

Acquisition of Singapore Press Holdings Limited excl. SPH Media (“SPH”)

02 August 2021

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Transaction overview



Summary of proposed transaction

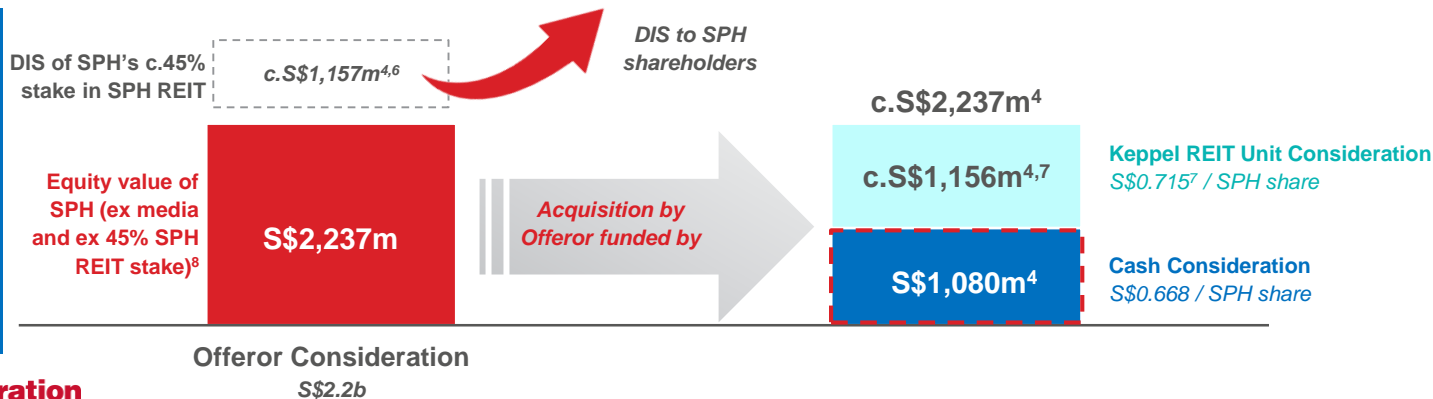
Transaction overview

- Offeror: Keppel Pegasus Pte. Ltd., a wholly-owned subsidiary of Keppel Corporation Limited
- Offeror to acquire 100% of Singapore Press Holdings ex media ("SPH") via a Scheme of Arrangement¹
 - **Excludes** media business
 - **Excludes** SPH's c.45% stake in SPH REIT (SPH to retain 20% stake in SPH REIT)
 - Subject to media business being divested before closing
 - Subject to shareholders' approval and other regulatory approvals (e.g. MAS and FIRB)
 - No IMDA approval required and no offer triggered for SPH REIT
- Offeror Consideration per SPH share²: (i) Cash Consideration of S\$0.668 per SPH share (i.e. total S\$1,080m⁴) and (ii) 0.596 Keppel REIT units (i.e. implied c.S\$0.715 per SPH share and total of c.S\$1,156m^{4,7}, representing 26% stake in Keppel REIT)
- SPH to distribute-in-specie 0.782 SPH REIT units per SPH share to SPH shareholders ("DIS")
- Offeror's financial adviser: J.P. Morgan (S.E.A.) Limited

Transaction value

- Offeror Consideration: c.S\$2.2b, and Enterprise Value: c.S\$4.2b³
- Consideration received by SPH shareholders (comprising Offeror's Consideration and the DIS) implies S\$2.099/share⁴, representing c.16.2% premium to 1MVWAP SPH share price⁵

Offeror Consideration



Rare opportunity to acquire synergistic platform aligned to Vision 2030



Financially attractive, enhances returns and earnings profile

1 Pro-forma EPS accretion^{1,2}

S\$0.175 / sh ↑ **+6%**

2 Pro-forma recurring income contribution^{1,3}

↑ **+18%** **56%**
Growth in recurring PATMI³ Recurring PATMI³

3 Maintain gearing⁴ headroom

<1.0x
Gearing

Deleveraging in the near term through asset monetisation programme⁵





Increased scale in focus areas

1 Potential Increased AUM⁶

c.S\$47b ↑ **+c.27%**

2 Growth sectors

 Purpose Built Student Accommodation ("PBSA")  Senior Living

3 Established REIT platform



Natural fit with existing businesses and Vision 2030 with many opportunities to harness synergies

Attractive portfolio aligned with Keppel's asset-light business model and supports recurring income growth

Note: ¹ See slide 17. This statement on growth in earnings per share ("EPS") and recurring income contribution is not intended as a profit forecast and should not be construed as such. This statement should not be interpreted to mean that its value in any future financial period will necessarily be greater than those for the relevant preceding financial period. In computing the financial impact of the Proposed Transaction on pro forma EPS and recurring income, financial statements with different half year ends were used (being 30 Jun 2021 for the Group and 28 Feb 2021 for the SPH Group);

² Excludes the gain arising from the change in interest in Keppel REIT held by the Group; ³ Profit after tax and non-controlling interests ("PATMI"), recurring income excludes gain arising from the change in interest in Keppel REIT held by the Group and finance costs to be incurred due to cash consideration used to fund the transaction; ⁴ Net debt over equity;

Strategic importance of SPH acquisition to Keppel's Vision 2030

- ✓ Improve quality of earnings
- ✓ Increase scale in existing and new business units
- ✓ Pursue new growth initiatives per Vision 2030



- Roll out of Vision 2030 roadmap
- Articulation of S\$17.5b¹ potential asset monetisation

- Announcement of Keppel Offshore & Marine ("KOM") non-binding MOUs and planned divestment of its logistics businesses

- S\$2.3b of asset monetisation announced since Oct 2020, with S\$1.15b in cash received from Oct 2020 to Jun 2021

- Proposed acquisition of SPH









- ↑ **Accelerate existing and new business lines**
- ↑ **Recurring income base**
- ↑ **Maintain debt headroom to pursue growth initiatives** (e.g. renewables, new energy, decarbonisation solutions, green developments and data centres)

Accelerate growth in 3 of 4 Vision 2030 focus areas

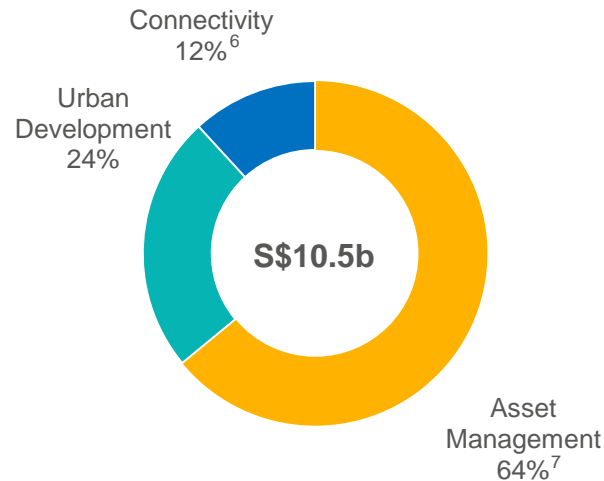


Excludes:

- Media¹
- SPH REIT (c.45% stake)²

Asset Management	<p>PBSA</p>  <p>StudentCastle</p> <p>Large PBSA owner-operator in the UK</p>	<p>SPH REIT</p>  <p>Retail REIT platform for recycling</p>	<p>Senior Living</p>  <p>Japan assets</p> <p>Leading nursing home operator in Singapore</p>	<p>Other investments³</p>  <p>Value realisation potential</p>
Urban Development	<p>Woodleigh</p>  <p>Premium integrated hub</p>		<p>Seletar Mall</p>  <p>Leading mall in submarket</p>	
Connectivity	<p>Genting Lane Data Centre</p> <p>40% stake</p> <p>Top 5 DC⁴</p>		<p>M1</p> <p>16% stake</p> <p>Leading mobile operator</p>	

SPH portfolio value⁵ by focus areas (%)



✓ **Expand into adjacent and harness synergies by tapping on Keppel's expertise and capital recycling model**

✓ **Accelerate transition of Keppel Land from a developer model to an urban solutions provider**

Transaction rationale

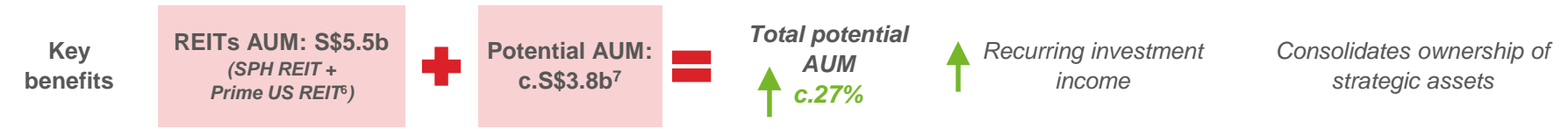
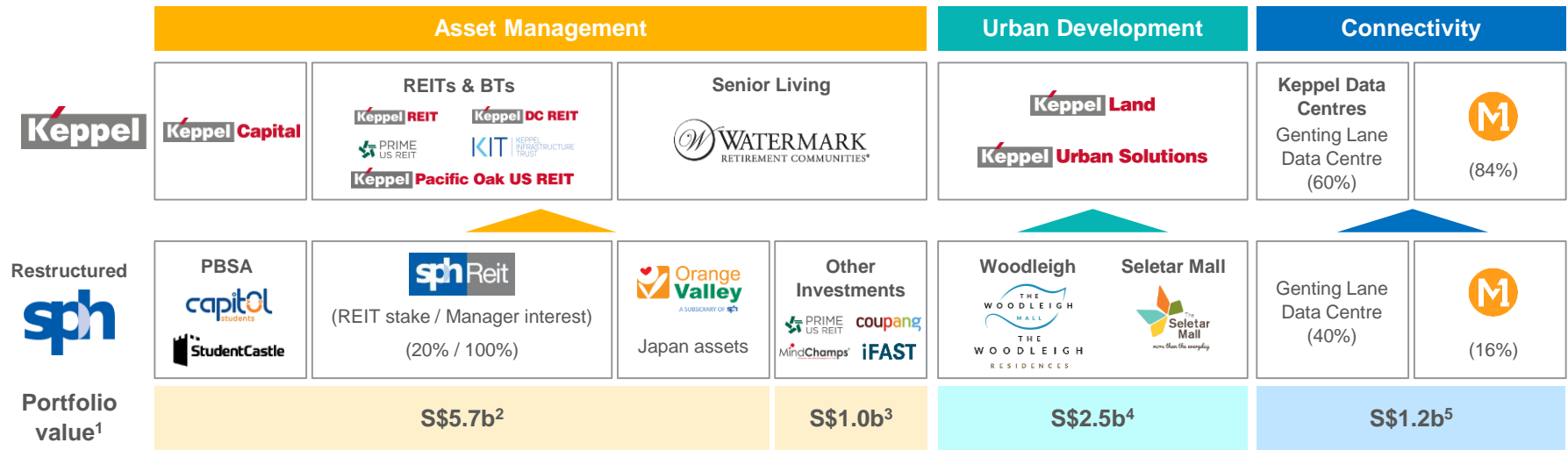


Acquisition will accelerate Vision 2030 through enhancing and unlocking value of SPH's portfolio

- 1** Uniquely positioned to enhance and unlock value of SPH's portfolio
- 2** Expand into secular growth sectors (PBSA and senior living) and benefit from recovery in retail
- 3** Build scale in Asset Management platform
- 4** Harness corporate synergies and value upside through multiple levers
- 5** Improve quality of earnings
- 6** Maintain balance sheet capacity to invest in other Vision 2030 opportunities

1

Keppel is uniquely positioned to enhance and unlock value of SPH's portfolio



Expand into adjacencies and harness synergies by tapping on Keppel's expertise and capital recycling model

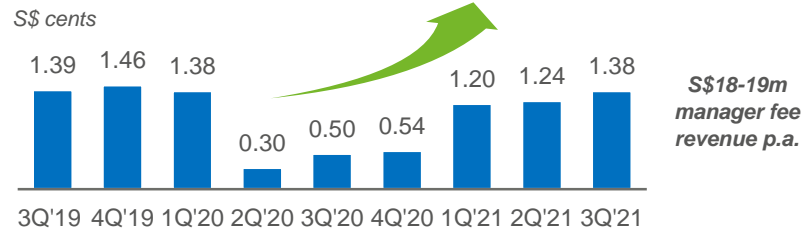
Note: ¹ Calculated using GAV or GDV values on a 100% basis for real estate assets, market value for listed investments on a pro-rata basis and non-listed investments at equity carrying values; ² Includes portfolio valuation of SPH REIT and PBSA, carrying value of Orange Valley, investment property value of Japan aged care assets as at 31 Aug 2020, based on SPH 1H FY21 financial results presentation and SPH REIT FY20 annual report; ³ Equity values based on market value for listed assets and carrying values for unlisted assets

Opportunity to diversify into high quality retail REIT platform poised for recovery

✓ **Retail recovery** with advanced vaccination coverage and reopening of borders

✓ **Continued resilience of suburban malls** providing essential retail

Recovering distribution



SPH REIT: Highly sought after retail properties in SG and AUS^{1,2}



Crown jewel assets with medical suites
Asset valuation: S\$2.6b¹



Leading retail offering in submarket
Asset valuation: S\$584m¹



Largest shopping complex in Adelaide
Asset valuation: S\$647m^{1,2}



i12 Katong
(Under KLL)



Status: Set to reopen in 4Q'21

Seletar Mall



Status: Stabilised
GAV³: S\$480m

The Woodleigh Mall



Status: Completion in 2023
GDV⁴: S\$784m

Natural platform for recycling owned retail properties

SPH REIT provides attractive fee-based income and recovering operating income

Achieve immediate and sizeable foothold in attractive PBSA sector through integrated owner-operator PBSA platform

Dual flagship brands with nationwide presence

capitol
students

StudentCastle

7,723

Beds in 18 cities (UK / Germany)

15

University Partnerships¹
(32 international agents)

>90%

On track to achieve target portfolio occupancy²

\$1.4b

Portfolio valuation³

c.5%

Net initial yield of portfolio⁴

Integrated capabilities

Development management

Asset management

Property management

Rapid recovery in UK higher education underpinned by rising domestic and international demand

- ✓ UCAS applications up 8% for AY 21/22, driven by UK 18-yr old (+11%) and Non-EU students (+17%)
- ✓ AY 21/22 bookings surpassed AY 20/21 sales trend

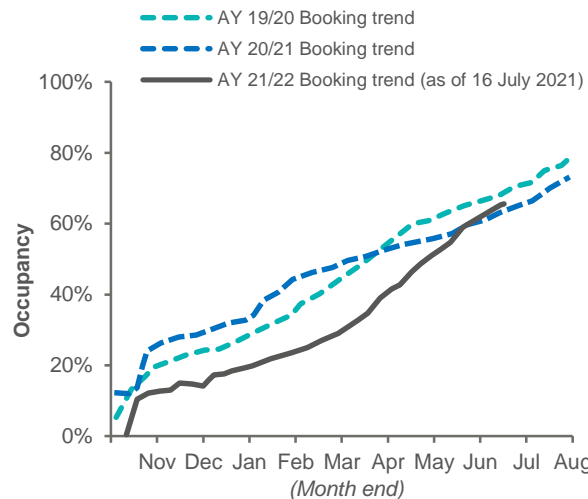


Student Castle Oxford



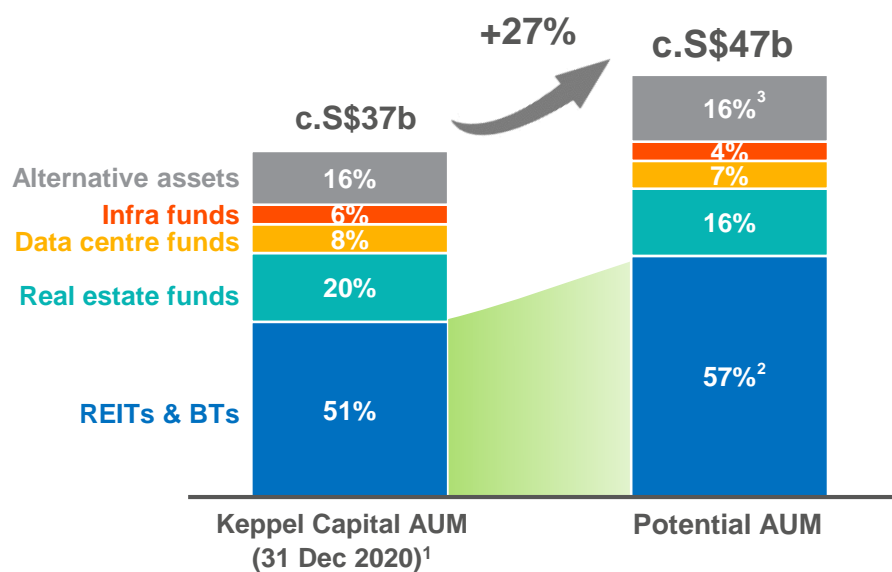
Capitol Students St Teresa

Next year student bookings – Academic Year 21/22



Immediately achieve scale within highly resilient and fast-growing PBSA sector

Drive AUM growth and diversification of Keppel's Asset Management business



- ✓ Diversification into recovery themes of PBSA and Singapore retail
- ✓ Tapping into senior living growth potential
- ✓ Significantly grow Keppel Capital's AUM through addition of SPH REIT Manager
- ✓ SPH REIT as a natural platform for recycling of retail assets
- ✓ Future growth from other pipeline assets









Enlarged asset management platform will be fueled with third party funds for growth

Accelerate asset-light strategy through proactive capital recycling

Keppel Corporation



On balance sheet



				
	PBSA	Data Centre	Retail	Senior living
	 StudentCastle Bremen asset (Germany)	82 Genting Lane	 i12 KATONG  THE WOODLEIGH MALL	 Orange Valley A SUBSIDIARY OF SPH Japan aged care assets
Portfolio GAV¹	S\$1.4b	S\$932m	S\$1.3b ²	S\$192m ⁴
Completion status	Potential securitization in 2023	2025 - 2026	Stabilised ³	Stabilised



Potential asset recycling



Keppel Capital

Existing REITs	Existing private fund platform	Future managed entities
 SPH REIT Keppel REIT <i>20% stake, in line with other REIT holdings incl. SPH REIT</i> Keppel DC REIT Keppel Pacific Oak US REIT KIT KEPPEL INFRASTRUCTURE TRUST	 alpha Keppel Capital Alternative Asset Separate Managed Accounts	PBSA securitisation Senior living securitisation

Asset-light model

Fee-based income growth from enlarged AUM

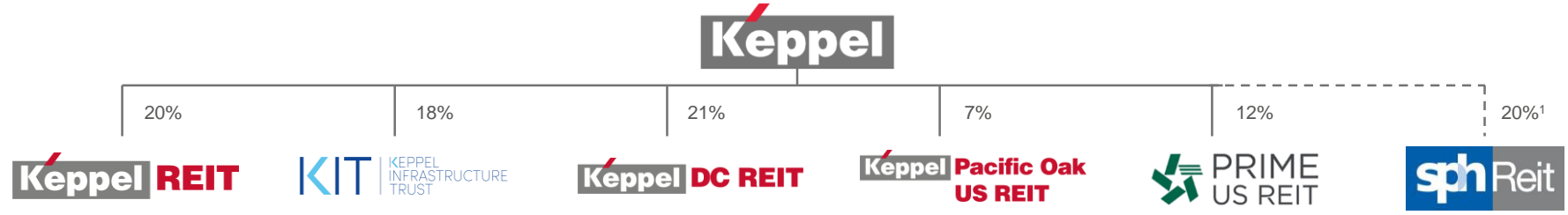
Re-deployable capital from recycling

Enlarged sponsor pipeline enhances growth prospects for Keppel Capital ecosystem

Keppel Corporation

Note: ¹ GAV or GDV values as at 31 Aug 2020 on a 100% basis, based on SPH 1H FY21 financial results presentation; ² Excludes valuation of i12 Katong; ³ Woodleigh is expected to stabilise in 2023 and i12 Katong is expected to reopen in Q4 2021; ⁴ Includes carrying value of S\$122m for Orange Valley and investment property value of c.S\$70m for Japan aged care assets as at 31 Aug 2020, based on SPH 1H FY21 financial results presentation

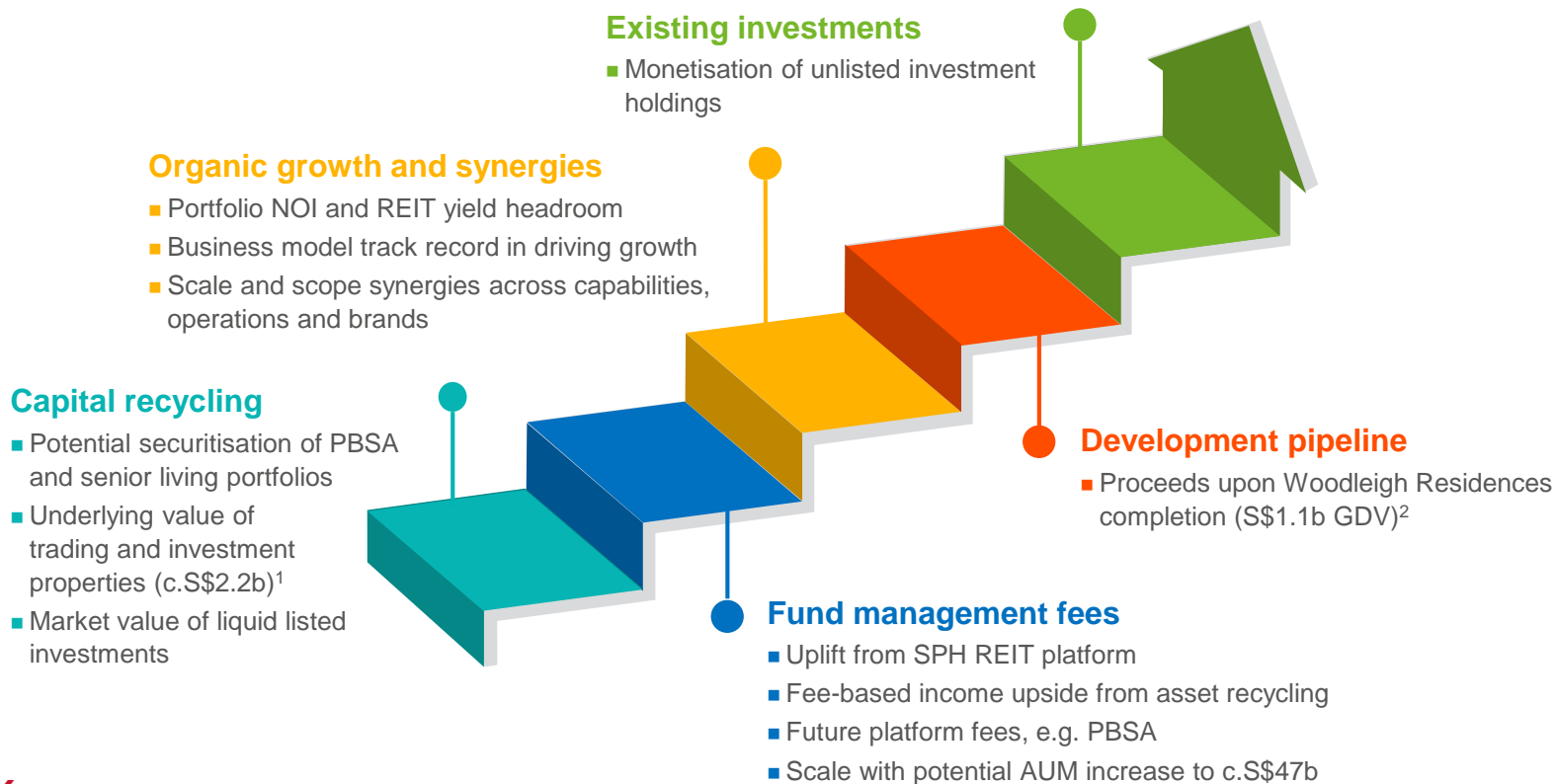
Optimise stake in Keppel REIT in line with asset-light business model



- ✓ Utilisation of K-REIT units as part of Offeror Consideration aligns retained stake across Group REITs and KIT
- ✓ K-REIT to benefit from significantly enhanced free float from 54% to 80%
- ✓ Keppel retains positive long-term outlook on commercial sector
- ✓ Keppel would be supportive of any strategic initiatives by K-REIT and SPH REIT that would benefit unitholders, including any initiative which would create a stronger, larger and integrated platform

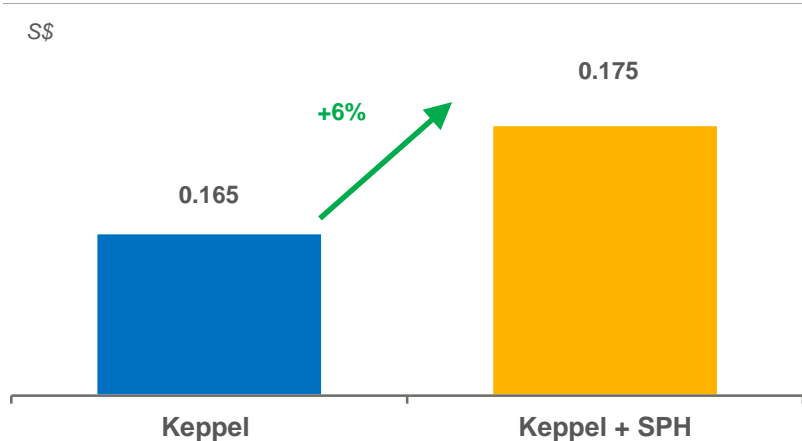
Retained stake demonstrates continued long-term Sponsor commitment and alignment of interest

Multiple levers to enhance and unlock value of SPH's portfolio

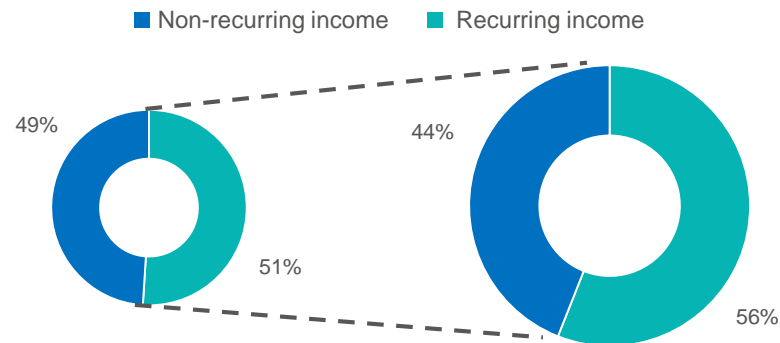


Acquisition to enhance Keppel's quality of earnings

1H21 Pro-forma EPS^{1,3}



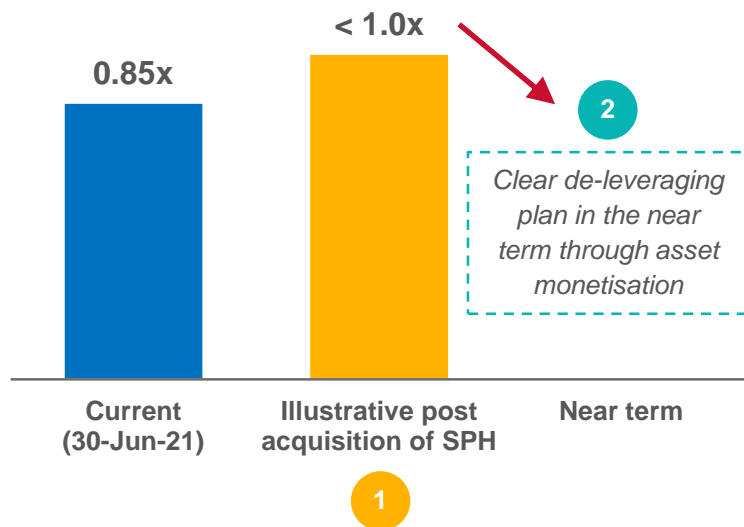
1H21 Pro-forma recurring income contribution^{2,3}



Disclaimer: ¹ (1) Excludes the gain arising from the change in interest in Keppel REIT held by the Group. If the gain had been included, the net profit would have increased to approximately S\$391 million, and EPS would have increased to approximately 21.5 cents. (2) This statement on growth in EPS is not intended as a profit forecast and should not be construed as such. This statement should not be interpreted to mean that its value in any future financial period will necessarily be greater than those for the relevant preceding financial period. (3) In computing the financial impact of the Proposed Transaction on pro forma earnings per share, financial statements with different half year ends were used (being 30 Jun 2021 for the Group and 28 Feb 2021 for the SPH Group).; ² (1) Recurring income excludes gain arising from the change in interest in Keppel REIT held by the Group and finance costs to be incurred due to cash consideration used to fund the transaction. (2) This statement on growth in recurring income contribution is not intended as a profit forecast and should not be construed as such. This statement should not be interpreted to mean that its value in any future financial period will necessarily be greater than those for the relevant preceding financial period. (3) In computing the financial impact of the Proposed Transaction on pro forma recurring income contribution, financial statements with different half year ends were used (being 30 Jun 2021 for the Group and 28 Feb 2021 for the SPH Group).; ³ Based on (a) the Group's unaudited results for the half year ended 30 Jun 2021 (the "KCL 1H2021 Results"), (b) the SPH Group's unaudited consolidated financial statements for the half year ended 28 Feb 2021 (the "SPH 1H2021 Results"), (c) the SPH REIT's unaudited consolidated financial statements for the half year ended 28 Feb 2021 (the "SPH REIT 1H2021 Results"), (d) information obtained during the course of due diligence, and taking into account (i) the financial effects of the Media Business Restructuring (but excluding restructuring adjustments such as the effect of the assumption of certain liabilities, costs and expenses on profit after tax and non-controlling interests ("PATMI") arising from the Media Business Restructuring) and (ii) the DIS on SPH based on the SPH 1H2021 Results.

Attractive immediate financial impact

Sufficient debt headroom remains for other strategic initiatives



Gearing¹

- Funding mix takes into account gearing levels and disciplined deleveraging plan
- 1 Cash consideration assumed to be funded using a combination of various sources, such as internal cash, bank borrowings, instruments with equity treatment, and/or bonds
 - 2 **Clear deleveraging plan in the near term**
 - Proceeds from Vision 2030 monetisation program¹
 - S\$2.3b of asset monetisation announced since Oct 2020
 - S\$1.15b in cash received from Oct 2020 to Jun 2021
 - Recurring income from operations
 - **Near term capital recycling while concurrently growing Asset Management business**
 - Sufficient debt headroom post acquisition to pursue growth initiatives (e.g. renewables, new energy, decarbonisation solutions, green developments and data centres)

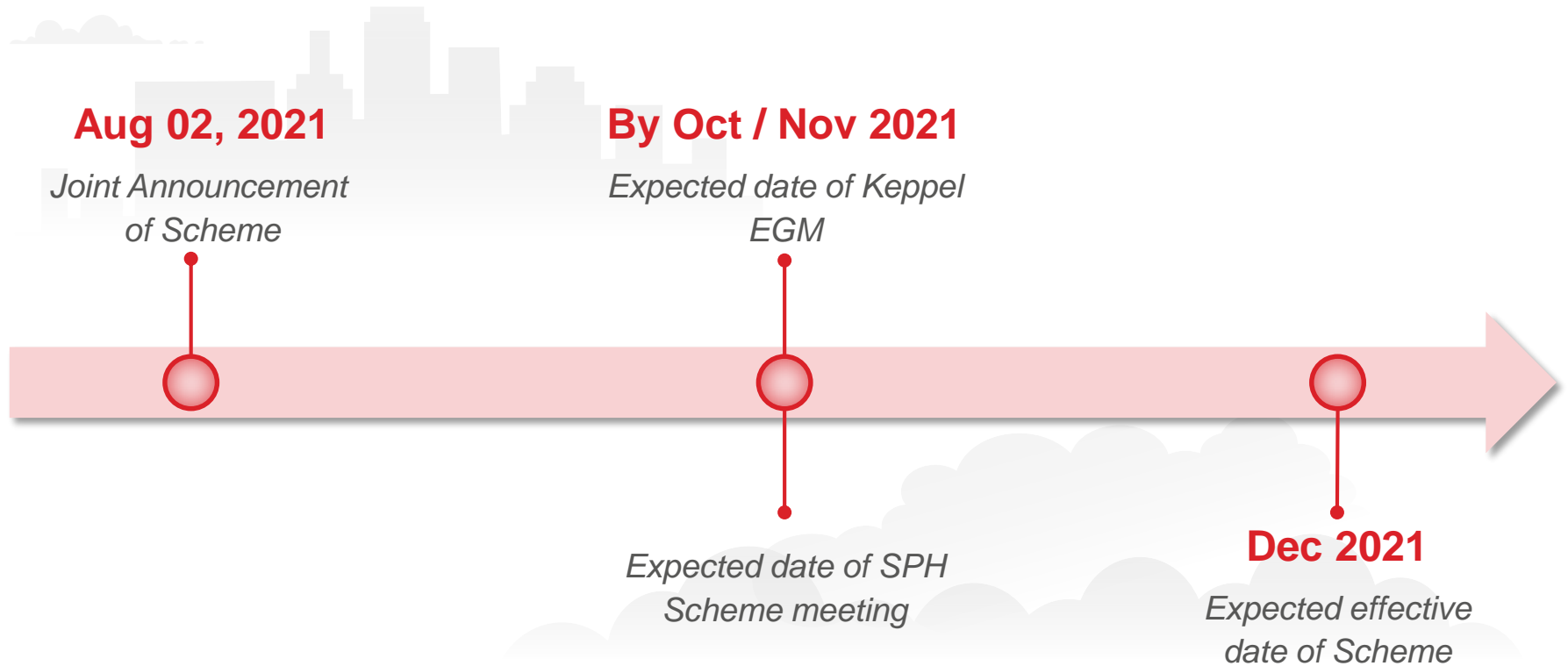
Conclusion and next steps



Meaningful acceleration of Keppel's growth strategy under Vision 2030

- 1** Uniquely positioned to enhance and unlock value of SPH's portfolio
- 2** Expand into secular growth sectors (PBSA and senior living) and benefit from recovery in retail
- 3** Build scale in Asset Management platform
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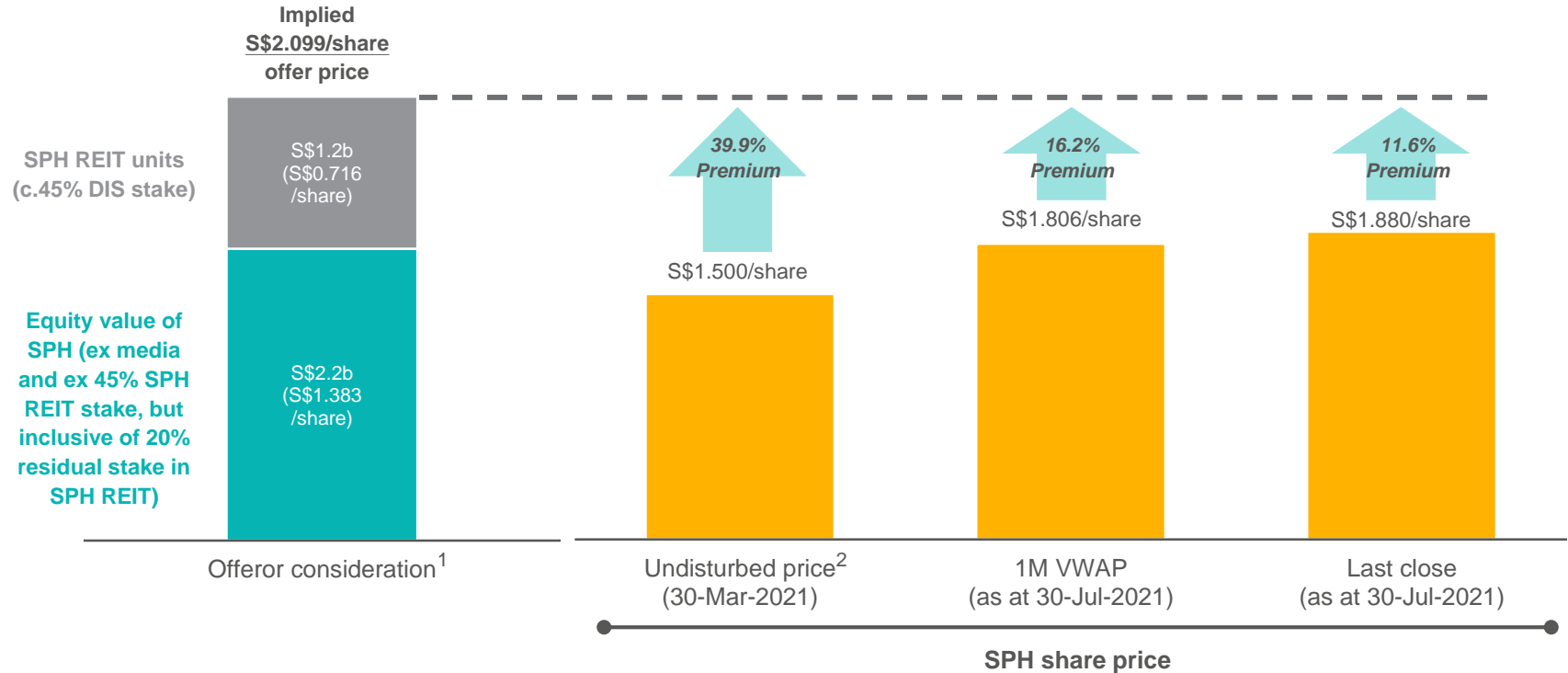
Indicative transaction milestones



Appendix



Composition of Offeror consideration to SPH



Keppel post acquisition of SPH ex-media



Energy & Environment

Keppel O&M

(Announcement of non-binding MOUs)

Keppel Infrastructure

Keppel Renewable Energy

Urban development

Keppel Land

Woodleigh Development (50%)

Seletar Mall (70%)

Keppel Urban Solutions

Sino-Singapore Tianjin Eco-City

Connectivity

Keppel Data Centres

★ Genting Lane Data Centre (100%)

★ M1 (100%)

Keppel Logistics

(Planned divestment)

Asset management

Keppel Capital

PBSA (100%)

Senior Living – Watermark, Orange Valley (100%), Japan Aged Care assets (100%)

Listed REITs & Trust

sphReit (20%)

Keppel REIT (20%)

★ Prime US REIT (c.12%)

Keppel DC REIT

Keppel Pacific Oak US REIT

Keppel Infrastructure Trust

Private Funds

Other investments¹