



Joint Media Release

M1 and Keppel DC REIT sign non-binding term sheet for proposed investment in M1 network assets

28 April 2021, Singapore – M1 Limited (M1), a subsidiary of Keppel Corporation Limited (Keppel Corporation), and Keppel DC REIT Management Pte. Ltd., as Manager of Keppel DC REIT (Keppel DC REIT), have signed a non-binding term sheet (Term Sheet) with the intention to enter into definitive agreements with respect to a proposed investment by Keppel DC REIT into a special purpose vehicle (SPV), which is intended to be established by M1 to own and operate M1's current mobile, fixed and fibre assets (collectively, "network assets").

With respect to the proposed transaction, it is contemplated that: (i) M1 will establish the SPV and the SPV will acquire the network assets from M1 at a cash consideration of approximately S\$580 million, equivalent to the net book value of the network assets as at end February 2021, (ii) the consideration for the acquisition of the network assets will be funded by the SPV through (a) external financing of approximately S\$493 million, and (b) Keppel DC REIT's investment of approximately S\$87 million in return for a combination of debt securities and preference shares to be issued by the SPV, (iii) M1 will continue to retain 100% of the ordinary shares in the SPV. It is also intended for the SPV to enter into a 15-year Network Service Agreement with M1, under which the SPV will contract its network capacity to M1, and M1 will undertake the operations and maintenance of the network assets, and (iv) the board of the SPV will have equal representation from M1 and Keppel DC REIT.

Mr Manjot Singh Mann, CEO of M1, said, "The proposed transaction involving M1's network assets is part of the Keppel Group's asset-light business model under Vision 2030. Realising value from M1's network assets will free up capital that can be used to help M1 invest in new capabilities and also fund other growth initiatives. M1 will continue to operate and maintain the network assets to uphold network quality and availability. M1 will also continue to sharpen its focus on customer-centricity and its transformation into Singapore's first digital network operator."

Ms Anthea Lee, CEO of the Manager of Keppel DC REIT, said, "The planned investment into quality network assets is in line with Keppel DC REIT's drive to support the global digital economy. The SPV will own the network assets that underpin M1's business offerings. We believe this adds to the growth and cashflow stability for Keppel DC REIT. It also allows us to gain a foothold in Singapore's connectivity landscape, which we can leverage when seeking further opportunities for real estate and assets that support the digital economy."

The proposed transaction is subject to among others, satisfactory due diligence, negotiation and execution of definitive agreements, relevant regulatory approvals and if required, shareholders'/unitholders' approval of the respective parties.

Keppel Corporation and Keppel DC REIT will make the necessary announcements if and when there are material developments.

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About M1

M1, a subsidiary of Keppel Corporation, is Singapore's first digital network operator, providing a suite of communications services, including mobile, fixed line and fibre offerings, to over two million customers.

Since the launch of its commercial services in 1997, M1 has achieved many firsts – becoming one of the first operators to be awarded one of Singapore's two nationwide 5G standalone network license, first operator to offer nationwide 4G service, as well as ultra high-speed fixed broadband, fixed voice and other services on the Next Generation Nationwide Broadband Network (NGNBN).

M1's mission is to drive transformation and evolution in Singapore's telecommunications landscape through cutting-edge technology and made-to-measure offerings. For more information, visit www.m1.com.sg.

About Keppel DC REIT (www.keppeldcreit.com)

Listed on the Singapore Exchange on 12 December 2014, Keppel DC REIT's investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate and assets necessary to support the digital economy.

The REIT is managed by Keppel DC REIT Management. Keppel Capital has a 50% interest in the Manager, with the remaining interest held by Keppel Telecommunications & Transportation. Keppel Capital is a premier asset manager in Asia with assets under management comprising real estate, infrastructure and data centre properties in key global markets.

The Manager's key objectives are to provide Keppel DC REIT's Unitholders with regular and stable distributions, as well as achieve long-term growth while maintaining an optimal capital structure.