Keppel Ltd.
1 HarbourFront Avenue Level 2 Keppel Bay Tower Singapore 098632
T +65 6270 6666 **F** +65 6413 6391 keppel.com
UEN 196800351N

PROPOSED DIVESTMENT OF M1 LIMITED

1. INTRODUCTION

Keppel Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that Keppel Konnect Pte. Ltd. ("**KKPL**"), a wholly-owned direct subsidiary of the Company, and Konnectivity Pte. Ltd. ("**Konnectivity**", and together with KKPL, as vendors, the "**Vendors**"), an indirect subsidiary of the Company, have on 11 August 2025 entered into a sale and purchase agreement (the "**SPA**") with Simba Telecom Pte. Ltd. (as purchaser, the "**Purchaser**") and Tuas Limited (as guarantor), for the sale by the Vendors of the entire issued share capital of M1 Limited ("**M1**") to the Purchaser after the Restructuring (as defined below) (the "**Proposed Transaction**").

2. INFORMATION ON THE PARTIES

2.1 KKPL

KKPL was incorporated in Singapore on 24 September 2018 and is a direct, wholly-owned subsidiary of the Company. The principal activity of KKPL is investment holding. KKPL holds approximately 19.31% of the entire issued share capital of M1.

2.2 Konnectivity

Konnectivity was incorporated in Singapore on 25 September 2018 and is a joint venture held by KKPL and Straits Multimedia Private Limited ("**SMPL**") in the shareholding proportion of 80% and 20% respectively. SMPL is a wholly-owned direct subsidiary of Cuscaden Peak Investments Private Limited (formerly known as Singapore Press Holdings Limited). The principal activity of Konnectivity is investment holding. Konnectivity holds approximately 80.69% of the entire issued share capital of M1.

2.3 M1

M1 was incorporated in Singapore on 7 November 1992 and is held jointly by KKPL and Konnectivity. The principal activity of M1 is mobile cellular and other wireless telecommunications network operation. As at the date of this Announcement, the board of directors of M1 are:

(a) Kevin Chng Chee Keong;
(b) Yong Choon Miao, Gerald;
(c) Janice Wu Sung Sung;

(d) Loh Chin Hua;
(e) Manjot Singh Mann;
(f) Pang Thieng Hwi;
(g) Guy Daniel Harvey Samuel; and
(h) Tan Wah Yeow.

2.4 **Purchaser and Tuas Limited**

The Purchaser was incorporated in Singapore on 1 July 2016. It is Singapore's fourth fully licensed mobile network operator with full 4G and 5G spectrum rights. The principal activity of the Purchaser is mobile cellular and other wireless telecommunications network operation.

According to publicly available information, the Purchaser is a wholly-owned subsidiary of Tuas Limited, a company listed on the Australian Securities Exchange. Tuas Limited has entered into the SPA as a guarantor to guarantee the due and punctual performance by the Purchaser of its covenants and obligations under the SPA.

3. THE PROPOSED TRANSACTION

3.1 **Restructuring**

Prior to the completion of the Proposed Transaction, it is contemplated that M1's ICT business and certain assets (the "**Excluded Assets**") will be carved out from the Proposed Transaction (the "**Restructuring**"). The Excluded Assets comprise:

(a) the entire issued share capital of AsiaPac Technology Holding Pte. Ltd. ("**AsiaPac Tech Holding**") which is held by M1. AsiaPac Tech Holding and its subsidiaries currently carry out information and communications technology (ICT) business solutions;

(b) the entire issued share capital of M1 Telinet Pte. Ltd. ("**M1 Telinet**"), a holding vehicle for investment securities; and

(c) M1's leasehold interest in MiWorld located at 9 International Business Park Singapore 609915, which is intended to be transferred to M1 Telinet.

M1 and its subsidiaries, excluding the Excluded Assets, shall be known as "**Restructured M1 Group**".

3.2 **Conditions to the Proposed Transaction**

The completion of the Proposed Transaction ("**Completion**") is conditional upon the fulfillment or waiver (where applicable), as the case may be, of various conditions (the "**Conditions**") agreed between the parties under the SPA. These Conditions include:

(a) all relevant approvals and decisions required from the Infocomm Media Development Authority of Singapore ("**IMDA**") having been obtained;

(b) the completion of the Restructuring as contemplated under the SPA; and

(c) immediately prior to Completion, there having been no occurrence of one or more event(s) (which is not an excluded event as defined under the SPA) that has caused a diminution in the EBITDA of M1, its subsidiaries and associated companies ("**M1 Group**") for the 12-month period ending on the month end for which the last set of financial information was provided to the Purchaser pursuant to Clause 7.6(b) of the SPA (as reflected in the consolidated unaudited management accounts of the M1 Group for such 12-month period, prepared by the M1 Group in accordance with the same accounting policies, basis, practices and methods of computation with those used in preparing the audited accounts applied on a consistent basis) by more than 17.5% as compared to the EBITDA of the M1 Group (which for the avoidance of doubt, excludes the excluded assets under the SPA) of S$195,400,000 for the 12-month period from 1 January 2024 to 31 December 2024.

3.3 **Termination**

If the Conditions are not fulfilled or waived on or before a date falling on six (6) months from the date of submission of the consolidation application to the IMDA or such later date as may be agreed in writing, the SPA shall terminate and cease to have effect as between the parties.

Further, the Purchaser may terminate the SPA by notice to the Vendors at any time before Completion if there is a material breach of any of the Vendors' fundamental warranties relating to Vendors' authority and capacity to enter into and perform the SPA and title to shares in M1.

3.4 **Consideration for Proposed Transaction**

The consideration for the Proposed Transaction will be payable in cash and the Company's proportion of such consideration is estimated to be S$985 million (the "**Relevant Consideration**") based on an enterprise value of $1,430 million and on a cash-free debt-free basis. The consideration for the Proposed Transaction was arrived at after arm's length negotiations, on a willing-buyer and willing-seller basis.

The consideration for the Proposed Transaction will be subject to post-Completion adjustments in accordance with the SPA.

3.5 **Financial Information of the Proposed Transaction**

(a) **Book Value**

Based on the unaudited consolidated financial statements of the Group for the half year ended 30 June 2025 ("**1H2025 Unaudited Financial Statements**"), the book value attributable to the Group's effective interest in Restructured M1 Group (the "**Proposed Transaction Assets**") is S$1,207 million.

(b) **Net Tangible Asset Value**

Based on the 1H2025 Unaudited Financial Statements, the net tangible asset value of the Proposed Transaction Assets is S$151 million.

(c) **Latest Available Open Market Value**

The open market value of the Proposed Transaction Assets is not available as the issued shares of M1 are not listed or traded on any securities exchange. No valuation of the Proposed Transaction Assets was commissioned for the purpose of the Proposed Transaction. Given the highly competitive and regulated telecom market in Singapore which Restructured M1 Group operates in, the Company believes that a market-based price discovery process is more relevant. The Purchaser was selected from potential purchasers as it was willing to pay the consideration fully in cash.

(d) **Loss on Disposal**

The proceeds based on the estimated Relevant Consideration represent a deficit of S$222 million over the book value of the Proposed Transaction Assets, and the estimated net loss[1] in relation to the disposal of the Proposed Transaction Assets is approximately S$222 million. The Company intends to use the net proceeds received by the Company from the Proposed Transaction for investing in growth, reducing the Company's debt or rewarding shareholders.

4. RATIONALE FOR THE PROPOSED TRANSACTION

The proposed divestment is in line with the Company's strategy as an asset-light global asset manager and operator, and will sharpen the Company's focus within its Connectivity segment on digital infrastructure. The Proposed Transaction crystalises value from the Company's investment in M1 over the years. It is expected to yield significant returns, taking into account the Company's initial investment in M1 in 1994 as one of its founding members, the subsequent privatisation of M1 as well as dividends and divestment proceeds from 1994 to 2025. The Company also continues to retain M1's ICT business and certain assets excluded from the Proposed Transaction. The proceeds to be unlocked can be channelled to invest in growth opportunities, lower the Company's debt or reward shareholders.

The Proposed Transaction is also expected to benefit Singapore's telecommunications sector and consumers by harnessing synergies between two of the nation's telcos.

[1] The estimated net loss on disposal excludes transaction cost related to the Proposed Transaction and is an approximated figure computed on a pro forma basis, assuming the Proposed Transaction had been effected on 30 June 2025. The actual loss on disposal on Completion will depend on the estimated Relevant Consideration which is subject to post-Completion adjustments and the carrying value of the Proposed Transaction Assets, including the goodwill (which arose from the acquisition of M1 by the Group in 2019) to be attributed to the Proposed Transaction Assets, at the date of Completion.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

5.1 Chapter 10 of the Listing Manual classifies transactions by the Company into (a) non-disclosable transactions, (b) disclosable transactions, (c) major transactions and (d) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following applicable bases of comparison set out in Rule 1006 of the Listing Manual:

(a) the net asset value ("**NAV**") of the assets to be disposed of, compared with the Group's NAV;

(b) the net profits attributable to the assets disposed of, compared with the Group's net profits;

(c) the aggregate value of the consideration received, compared with the Company's market capitalisation;

(d) the number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue; and

(e) the aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.

The relative figures for the Proposed Transaction computed on the bases set out above are as follows:

Comparison of	**Proposed Transaction Assets**	**Group**	**Relative Figure (%)**
Net asset value (S$ million)	1,439[(1)]	10,970[(1)]	13.1%
Net profits[(2)] (S$ million)	14[(1)]	538[(1)]	2.6%
Relevant Consideration against market capitalisation (S$ million)	985[(3)]	15,513[(4)]	6.3%
Number of equity securities[(5)]	N.A.	N.A.	N.A.
Volume or amount of proved and probable reserves[(6)]	N.A.	N.A.	N.A.

Notes:

(1) Based on the 1H2025 Unaudited Financial Statements.

(2) Under Rule 1002(3) of the Listing Manual, "net profits" is defined as profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

(3) Based on an estimated Relevant Consideration of S$985 million, which is subject to post-Completion adjustments in accordance with the SPA.

(4) Based on 1,814,838,634 ordinary shares in the capital of the Company ("**Shares**") in issue excluding treasury shares and the volume weighted average price of S$8.5479 per Share on the SGX-ST on 8 August 2025, being the trading day immediately prior to the date of this Announcement.

(5) The Proposed Transaction does not involve any issue of equity securities by the Company as consideration.

(6) Rule 1006(e) of the Listing Manual only applies to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

5.2 Pursuant to Chapter 10 of the Listing Manual, where a disposal of assets is one where any of the relative figures as computed on the bases set out in Rule 1006 exceeds 5% but does not exceed 20%, the transaction is classified as a "disclosable transaction" under Chapter 10 of the Listing Manual.

5.3 As the relative figures in respect of the Proposed Transaction as computed on the bases set out in Rules 1006 (a), (b) and (c) exceed 5% but do not exceed 20%, the Proposed Transaction constitutes a "disclosable transaction" under Chapter 10 of the Listing Manual and as such, the approval of the shareholders of the Company is not required for the Proposed Transaction.

6. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

6.1 **FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Proposed Transaction on the NTA per Share and earnings per Share ("**EPS**") presented below are strictly for illustrative purposes only and do not represent the Company's actual financial performance or position after Completion. The pro forma financial effects in this paragraph 6 were prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2024 ("**FY2024 Audited Financial Statements**") and the following assumptions:

(a) transaction costs related to the Proposed Transaction have not been included; and

(b) the estimated net loss on disposal of the Proposed Transaction Assets is an approximated figure based on the estimated Relevant Consideration of S$985 million and computed on a pro forma basis, assuming the Proposed Transaction had been effected on 31 December 2024. The actual loss on disposal on Completion will depend on the estimated Relevant Consideration which is subject to post-Completion adjustments and the carrying value of the Proposed Transaction Asset, including the goodwill (which arose from the acquisition of M1 by the Group in 2019) to be attributed to the Proposed Transaction Assets, at the date of Completion.

6.2 **NTA per Share**

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Transaction on the consolidated NTA per Share of the Company as at 31 December 2024, as if the Proposed Transaction and the Restructuring were completed on 31 December 2024, are as follows:

	Before the Proposed Transaction	**After the Proposed Transaction**
NTA (S$ million)	9,253	10,224[(I)]
Number of Shares (excluding treasury shares) ('000)	1,806,104	1,806,104
NTA per Share (S$)	5.12	5.66[(I)]

Note:

(I) This is an estimated figure as the change in NTA will depend on the estimated Relevant Consideration which is subject to post-Completion adjustments and the carrying value of the Proposed Transaction Assets, including the goodwill (which arose from the acquisition of M1 by the Group in 2019) to be attributed to the Proposed Transaction Assets, at the date of Completion.

6.3 **EPS**

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Transaction on the consolidated EPS of the Company as at 31 December 2024, as if the Proposed Transaction and the Restructuring were completed on 1 January 2024, is as follows:

	Before the Proposed Transaction	**After the Proposed Transaction[(I)]**	**After the Proposed Transaction[(II, IV)]**
Net profits attributable to shareholders (S$ million)	940	926	709
Weighted average number of issued shares of the Company (excluding treasury shares) ('000)[(III)]	1,797,186	1,797,186	1,797,186
EPS (Singapore cents)[(III)]	52.3	51.5	39.5

Notes:

(I) Excludes one-off effects due to disposal loss arising from the Proposed Transaction.

(II) Includes one-off effects due to disposal loss arising from the Proposed Transaction.

(III) FY2024 weighted average number of shares and earnings per share have been restated to align with the current year's computation.

(IV) This is an estimated figure as transaction costs related to the Proposed Transaction are excluded and the actual disposal loss on Completion will depend on the estimated Relevant Consideration which is subject to post-Completion adjustments and the carrying value of the Proposed Transaction Assets, including the goodwill (which arose from the acquisition of M1 by the Group in 2019) to be attributed to the Proposed Transaction Assets, at the date of Completion.

7. DISCLOSURE OF INTERESTS

Save as disclosed in this Announcement and except in respect of his/her/its shareholding (if any) in the Company, based on the latest information available to the Company, none of the directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction.

8. NO DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction.

9. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, for a period of three (3) months commencing from the date of this Announcement.

BY ORDER OF THE BOARD

Karen Teo
Company Secretary
11 August 2025