LIMITED OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD BY WAY OF A SCHEME OF ARRANGEMENT

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1. INTRODUCTION

1.1 The Scheme. The respective boards of directors of Keppel Telecommunications & Transportation Ltd (the "**Company**") and Keppel Corporation Limited (the "**Offeror**") wish to announce the proposed acquisition (the "**Acquisition**") by the Offeror of all the issued ordinary shares in the capital of the Company (the "**Shares**") (other than Shares already held by the Offeror) by way of a scheme of arrangement (the "**Scheme**") in accordance with Section 210 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and the Singapore Code on Take-overs and Mergers (the "**Code**").

1.2 Implementation Agreement. In connection with the Acquisition, the Offeror and the Company (each, a "**Party**" and collectively, the "**Parties**") have on 27 September 2018 entered into an implementation agreement (the "**Implementation Agreement**") setting out the terms and conditions on which the Offeror and the Company will implement the Scheme.

1.3 Scheme Consideration and Premium.

For each Share: **S$1.91** in cash (the "**Scheme Consideration**")

The Scheme presents the shareholders of the Company (the "**Shareholders**") with an opportunity to realise their investment in the Shares at an attractive premium of approximately 40 per cent. over the Company's one-month volume weighted average price ("**VWAP**") of S$1.365 up to and including 21 September 2018, without incurring brokerage and other trading costs. Further information is set out in paragraphs 9 and 10 of this Joint Announcement.

2. INFORMATION ON THE PARTIES

2.1 **The Company.** The Company was incorporated in Singapore and listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The principal activity of the Company is that of an investment holding and management company. The Company offers integrated services and solutions in two core businesses: logistics and data centres. The logistics business helps clients of the Company to manage their entire supply chain, while the data centre business develops, acquires, owns and operates high-availability data centre facilities.

The board of directors of the Company (the "**Board**") comprises the following:

(i) Mr. Loh Chin Hua, Non-Independent and Non-Executive Chairman;

(ii) Mr. Thomas Pang Thieng Hwi, Non-Independent and Executive Director and Chief Executive Officer;

(iii) Mr. Chan Hon Chew, Non-Independent and Non-Executive Director;

(iv) Mr. Karmjit Singh, Independent Director;

(v) Mr. Neo Boon Siong, Independent Director;

(vi) Mr. Khor Poh Hwa, Independent Director;

(vii) Mr. Lim Chin Leong, Independent Director; and

(viii) Ms. Lee Ai Ming, Independent Director.

Mr. Loh Chin Hua and Mr. Chan Hon Chew are also respectively, the Chief Executive Officer and Chief Financial Officer of the Offeror.

As at the date of this Joint Announcement (the "**Joint Announcement Date**"), the Company has an issued and paid-up share capital of S$83,101,317.88, comprising 559,112,660 Shares.

2.2 **The Offeror.** The Offeror was incorporated in Singapore and listed on the Main Board of the SGX-ST. The principal activity of the Offeror is that of an investment holding and management company. The principal activities of the companies in the Offeror's group consist of (i) offshore oil-rig construction, shipbuilding & shiprepair and conversion; (ii) environmental engineering, power generation, logistics and data centres; (iii) property development & investment; and (iv) investments and asset management. The subsidiaries of the Offeror include, amongst others, (a) the Company; (b) Keppel Offshore & Marine Limited; (c) Keppel Land Limited; (d) Keppel Infrastructure Holdings Pte Ltd; and (e) Keppel Capital Holdings Pte Ltd.

As at the Joint Announcement Date:

(i) the Offeror is the holding company of the Company and holds 442,935,526 Shares, representing approximately 79.22 per cent. of the total number of Shares in issue;[1]

(ii) the Offeror has an issued and paid-up share capital of S$1,291,720,897.98, comprising 1,812,441,588 ordinary shares (excluding 5,952,592 treasury shares); and

(iii) the members of the board of directors of the Offeror are:

(a) Dr. Lee Boon Yang, Non-Executive and Independent Chairman;

(b) Mr. Loh Chin Hua, Chief Executive Officer and Executive Director;

(c) Mr. Tow Heng Tan, Non-Executive and Non-Independent Director;

(d) Mr. Alvin Yeo Khirn Hai, Non-Executive and Independent Director;

(e) Mr. Tan Ek Kia, Non-Executive and Independent Director;

(f) Mr. Danny Teoh Leong Kay, Non-Executive and Independent Director;

(g) Mr. Tan Puay Chiang, Non-Executive and Independent Director;

(h) Mr. Till Vestring, Non-Executive and Independent Director; and

(i) Ms. Veronica Eng, Non-Executive and Independent Director.

3. THE SCHEME

3.1 The Acquisition. Under the Scheme:

3.1.1 all the Shares held by the Shareholders (other than the Offeror) as at a books closure date to be announced by the Company on which the Transfer Books and the Register of Members of the Company will be closed in order to determine the entitlements of the Shareholders in respect of the Scheme (the "**Books Closure Date**") will be transferred to the Offeror:

(i) fully paid;

(ii) free from all charges, mortgages, liens, hypothecations, hire purchases, judgments, encumbrances, easements, security, title retention, preferential rights, trust arrangements or any other security interests or any other

[1] In this Joint Announcement, all references to the total number of Shares shall be to 559,112,660 Shares in issue as at the Joint Announcement Date.

agreements or arrangements having a commercial effect analogous to the conferring of security or similar rights in favour of any person ("**Encumbrances**"); and

(iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Joint Announcement Date. If any dividend, right or other distribution is declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date, the Offeror reserves the right to reduce the Scheme Consideration by the amount of such dividend, right or distribution; and

3.1.2 in consideration for such transfer, each of the Shareholders (other than the Offeror) as at the Books Closure Date will be entitled to receive the Scheme Consideration for each Share held by such Shareholder as at the Books Closure Date.

The aggregate cash amount that is payable to any Shareholder in respect of the Shares held by such Shareholder (other than the Offeror) will be rounded down to the nearest whole cent.

3.2 **Scheme Document.** Further information on the Scheme and the terms and conditions upon which the Scheme will be implemented by the Company and the Offeror will be set out in the document to be issued by the Company to the Shareholders in respect of the Scheme (the "**Scheme Document**").

3.3 **Delisting.** Upon the Scheme becoming effective and binding, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

4. SCHEME CONDITIONS

4.1 **Scheme Conditions.** The Scheme is conditional upon the satisfaction or waiver (as the case may be) of a number of conditions precedent (the "**Scheme Conditions**") which are set out in **Schedule 1** to this Joint Announcement.

4.2 Non-Satisfaction/Waiver of Scheme Conditions

4.2.1 **The Offeror's Benefit.** The Offeror alone may waive the Scheme Conditions in paragraphs 6 (in relation to the Prescribed Occurrences set out in **Schedule 2** to this Joint Announcement relating to the Company and its subsidiaries as set out in **Schedule 4** to this Joint Announcement (collectively, the "**Relevant Group Companies**" and each, a "**Relevant Group Company**")) and 8 of **Schedule 1** to this Joint Announcement.

4.2.2 **The Company's Benefit.** The Company alone may waive the Scheme Conditions in paragraphs 6 (in relation to the Prescribed Occurrences set out in **Schedule 2** to this Joint Announcement relating to the Offeror) and 7 of **Schedule 1** to this Joint Announcement.

4.2.3 **Mutual Benefit.** Any non-fulfilment of the Scheme Conditions in paragraph 5 of **Schedule 1** to this Joint Announcement is capable of being waived with the consent in writing of both Parties (to the extent legally permissible).

4.2.4 **Other Scheme Conditions.** For the avoidance of doubt, the Scheme Conditions in paragraphs 1 to 4 of **Schedule 1** to this Joint Announcement are not capable of being waived by either Party or both Parties.

5. APPROVALS REQUIRED

5.1 Scheme Meeting and Court Sanction. The Scheme will require, *inter alia*, the following approvals:

5.1.1 the approval of the Scheme by a majority in number of Shareholders representing not less than 75.0% in value of the Shares held by Shareholders present and voting either in person or by proxy at the Scheme Meeting (as defined below); and

5.1.2 the sanction of the Scheme by the Court (as defined below).

In addition, the Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement and a copy of the order of the Court under Section 210 of the Companies Act sanctioning the Scheme (the "**Scheme Court Order**") has been lodged with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**").

As per Rule 33.1 of the Code, except with the consent of the Securities Industry Council ("**SIC**"), the Offeror may not within 12 months from the date on which the Scheme is terminated, announce a subsequent offer for the Company.

5.2 SIC Confirmations. Pursuant to the application made by the Offeror to the SIC to seek certain rulings in relation to the Acquisition and the Scheme (the "**Application**"), the SIC has confirmed, *inter alia*, that:

5.2.1 the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:

(i) the common substantial shareholders of the Offeror and the Company abstain from voting on the Scheme;

(ii) the Offeror and its concert parties abstain from voting on the Scheme;

(iii) each of Mr. Loh Chin Hua, Mr. Chan Hon Chew and Mr. Thomas Pang Thieng Hwi abstains from making a recommendation on the Scheme to the Shareholders;

(iv) the Company appoints an IFA (as defined below) to advise the independent directors on the Scheme; and

(v) the Scheme Document discloses the names of the Offeror and its concert parties, their current voting rights in the Company as of the latest practicable date and their voting rights in the Company after the Scheme; and

5.2.2 it has no objections to the Scheme Conditions to be imposed for the Scheme, pursuant to Notes 1 and 2 on Rule 15.1 of the Code.

5.3 **Appeal Process.** If the Court refuses to make any orders convening the Scheme Meeting or approving the Scheme, the Company must appeal the Court's decision under Singapore law (except to the extent that the Parties agree in writing otherwise) and the Parties shall consult with each other in relation to such an appeal. If an appeal to the Court's decision is made by the Company, the Offeror shall provide all reasonable assistance as the Company and its advisers may reasonably request for the purposes of the appeal. The legal costs and other costs and expenses incurred by the Company in connection with obtaining the orders of the Court and (if applicable) the appeal shall be borne by the Company.

6. TERMINATION

6.1 **Right to Terminate.** The Implementation Agreement provides that the Implementation Agreement may be terminated at any time on or prior to the date on which the Scheme becomes effective in accordance with its terms (the "**Effective Date**"):

6.1.1 **Court Order.** By either the Offeror or the Company, if any court of competent jurisdiction or any foreign or Singaporean government or governmental, semi-governmental, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity ("**Governmental Agency**") has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, the Acquisition or any part thereof, or has refused to do anything necessary to permit the Scheme, the Acquisition or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;

6.1.2 **Shareholders' Approvals.** By either the Offeror or the Company, if the resolutions submitted to the meeting of the Shareholders to be convened pursuant to the order of the High Court of the Republic of Singapore (the "**Court**") to approve the Scheme and any adjournment thereof (the "**Scheme Meeting**") are not approved (without amendment) by the requisite majorities of the Shareholders at the Scheme Meeting;

6.1.3 **SGX-ST's Approval.** By either the Offeror or the Company, if the approval-in-principle of the SGX-ST of the Scheme Document and for the proposed delisting of the Company from the SGX-ST is not obtained; or

6.1.4 **Breach.** By either the Offeror or the Company (as the case may be, being the Party not in default and having the benefit of such obligations under the Implementation Agreement), if there shall have been a breach by the other Party of its obligations under the Implementation Agreement on or prior to the Effective Date and such breach is material in the context of the Scheme, provided that either the Offeror or the Company, as the case may be, has given fourteen (14) days' written notice to the other Party of its intention to terminate the Implementation Agreement and in the case

where such breach is capable of remedy, the other Party fails to remedy such breach within the fourteen (14) day period,

in each case, after prior consultation with the SIC.

6.2 **Non-fulfilment of Scheme Conditions.** If for any reason the Scheme Conditions are not satisfied (or, if applicable, waived) or if the Scheme has not become effective on or before 5.00 p.m. on 30 April 2019 or such other date as the Parties may agree in writing, either the Offeror or the Company may immediately terminate the Implementation Agreement (save for certain surviving provisions such as those relating to confidentiality, costs and expenses and governing law (the "**Surviving Provisions**"[2])) by notice in writing to the other Party, and no Party shall have a claim against any other Party under the Implementation Agreement. Subject to paragraph 4.2 of this Joint Announcement, the Offeror and/or the Company (as the case may be) may invoke the non-fulfilment of any of the Scheme Conditions to terminate the Implementation Agreement, if it has first consulted the SIC and the SIC has given its approval for, or stated that it has no objection to, such termination.

6.3 **Consultation with the SIC.** In the event either Party intends to consult the SIC in relation to the termination of this Agreement, it shall give prior written notice of such intention to the other Party and shall, to the extent practicable in the circumstances, agree with the other Party (such agreement not to be unreasonably withheld) the approach it will take in each such consultation.

6.4 **Effect of Termination.** In the event of termination of the Implementation Agreement by either the Company or the Offeror (as the case may be) pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for the Surviving Provisions) and there shall be no other liability on the part of either Party, except that any termination of the Implementation Agreement shall be without prejudice to any rights which a Party may have against the other Party for any breach by that other Party prior to the termination of the Implementation Agreement.

6.5 **Specific Obligations of the Company.** The specific obligations of the Company (the "**Specific Obligations**") are set out in **Schedule 3** to this Joint Announcement.

6.6 **Exercise of Fiduciary Duties.** The Company is not obligated pursuant to its Specific Obligations in **Schedule 3** to this Joint Announcement or any other undertaking or covenant under the Implementation Agreement to take any action (or refrain from taking any action, as the case may be) if, and only to the extent that a majority of the disinterested directors of the Company, conclude in good faith that taking such action (or refraining from taking such action, as the case may be) would constitute a breach of fiduciary duties on the part of the directors of the Company.

7. SHARE PLANS

The Company has a restricted share plan (the "**Restricted Share Plan**") and a performance share plan (the "**Performance Share Plan**" and together with the Restricted Share Plan, the "**Share Plans**"). Under the Share Plans, the awards ("**Awards**") granted thereunder are not

[2] "**Surviving Provisions**" means Clauses 1, 4.4, 7, 8 and 9 of the Implementation Agreement.

transferable by the holders thereof. In view of this restriction, the Scheme will not be extended to holders of the Awards.

8. IRREVOCABLE UNDERTAKINGS

Neither the Offeror nor any other Relevant Person (as defined below) has received any irrevocable undertaking from any party to vote in favour of the Scheme as at the Joint Announcement Date.

9. RATIONALE FOR THE ACQUISITION

9.1 More Efficient Allocation of Resources and Capital Across the Offeror's Group

The Scheme reinforces the Offeror's strategy to streamline the corporate structure of the Offeror and its subsidiaries (the "**Offeror Group**"). With the privatisation of the Company, the Offeror will have more flexibility to allocate resources and capital in a more efficient manner.

9.2 Allows the Offeror to Better Support the Company in its Growth Strategies

Full integration with the Offeror Group would enable the Offeror to make available to the Company full access to the network and resources of the Offeror Group as the Company grows its data centre and urban logistics businesses.

9.3 Opportunity for Shareholders to Obtain a Clean Cash Exit at a Compelling Premium

Shareholders will be aware that as at the Joint Announcement Date, a pre-conditional voluntary general offer (the "**Offer**") has been announced by Konnectivity Pte. Ltd. ("**KPL**"), for all the issued and paid up ordinary shares in the capital of M1 Limited ("**M1**") (excluding treasury shares) ("**M1 Shares**"), other than those M1 Shares already owned, controlled, or agreed to be acquired by KPL, its related corporations and their respective nominees, in accordance with Rule 15 of the Code (the "**Offer Announcement**").

Shareholders will also be aware that the Company has an interest in 178,864,000 M1 Shares (representing approximately 19.33 per cent. of M1 Shares[3], which is held through Keppel Telecoms Pte. Ltd. (its wholly-owned subsidiary).

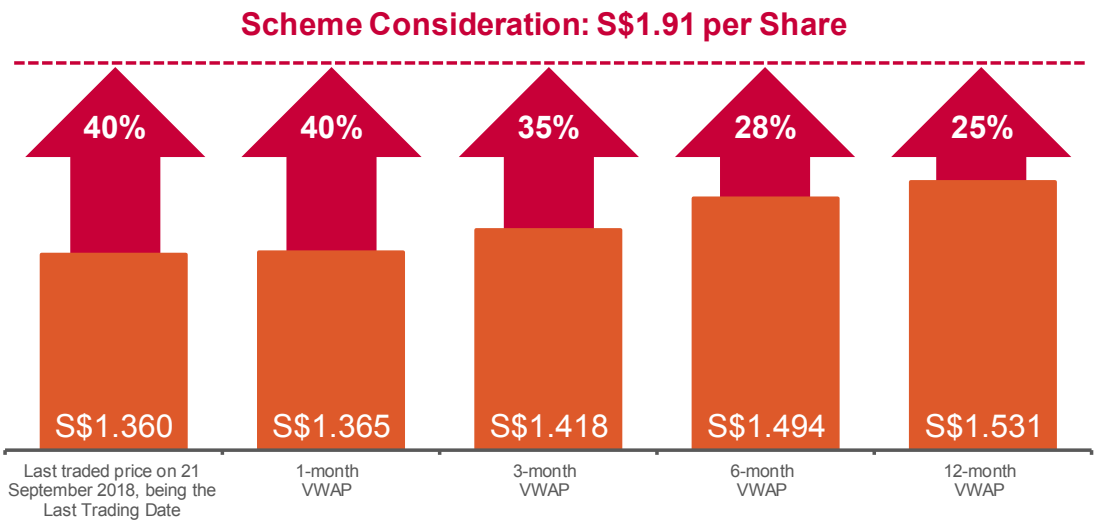
Shareholders who are cautious of the prospects of M1 in the face of heightened competition will obtain a clean cash exit from the Company if the Scheme is approved by Shareholders and becomes effective.

Shareholders may wish to refer to the Offer Announcement for M1 on www.sgx.com.

The Scheme therefore provides an opportunity for Shareholders who wish to realise their investment in the Shares to do so in cash, at a compelling premium to prevailing market prices and without incurring brokerage fees.

[3] The percentage is calculated based on 925,536,682 ordinary shares in issue (excluding treasury shares), based on M1's business profile extracted from ACRA dated 26 September 2018.

As set out in paragraph 10 of this Joint Announcement, the Scheme Consideration represents the following premiums over the relevant closing prices and VWAP of the Shares on the SGX-ST:



Notes:

(1) Benchmark prices set out in the chart above are based on data extracted from Bloomberg L.P., figures rounded to the nearest three decimal places.

(2) Premiums rounded to the nearest one per cent.

10. FINANCIAL EVALUATION OF THE SCHEME CONSIDERATION

The Scheme Consideration represents the following premiums over the relevant closing prices and VWAP of the Shares on the SGX-ST:

Description	**Benchmark Price (S$)[(1)]**	**Premium over Benchmark Price[(2)]**
Last traded price per Share as quoted on the SGX-ST on 21 September 2018, being the date on which the Shares were last traded on the SGX-ST prior to the Joint Announcement Date ("**Last Trading Date**")	1.360	40%
VWAP per Share for the one (1)-month period prior to and including the Last Trading Date	1.365	40%
VWAP per Share for the three (3)-month period prior to and including the Last Trading Date	1.418	35%
VWAP per Share for the six (6)-month period prior to and including the Last Trading Date	1.494	28%

Description	Benchmark Price (S$)[(1)]	Premium over Benchmark Price[(2)]
VWAP per Share for the twelve (12)-month period prior to and including the Last Trading Date	1.531	25%

Notes:

(1) Based on data extracted from Bloomberg L.P., figures rounded to the nearest three decimal places.

(2) Premiums rounded to the nearest one per cent.

The Scheme Consideration exceeds the highest closing price of the Shares since 29 September 2008, being close to ten years prior to the Last Trading Date; and represents an approximate 24 per cent. premium over the NAV per Share as at 30 June 2018 (being the end of the Company's immediately preceding financial quarter).

11. FINANCIAL ADVISERS

11.1 Financial Adviser to the Offeror. DBS Bank Ltd. (the "**Offeror Financial Adviser**") is the financial adviser to the Offeror in respect of the Acquisition and the Scheme.

11.2 Independent Financial Adviser to the Independent Directors. The directors of the Company who are considered to be independent for the purposes of the Scheme (collectively, the "**Independent Directors**") will be appointing an independent financial adviser (the "**IFA**") to advise them for the purpose of making a recommendation to the Shareholders in connection with the Scheme. Full details of the Scheme including the recommendation of the Independent Directors along with the advice of the IFA (the "**IFA Letter**") will be included in the Scheme Document.

12. CONFIRMATION OF FINANCIAL RESOURCES

DBS Bank Ltd., being the financial adviser to the Offeror in connection with the Acquisition and the Scheme, confirms that sufficient financial resources are available to the Offeror to satisfy in full the aggregate Scheme Consideration payable by the Offeror for all the Shares (other than the Shares held by the Offeror) to be acquired by the Offeror pursuant to the Scheme.

13. SCHEME DOCUMENT

The Scheme Document containing full details of the Scheme (including the recommendation of the Independent Directors along with the IFA Letter) and giving notice of the Scheme Meeting to approve the Scheme will be despatched to Shareholders in due course.

Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Directors on the Scheme as well as the advice of the IFA set out in the Scheme Document.

Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

14. DISCLOSURE OF INTERESTS

14.1 Company. As at the Joint Announcement Date, the interests in Shares held by the directors of the Company are set out below:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%[(1) (2)]	No. of Shares	%[(1)]
Loh Chin Hua	-	-	-	-
Thomas Pang Thieng Hwi	211,454	0.038	-	-
Chan Hon Chew	-	-	-	-
Lim Chin Leong	16,000	0.003	-	-
Karmjit Singh	15,000	0.003	-	-
Neo Boon Siong	14,000	0.003	-	-
Khor Poh Hwa	13,000	0.002	-	-
Lee Ai Ming	13,000	0.002	-	-

Notes:

(1) All references to percentage shareholding of the issued share capital of the Company in this paragraph 14.1 are calculated based on 559,112,660 Shares in issue as at the Joint Announcement Date.

(2) Rounded to the nearest three decimal places.

14.2 Offeror

14.2.1 No Holdings. Save as disclosed in this Joint Announcement and **Schedule 5** to this Joint Announcement, as at the Joint Announcement Date, none of the Offeror, the directors of the Offeror and the Offeror Financial Adviser (collectively, the "**Relevant Persons**") owns, controls or has agreed to acquire any (i) Shares, (ii) securities which carry voting rights in the Company or (iii) convertible securities, warrants, options, awards or derivatives in respect of such Shares or securities which carry voting rights in the Company (collectively, the "**Securities**").

14.2.2 Dealings. None of the Relevant Persons has dealt for value in any Securities during the three-month period immediately preceding the Joint Announcement Date.

14.2.3 Security Arrangements. None of the Relevant Persons has (i) granted a security interest relating to any Securities to another person, whether through a charge, pledge or otherwise, (ii) borrowed any Securities from another person (excluding borrowed Securities which have been on-lent or sold) or (iii) lent any Securities to another person.

14.2.4 **Other Arrangements.** None of the Relevant Persons has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company which might be material to the Scheme.

14.2.5 **Confidentiality.** In the interests of confidentiality, save for the Relevant Persons, the Offeror has not made enquiries in respect of certain other parties who are or may be deemed to be acting in concert with it in connection with the Scheme. Similarly, in the interests of confidentiality, the Offeror Financial Adviser has not made any enquiries in respect of the other members of its group. Further enquiries will be made of such persons subsequent to this Joint Announcement and the relevant disclosures will be made in due course and in the Scheme Document.

15. OVERSEAS SHAREHOLDERS

The applicability of the Scheme to Shareholders whose addresses are outside Singapore, as shown on the Register of Members of the Company, or as the case may be, in the records of The Central Depository (Pte) Limited (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Where there are potential restrictions on sending the Scheme Document to any overseas jurisdiction, the Offeror reserves the right not to send such documents to the Shareholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme is being proposed to all Shareholders (including the Overseas Shareholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

Overseas Shareholders who are in doubt about their positions should consult their own professional advisers in the relevant jurisdictions.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

16. DOCUMENTS FOR INSPECTION

A copy of the Implementation Agreement will be made available for inspection during normal business hours at the registered office of the Company from the Joint Announcement Date up until the Effective Date.

17. RESPONSIBILITY STATEMENTS

17.1 **Company.** The directors of the Company (including any who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Joint Announcement which relate to the Company (excluding information relating to the Offeror or any opinion expressed by the Offeror) are fair and accurate and that, where appropriate, no material facts which

relate to the Company have been omitted from this Joint Announcement, and the directors of the Company jointly and severally accept responsibility accordingly.

Where any information which relates to the Company has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the directors of the Company has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of the Company do not accept any responsibility for any information relating to the Offeror or any opinion expressed by the Offeror.

17.2 **Offeror.** The directors of the Offeror (including any who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Joint Announcement (excluding information relating to the Company or any opinion expressed by the Company) are fair and accurate and that, where appropriate, no material facts in relation thereto have been omitted from this Joint Announcement, and the directors of the Offeror accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of the Offeror do not accept any responsibility for any information relating to or any opinion expressed by the Company.

27 September 2018

By order of the board of directors

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

By order of the board of directors

KEPPEL CORPORATION LIMITED

Any queries relating to this Joint Announcement, the Acquisition or the Scheme should be directed to the following:

DBS Bank Ltd.
Strategic Advisory

Tel: +65 6682 8999

Forward-Looking Statements

All statements other than statements of historical facts included in this Joint Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's or the Company's (as the case may be) 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 of the Offeror and the Company should not place undue reliance on such forward-looking statements, and neither the Offeror nor the Company undertakes any obligation to update publicly or revise any forward-looking statements.

Schedule 1
Scheme Conditions

All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the Joint Announcement Date up until the Effective Date.

The Acquisition and the Scheme are conditional upon the following:

1. **Regulatory Approvals:** prior to the first application to the Court for the order to convene the Scheme Meeting, the receipt of the following regulatory approvals and such approvals not being revoked or withdrawn (if applicable) on or before the date falling on the day (other than Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore immediately preceding the Effective Date (the "**Relevant Date**"):

   (i) confirmation from the SIC that Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) to Rule 19 of the Code do not apply to the Scheme, subject to any conditions that the SIC may deem fit to impose;

   (ii) confirmation from the SIC that it has no objections to the Scheme Conditions in this **Schedule 1** to this Joint Announcement; and

   (iii) approval-in-principle of the SGX-ST of the Scheme Document and for the proposed delisting of the Company from the SGX-ST after the Scheme becomes effective and binding in accordance with its terms;

2. **Shareholder Approval:** the approval of the Scheme by the Shareholders at the Scheme Meeting to approve the Scheme in compliance with Section 210(3AB) of the Companies Act;

3. **Scheme Court Order:** the grant of the Scheme Court Order by the Court and such Scheme Court Order having become final;

4. **Lodgement of the Scheme Court Order:** the lodgement of the Scheme Court Order with ACRA pursuant to Section 210(5) of the Companies Act;

5. **No Legal or Regulatory Restraint:** between the date of the Implementation Agreement and up to the Relevant Date, no injunction or other order being issued by any Governmental Agency or by any court of competent jurisdiction or other legal or regulatory restraint, prohibition or condition preventing the consummation of the Acquisition or the implementation of the Scheme or proposed transactions relating to the Scheme, being in effect;

6. **No Prescribed Occurrence:** between the date of the Implementation Agreement and up to the Relevant Date, no Prescribed Occurrence in relation to the Company (or, where applicable, any other Relevant Group Company) or the Offeror, as the case may be, occurring other than as required or contemplated by the Implementation Agreement;

7. **Offeror's Representations, Warranties and Covenants:** the representations and warranties of the Offeror set out in the Implementation Agreement that:

(i) are qualified as to materiality being true and correct; and

(ii) are not qualified as to materiality being true and correct in all material respects,

in each case as of the date of the Implementation Agreement and as of the Relevant Date (as if they have been given again on and as of that date) except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date); and

8. **The Company's Representations, Warranties and Covenants:** the representations and warranties of the Company set out in the Implementation Agreement that:

(i) are qualified as to materiality being true and correct; and

(ii) are not qualified as to materiality being true and correct in all material respects,

in each case as of the date of the Implementation Agreement and as of the Relevant Date (as if they have been given again on and as of that date) except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date).

Schedule 2
Prescribed Occurrence

All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the Joint Announcement Date up until the Effective Date.

For the purposes of the Implementation Agreement, a "**Prescribed Occurrence**", as referred to in paragraphs 4.2.1 and 4.2.2 of this Joint Announcement and paragraph 6 of **Schedule 1** to this Joint Announcement and defined in the Implementation Agreement, means, in relation to the Offeror, the Company and/or any other Relevant Group Company, as the case may be, means any of the following:

1. **Conversion of Shares:** the Company converting all or any of its shares into a larger or smaller number of shares;

2. **Share Buy-back:** the Company entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under the Companies Act or the equivalent companies or securities legislation;

3. **Reduction of Share Capital:** the Company resolving to reduce its share capital in any way;

4. **Issuance of Debt Securities:** the Company (or any other Relevant Group Company), issuing, or agreeing to issue, convertible notes or other debt securities;

5. **Injunctions:** an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by either the Offeror or the Company;

6. **Resolution for Winding Up:** the Company (or any other Relevant Group Company) or the Offeror resolving that it be wound up;

7. **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of the Company (or of any other Relevant Group Company) or the Offeror;

8. **Order of Court for Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of the Company (or of any other Relevant Group Company) or the Offeror;

9. **Composition:** the Company (or any other Relevant Group Company) or the Offeror entering into any arrangement or general assignment or composition for the benefit of its creditors generally;

10. **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of the Company (or of any other Relevant Group Company) or the Offeror;

11. **Insolvency:** the Company (or any other Relevant Group Company) or the Offeror becoming or being deemed by law or a court to be insolvent or stops or suspends or threatens to stop or suspend payment of its debts of a material amount as they fall due;

12. **Cessation of Business:** the Company (or any other Relevant Group Company) or the Offeror ceases or threatens to cease for any reason to carry on business in the ordinary and usual course; or

13. **Analogous Event:** any event occurs which, under the laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

Schedule 3
Specific Obligations

All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the Joint Announcement Date up until the Effective Date.

The Specific Obligations of the Company are as follows:

1. **Scheme Announcement:** the Company shall release this Joint Announcement jointly with the Offeror on the Joint Announcement Date;

2. **Preparation of Scheme Document:** the Company shall prepare and circulate the Scheme Document and all other documents which are required to be prepared and circulated by it in connection with the Scheme and to carry into effect the Implementation Agreement, in each case, in compliance with all applicable laws and regulations;

3. **SGX-ST Approval:** the Company shall submit the draft Scheme Document to the SGX-ST for clearance within such time frames as shall be agreed between the Parties in writing and diligently seek such clearance promptly;

4. **Scheme Meeting:** subject to obtaining the approval of the SGX-ST, the Company shall make the application to the Court for order(s) convening the Scheme Meeting and for any ancillary orders relating thereto (all such applications and orders, including the originating summons for the Scheme, to be in such form and substance as shall have been approved by the Offeror) and convene the Scheme Meeting, in each case within such time frames as shall be agreed between the Parties in writing;

5. **Despatch of Documents:** the Company shall instruct its share registrar to despatch to the entitled Shareholders the Scheme Document and the appropriate forms of proxy for use at the Scheme Meeting following approval thereof by the SGX-ST and the Court, respectively within such time frames as shall be agreed between the Parties in writing;

6. **Scheme Court Order:** if the Scheme is approved by the requisite majority of the Shareholders at the Scheme Meeting, the Company shall apply to the Court within such time frames as shall be agreed between the Parties in writing for the Scheme Court Order and seek its sanction and confirmation of the Scheme;

7. **ACRA Lodgement:** following the grant of the Scheme Court Order, the Company shall deliver the same to ACRA for lodgement pursuant to Section 210(5) of the Companies Act, within such time frames as shall be agreed between the Parties provided that such lodgement shall not be made prior to the Final Offer Price Date;

8. **No Dividend or Distribution:** the Company shall not, during the period from the date of the Implementation Agreement up to (and including) the Effective Date:

    (i) declare or pay any dividend or make any distribution (in cash or in kind) to the Shareholders; or

(ii) (and shall procure that no Relevant Group Company shall) create, allot or issue any shares or other securities convertible into equity securities, or create, issue or grant any option or right to subscribe in respect of any of its share capital, or agree to do any of the foregoing, save for the Shares issued on or prior to the Relevant Date in accordance with the terms of the Share Plans;

9. **Normal Dealing:** the Company shall not, and shall procure that each Relevant Group Company shall not, without the prior written consent of the Offeror (such consent not to be unreasonably withheld):

(i) except as would not be material in the context of the Group taken as a whole or pursuant to an announcement by the Company on SGXNET prior to the date of the Implementation Agreement in relation to the disposal of assets by a Relevant Group Company, dispose of any assets (other than real property), including shares or other interests in any Relevant Group Company or in any other entity in which it has an interest, or voluntarily assume, acquire or incur any liabilities (including contingent liabilities), in each case, otherwise than in the ordinary and normal course of business of the Relevant Group Company;

(ii) except as would not be material in the context of the Group taken as a whole or pursuant to an announcement by the Company on SGXNET prior to the date of the Implementation Agreement in relation to the disposal of assets by a Relevant Group Company, dispose of any real property owned by any Relevant Group Company or acquire any real property;

(iii) create, or agree to create, any Encumbrance over any of the Relevant Group Company's assets or undertakings otherwise than in the ordinary and normal course of business of the Relevant Group Company;

(iv) enter into any guarantee, indemnity or other agreement to secure any obligation of a third party that is not a Group Company otherwise than in the ordinary and usual course of business of the Group;

(v) enter into any transaction with any shareholder and/or director of any Relevant Group Company otherwise than in the ordinary and usual course of business of the Relevant Group Company;

(vi) amend, or agree to amend, any terms of any agreement or arrangement to which any Relevant Group Company is a party or is bound by, which would have a material adverse effect on the financial position of the Group as a whole;

(vii) save for the banking facilities entered into prior to the date of the Implementation Agreement, incur further bank indebtedness (beyond the amount already incurred) in excess of S$500,000,000; or

(viii) save for any issue of shares in accordance with the terms of the Share Plans, alter its share capital in any way, including (A) issuing, or granting a right or option to subscribe for, any new shares or new class of shares and, (B) repurchasing, cancelling or redeeming its share capital or any reduction, consolidation, subdivision, reclassification or other alteration of its capital structure;

10. **Co-operation:** subject and without prejudice to the Company's legal or regulatory obligations, the Company shall, and shall procure that each Group Company shall, authorise and direct its officers, employees, auditors, legal advisers and other advisers to assist and co-operate fully with the Offeror and its agents, counsel, auditors, advisers and any third party providing financing to the Offeror (only to the extent such requests for assistance or co-operation are reasonable), for the implementation of the Scheme;

11. **No Solicitation:** during the Restricted Period, the Company shall:

(i) ensure that it and the other Group Companies and their respective employees, consultants, advisers and representatives shall deal exclusively with the Offeror to complete the Scheme and do not directly or indirectly solicit, invite, induce, initiate, encourage or entertain approaches or participate in or enter into any negotiations or discussions, or communicate any intention to do any of these things (including allowing any third party to perform due diligence investigations on any Group Company), with a view to obtaining or with respect to any expression of interest, offer or proposal by any person other than the Offeror in relation to:

(A) any proposal or offer to (whether directly or indirectly) acquire or become the holder (whether by share purchase, asset purchase, scheme, capital reconstruction, tender offer or otherwise) of, or otherwise have an economic interest in:

(I) all or substantially all of the businesses, assets (other than in the ordinary and usual course of business of the Group) or undertakings of the Group; or

(II) all the shares in the Company; or

(B) any proposal or offer to otherwise acquire or merge with the Company (whether by way of joint venture, reverse takeover bid, dual listed company structure or otherwise);

(C) any other arrangement having an effect similar to any of paragraphs 11(i)(A) or 11(i)(B) of **Schedule 3** to this Joint Announcement, including a merger or amalgamation proposal; or

(D) any other transaction which would preclude, interfere with or prejudice the Acquisition and/or the Scheme; and

(ii) notify the Offeror of the details of any approach or solicitations by any third party made in writing either to the Company or any Group Company with a view to the making of any such offer, merger or sale upon becoming aware of the relevant matter,

save that the restrictions hereunder shall not apply to (A) the making of normal presentations, by and on behalf of any Group Company, to brokers, portfolio investors and analysts in the ordinary and usual course in relation to its business generally, and (B) the provision of information by or on behalf of the Company to the SGX-ST or the SIC.

For the avoidance of doubt, nothing in this paragraph 11 shall prohibit or restrict the Company from receiving any unsolicited or uninitiated expression of interest, offer or proposal of a kind referred to in this paragraph 11. In the event that any Group Company receives any such expression of interest, offer or proposal, the Company shall be entitled:

(1) if required pursuant to the Listing Rules and/or the Code or any other laws, rules or regulations applicable to the Group Company, to announce such expression of interest, offer or proposal;

(2) to enter into discussions or negotiations or otherwise entertain such expressions of interest, offers or proposals;

(3) to make any recommendation or to refrain from making any recommendation to the Shareholders as the directors of the Company may deem fit in respect of such expression of interest, offer or proposal; and

(4) generally to perform all such acts as may be necessary for the directors of the Company to comply with and discharge their fiduciary duties, statutory, regulatory and/or legal obligations that they may be subject to under all applicable laws and regulations (including but not limited to their obligations under the Code),

provided that, in each instance, the Board has determined in good faith and acting reasonably (after having obtained written advice from its legal advisers) that a failure to do any of the foregoing would constitute a breach of the Listing Rules, the requirements of the SGX-ST, the Code or any applicable laws or regulations (including the fiduciary obligations of the directors of the Company). The Offeror and the Company agree that nothing in the Implementation Agreement shall derogate from, or otherwise affect, the Company's obligations under this paragraph 11; and

12. **Investigations and Proceedings:** the Company shall, during the period from the date of the Implementation Agreement up to (and including) the Relevant Date, notify the Offeror in the event the Company (or any Group Company) or any of their respective directors, officers or employees is the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding, subject to the Company (or the relevant Group Company) having received a formal written notification from the relevant authority in relation to the same.

Schedule 4
Relevant Group Companies

No.	Name
1.	Keppel Telecommunications & Transportation Ltd
2.	Keppel Logistics Pte Ltd
3.	Indo-Trans Keppel Logistics Vietnam Co. Ltd.
4.	Urbanfox Pte Ltd
5.	Keppel Data Centres Pte Ltd
6.	Keppel Data Centres Holding Pte Ltd
7.	Keppel DC Singapore 1 Ltd
8.	Keppel DC Singapore 2 Pte Ltd
9.	Keppel DC Singapore 3 Pte Ltd
10.	Keppel DC Singapore 4 Pte Ltd
11.	Keppel Almere Pte Ltd
12.	Keppel Data Centre Netherlands BV
13.	Keppel Data Centre Almere BV
14.	Keppel Data Centres (Hong Kong) Limited
15.	Keppel DCS3 Services Pte Ltd
16.	Keppel Data Centre Holdings Europe Limited
17.	Keppel Data Centre Holdings Germany GmbH
18.	Keppel Data Centre Facility Management Pte Ltd
19.	iseek-KDC Services Pty Ltd
20.	Keppel DC Investment Holdings Pte Ltd
21.	Keppel DC Development Europe Limited
22.	Adfact Pte Ltd
23.	Apsilon Ventures Pte Ltd
24.	Keppel Telecoms Pte Ltd

Schedule 5
Disclosure of Interests in the Securities by the Relevant Persons

Name	Type of Securities	Number of Securities	Percentage of total number of Securities
Offeror	Shares	442,935,526	79.22% (1)

Note:

(1) The percentage is calculated based on 559,112,660 Shares in issue as at the Joint Announcement Date.