

**TEMASEK SUBSIDIARY ANNOUNCES  
VOLUNTARY PRE-CONDITIONAL CASH PARTIAL OFFER  
FOR 30.55%<sup>1</sup> OF KEPPEL SHARES AT S\$7.35 PER SHARE**

**Key information for Keppel Shareholders:**

- ***Temasek currently directly owns 20.45% of Keppel<sup>2</sup>***
- ***Subject to certain Pre-Conditions, its wholly-owned subsidiary, Kyanite Investment Holdings (the “Offeror”), will make a partial offer to acquire an additional 30.55% of Shares in Keppel***
- ***If successful, the Partial Offer will result in Temasek and the Offeror owning an aggregate 51% of Keppel***
- ***The intention of Temasek and the Offeror is that Keppel will remain listed on the SGX-ST***
- ***The Offer Price of S\$7.35 per Share is at a premium of approximately 26% over the last traded price, and approximately 21% over the three-month volume weighted average price, prior to and including the Last Trading Date***
- ***The Partial Offer represents an opportunity for Offer Shareholders to realise part, or potentially all, of their investment at a premium over the last traded price of the Shares***
- ***The Pre-Conditions for the Partial Offer include domestic and foreign regulatory approvals being obtained. The Partial Offer will only be made if and when each of the Pre-Conditions is satisfied or waived (at the discretion of the Offeror). This process is expected to take several months***

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<sup>1</sup> All references in this press release to the 30.55% of the Shares to be acquired pursuant to the Partial Offer are determined on the assumption that there is no change to the total number of Shares in issue (excluding Shares held in treasury) between 18 October 2019 (the “LPD”), being the latest practicable date prior to the Pre-Conditional Partial Offer Announcement Date, and the Record Date.

<sup>2</sup> Excluding 1.04% interest in Keppel held by certain of Temasek’s independently-managed and operated subsidiaries which are deemed to be acting in concert with the Offeror in connection with the Partial Offer (the “**Deemed Concert Parties**”) as at the LPD. Temasek is not involved in the business and operating decisions of these companies, including those regarding their positions in the Shares.

**SINGAPORE, 21 October 2019** – Subject to certain Pre-Conditions, Kyanite Investment Holdings Pte. Ltd. (the “**Offeror**”), intends to make a Partial Offer to acquire 30.55% of Shares in Keppel Corporation Limited (“**Keppel**” or the “**Company**”), at S\$7.35 per Share in cash.

The Offeror is an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”), which already directly owns 20.45% of Shares in the Company. If successful, the Partial Offer will result in Temasek and the Offeror directly owning 51% of the Shares in Keppel and the Offeror Concert Party Group<sup>3</sup> having a resultant shareholding in Keppel of 52.04% at the close of the Partial Offer.

The intention is for Keppel to remain listed on the Singapore Exchange (the “**SGX-ST**”). If successful, the Partial Offer will allow Offer Shareholders to monetise a portion or potentially all of their holdings in Keppel, at a premium over the last traded price of the Shares.

The Partial Offer will be made if and when each of the Pre-Conditions is satisfied or waived (at the discretion of the Offeror). Such Pre-Conditions include the obtaining of domestic and foreign regulatory approvals, the process for which is expected to take several months. The full list of Pre-Conditions is set out in Schedule 1 of the Pre-Conditional Partial Offer Announcement.

Assuming there is no change to the total number of Shares as at the Record Date<sup>4</sup>, the Offer Shares to be acquired would represent 30.55% of these Shares.

## **Offer Details**

If and when the Partial Offer is made, the Offeror will offer S\$7.35 in cash (the “**Offer Price**”) for each Share acquired as part of the Partial Offer, implying a premium of approximately 26% over S\$5.84, being the last traded price per Share, and a premium of approximately 21% over S\$6.07, being the volume weighted average price per Share (the

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<sup>3</sup> “**Offeror Concert Party Group**” means the Offeror and persons acting or deemed acting in concert with the Offeror. The resultant shareholding of 52.04% is based on the number of Shares in issue as at the Record Date, includes the 1.04% interest in Keppel held by the Deemed Concert Parties as at the LPD and assumes there is no change to the shareholding of such Deemed Concert Parties. Such Deemed Concert Parties may seek the consent of the Securities Industry Council (the “**SIC**”) to sell their holdings in the Shares during the offer period. Any sale, if made, shall be made in accordance with any condition to be imposed by the SIC.

<sup>4</sup> Record Date is the date falling 14 days prior to the first closing date of the Partial Offer.

“**VWAP**”) for the three-month period prior to and including Friday, 18 October 2019. Further details of premia over other timeframes are shown in the Annex.

## **Rationale for the Partial Offer and Intentions**

The Offeror does not intend to delist or privatise the Company; the Company will remain listed on the SGX-ST.

The Partial Offer represents an opportunity for Offer Shareholders to realise part or potentially all of their investment at a premium over the last traded price of the Shares, and to participate in the future financial performance of the Company through their retained equity interest.

Temasek’s long-standing governance model is to support its portfolio companies operating independently and on commercial principles. Temasek does not involve itself in the operating or business decisions of its portfolio companies; these are properly the responsibility of the boards and management teams of the companies.

Following the successful close of the Partial Offer, the Offeror intends to work with the board of directors of the Company in undertaking a comprehensive strategic review of its businesses (the “**Strategic Review**”) with the objective of creating sustainable value for all Shareholders. In order to facilitate such a Strategic Review, the Offeror may propose new directors to the board of directors of the Company after the close of the Partial Offer.

The Offeror remains open to all possibilities arising from the Strategic Review. The Strategic Review may result in (i) the Company refocusing on and strengthening certain businesses, and/or (ii) potential corporate actions including, but not limited to, joint ventures, strategic partnerships, acquisitions, disposals, mergers, or other transactions involving the Company, in each case as determined by the board of directors of the Company in the best interests of the Company and Shareholders.

Mr Tan Chong Lee, President, Temasek International and Director of the Offeror, said, “The Partial Offer reflects our view that there is inherent long term value in Keppel’s businesses, notwithstanding the challenges presented by the current business and economic outlook.”

He added, “The Partial Offer can only be made after the Pre-Conditions have been fulfilled or waived and this may take several months. For the Partial Offer to be successful, it will

require both majority approval by shareholding of the votes cast and acceptances of not less than 30.55% of the total issued Shares.”

### **Pre-Conditions to the Making of the Partial Offer**

The Partial Offer will be made only if each of the Pre-Conditions is satisfied or waived (at the discretion of the Offeror).

As the Keppel group operates businesses globally, and in certain regulated industries, approvals from various regulatory agencies (both domestic and foreign) will be necessary or appropriate before the Partial Offer can be made.

The making of the Partial Offer is also subject to, among others, (i) the Keppel group’s financial performance and condition not deteriorating meaningfully over the period and (ii) where applicable, the consents of counterparties to material contracts which a Keppel group company is party to, being obtained.

Each of the Pre-Conditions must be satisfied or waived (at the discretion of the Offeror) by 21 October 2020.<sup>5</sup> Please refer to Schedule 1 of the Pre-Conditional Partial Offer Announcement for the full list of Pre-Conditions.

### **Conditions for the Partial Offer to be Successful**

Once the Partial Offer is made, the following conditions must be met for it to be successful:

- The Partial Offer must be approved by votes representing more than 50% in value of the valid votes received from Shareholders as at the Record Date (the Offeror Concert Party Group and its associates cannot vote);
- Offer Shares tendered by Offer Shareholders must result in Temasek’s and the Offeror’s aggregate direct shareholding in the Company reaching 51% as at the Record Date; **AND**
- There being (i) no regulatory impediment prohibiting, materially delaying or restricting the Partial Offer and (ii) no loss of material licences held by the Keppel group of companies.

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<sup>5</sup> Such date may be extended by the Offeror in consultation with the SIC.

## **Cautionary Note**

The Partial Offer will only be made if and when each of the Pre-Conditions is satisfied or waived (at the discretion of the Offeror). Shareholders should note that there is no certainty that the Pre-Conditions will be satisfied and/or waived and that the Partial Offer will be made. Shareholders should exercise caution and seek appropriate independent advice when dealing in the Shares.

## **Responsibility Statement**

The directors of the Offeror (including any director who may have delegated detailed supervision of the preparation of this press release (including attachments hereto)) have taken all reasonable care to ensure that the facts stated and opinions expressed in this press release (including attachments hereto) are fair and accurate and that no material facts have been omitted from this press release (including attachments hereto), and they jointly and severally 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 through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release (including attachments hereto).

## **Financial Adviser**

Morgan Stanley Asia (Singapore) Pte. has been appointed as sole financial adviser to the Offeror in connection with the Partial Offer.

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***This press release should be read in conjunction with the full text of the Pre-Conditional Partial Offer Announcement dated 21 October 2019. Capitalised terms used but not otherwise defined herein shall have the meanings given to them in the Pre-Conditional Partial Offer Announcement. The Pre-Conditional Partial Offer Announcement is available on [www.sgx.com](http://www.sgx.com).***

**Notice to U.S. Holders.** *Neither the United States Securities and Exchange Commission nor any U.S. state securities commission or regulatory authority has approved or disapproved of this press release, passed upon the fairness or merits of the Partial Offer or determined whether this press release is accurate or complete. Any representation to the contrary is a criminal offence in the United States. The Partial Offer, if and when made, will be made to Offer Shareholders resident in the United States in reliance on, and compliance with, Section 14(e) of the U.S. Securities Exchange Act of 1934 and Regulation 14E thereunder, to the extent applicable. Offer Shareholders resident in the United States should note that purchases of Shares or American Depositary Receipts representing Shares other than pursuant to the Partial Offer may be made where permitted under Singapore law or the Singapore Code on Takeovers and Mergers.*

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## ANNEX

The Offer Price of S\$7.35 per Share implies the following premia:

Description	Benchmark Price <sup>6</sup>	Premium over Benchmark Price
Last traded price per Share on Friday, 18 October 2019, being the last trading day prior to the date of the Pre-Conditional Partial Offer Announcement (the “ <b>Last Trading Date</b> ”)	S\$5.84	25.86%
VWAP for the one-month period prior to and including the Last Trading Date	S\$5.97	23.12%
VWAP for the three-month period prior to and including the Last Trading Date	S\$6.07	21.09%
VWAP for the six-month period prior to and including the Last Trading Date	S\$6.27	17.22%
VWAP for the 12-month period prior to and including the Last Trading Date	S\$6.24	17.79%
Keppel's net asset value per Share as at 30 September 2019	S\$6.06	21.29%

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<sup>6</sup> All the benchmark prices set out in this column (except for the net asset value per Share) are based on the data extracted from Bloomberg L.P. on the Last Trading Date and rounded to the nearest two decimal places.

# How Does the Partial Offer Work?

On 21 October 2019,  
the Offeror announced  
a Pre-Conditional Partial Offer

No Shareholder  
Action Required

A number of Pre-Conditions  
will need to be satisfied  
by 21 October 2020<sup>1</sup>

No Shareholder  
Action Required

If each Pre-Condition is satisfied  
or waived, the Offeror will make  
the Partial Offer to Shareholders

Shareholders will receive three items from the Offeror:  
offer document, entitlement notification letter and acceptance form

What can Shareholders then do?



Vote or abstain<sup>2</sup>  
from voting  
on the Partial Offer

AND



Choose to tender  
all, part or none  
of their Shares<sup>3</sup>

The Partial Offer<sup>4</sup> is successful if:

**>50%**

"Approval" Condition:

Of the total number  
of Shares voted<sup>6</sup>,  
more than 50% are voted in  
favour of the Partial Offer

AND

**≥30.55%<sup>5</sup>**

"Acceptance" Condition:

At least 30.55% of the Shares are  
tendered into the Partial Offer,  
such that Temasek and  
the Offeror directly hold 51%<sup>3</sup>

<sup>1</sup> May be extended by the Offeror in consultation with the Securities Industry Council. Please refer to the Pre-Conditional Partial Offer Announcement dated 21 October 2019 for the list of Pre-Conditions.

<sup>2</sup> A Shareholder who abstains from voting will not be considered as having cast a valid vote and such Shares will not be taken into account when determining whether the >50% "Approval" Condition has been met.

<sup>3</sup> If more Shares than required are tendered into the Partial Offer, there will be a pro-rata scale down for all Shareholders who tender more than their pro-rata entitlement to the Partial Offer.

<sup>4</sup> There is (i) no regulatory impediment prohibiting, materially delaying or restricting the Partial Offer and (ii) no loss of material licences held by the Keppel group of companies.

<sup>5</sup> Subject to the number of Shares in issue (excluding shares held in treasury) as at the Record Date, being the date falling 14 days prior to the first closing date of the Partial Offer.

<sup>6</sup> The Offeror, its concert parties (including Temasek) and respective associates, are not eligible to vote.



## Partial Offer FAQs

*This Partial Offer FAQs should be read in conjunction with the full text of the Pre-Conditional Partial Offer Announcement dated 21 October 2019. Capitalised terms used but not otherwise defined herein shall have the meanings given to them in the Pre-Conditional Partial Offer Announcement. The Pre-Conditional Partial Offer Announcement is available on [www.sgx.com](http://www.sgx.com).*

### **Partial Offer Process**

#### **(1) What is a partial offer and how is it different from general offers?**

- A partial offer is an offer made to shareholders of an offeree company to purchase some, but not all, of the shares of the offeree company to achieve a pre-determined ownership.
- Unlike a general offer, the offeror does not seek to purchase all of the shares of the offeree company. Therefore, if the partial offer succeeds, the offeree company will continue to remain listed.
- Under a partial offer, each shareholder has the opportunity to tender all, part or none of the shares held.
- If the total number of shares tendered exceeds the pre-determined number of shares sought by the offeror, the number of shares to be acquired from a shareholder may be scaled back (in a manner which minimises the number of new odd-lot shareholdings) if such shareholder has tendered in excess of the minimum entitlement of shares held.

#### **(2) What is this Partial Offer?**

- Temasek currently directly owns 20.45% of Keppel Corporation Limited ("**Keppel**").<sup>1</sup>
- With this Partial Offer, the Offeror is seeking to acquire an additional 30.55% (subject to the number of Shares in issue as at the Record Date<sup>2</sup>) of total Shares outstanding such that Temasek's and the Offeror's aggregate direct shareholding in Keppel reaches 51%.
- Each Shareholder as at the Record Date (other than the Offeror and persons acting or deemed acting in concert with it (the "**Offeror Concert Party Group**")) (the "**Offer Shareholder**") is entitled to participate in the Partial Offer.
  - Such Offer Shareholder may decide to tender all, part or none of the Shares held. At the same time, such Offer Shareholder may vote or abstain<sup>3</sup> from voting on the Partial Offer.

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<sup>1</sup> Excluding 1.04% interest in Keppel held by certain of Temasek's independently-managed and operated subsidiaries which are deemed to be acting in concert with the Offeror in connection with the Partial Offer (the "**Deemed Concert Parties**") as at the LPD. Temasek is not involved in the business and operating decisions of these companies, including those regarding their positions in Shares.

<sup>2</sup> "**Record Date**" is the date falling 14 days prior to the first closing date of the Partial Offer.

<sup>3</sup> If a Shareholder abstains from voting, such Shareholder will not be considered as having cast a valid vote and Shares held by such Shareholder will not be taken into account when determining whether the Shareholders' Approval Condition has been met.

- Subject to the number of Shares in issue (excluding Shares held in treasury) and the number of Shares held by the Offeror Concert Party Group as at the Record Date, the minimum entitlement of each Offer Shareholder is 38.91%<sup>4</sup> of the Shares held as at the Record Date.
  - An Offer Shareholder may decide to tender more than the minimum entitlement. If the Partial Offer is successful and more than 30.55% of the total Shares outstanding are tendered, there will be a pro-rata scale down to no less than the minimum entitlement for such Offer Shareholder (in a manner which minimises the number of new odd-lot shareholdings).
  - An Offer Shareholder may decide to tender less than or equal to the minimum entitlement. If the Partial Offer is successful, the Offeror will purchase all of such Shares tendered.
- If successful, the Partial Offer will result in Temasek and the Offeror directly owning 51% of the Shares in Keppel and the Offeror Concert Party Group having a resultant shareholding in Keppel of 52.04% at the close of the Partial Offer.<sup>5</sup>

**(3) Are there any Pre-Conditions or conditions in this Partial Offer process?**

*Pre-Conditions*

- Please refer to Schedule 1 of the Pre-Conditional Partial Offer Announcement for the full list of Pre-Conditions.
- The Partial Offer will only be made if and when each of the Pre-Conditions is satisfied or waived (at the discretion of the Offeror).
  - As the Keppel group operates businesses globally and in certain regulated industries, approvals from various regulatory agencies (both domestic and foreign) will be necessary or appropriate before the Partial Offer can be made.
  - The making of the Partial Offer is also subject to, among others: (i) the Keppel group's financial performance and condition not deteriorating meaningfully over the period; and (ii) where applicable, the consents of counterparties to material contracts which a Keppel group company is party to, being obtained.

*Conditions*

- The following conditions must then be met for the Partial Offer to be successful:

<sup>4</sup> 38.91% is the ratio of 30.55% (being the Shares to be acquired pursuant to the Partial Offer as a percentage of total Shares outstanding) to the 78.51% of total Shares outstanding that is held by public shareholders (other than the Offeror Concert Party Group) (i.e.  $30.55\% \div 78.51\% = 38.91\%$ ). These percentages may change depending on the number of Shares in issue (excluding Shares held in treasury) and the number of Shares held by the Offeror Concert Party Group as at the Record Date. Certain Deemed Concert Parties are in the business of fund management and may hold their interest in the Shares on behalf of funds in which there are third party investors. Such Deemed Concert Parties may seek the consent of the Securities Industry Council (the "SIC") to sell their holdings in the Shares during the offer period. Any sale, if made, shall be made in accordance with any condition to be imposed by the SIC.

<sup>5</sup> The resultant shareholding of 52.04% is based on the number of Shares in issue as at the Record Date, includes the 1.04% interest in Keppel held by the Deemed Concert Parties as at the LPD and assumes there is no change to the shareholding of such Deemed Concert Parties.

- The Partial Offer must be approved by votes representing more than 50% in value of the valid votes received from Shareholders as at the Record Date (the Offeror Concert Party Group and its associates are not eligible to vote) (the **“Shareholders’ Approval Condition”**);
  - Offer Shares tendered by Offer Shareholders must result in Temasek’s and the Offeror’s aggregate direct shareholding in the Company reaching 51% as at the Record Date; and
  - There being (i) no regulatory impediment prohibiting, materially delaying or restricting the Partial Offer and (ii) no loss of material licences held by the Keppel group of companies.
- Please refer to the Pre-Conditional Partial Offer Announcement for the full list of, and further details on, the Pre-Conditions and the conditions.

**(4) How long will the process take?**

- The process for obtaining domestic and foreign regulatory approvals could take several months. The Offeror has established a long stop date of 21 October 2020 to satisfy the Pre-Conditions.<sup>6</sup>
- Once each Pre-Condition is satisfied or waived (at the discretion of the Offeror), the Partial Offer process will take 2 to 3 months.

**(5) How does the Offer Price compare to historical prices?**

- The Offer Price of S\$7.35 in cash for each Share implies the following premia:
  - 25.86% over the last traded price per Share on the last trading day prior to the date of the Pre-Conditional Partial Offer Announcement;
  - 23.12% over the 1-month volume weighted average price per Share (**“VWAP”**), 21.09% over the 3-month VWAP, 17.22% over the 6-month VWAP and 17.79% over the 12-month VWAP; and
  - 21.29% over Keppel’s net asset value per Share as at 30 September 2019.

**(6) Will Keppel remain a publicly listed company after a successful Partial Offer?**

- Yes. If the Partial Offer succeeds, Temasek and the Offeror will directly own in aggregate 51% of Keppel and Keppel will remain a publicly listed company.
- The Partial Offer represents an opportunity for Offer Shareholders to realise part or potentially all of their investment at a premium over the last traded price of the Shares, and to participate in the future performance of the Company through their retained equity interest.

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<sup>6</sup> Such date may be extended by the Offeror in consultation with the SIC.

## **Information for Shareholders**

### **(7) What do I need to do after the Pre-Conditional Partial Offer Announcement?**

- Until the Partial Offer is made, no action is required by Shareholders.

### **(8) When can I tender my Offer Shares into the Partial Offer?**

- The Partial Offer will only be made if and when each of the Pre-Conditions is satisfied or waived (at the discretion of the Offeror). Such Pre-Conditions include the obtaining of domestic and foreign regulatory approvals,
- The Offeror will make another announcement if and when the Partial Offer is made, and the offer document containing details of the Partial Offer (the “**Offer Document**”) will be sent to Offer Shareholders.
- At that time, the Offer Shareholders, if they wish to do so, can then tender their Shares into the Partial Offer via submission of the acceptance form enclosed with the Offer Document.

### **(9) What will I get for the Offer Shares I tender into the Partial Offer?**

- If the Partial Offer is made, for each Offer Share acquired by the Offeror, an Offer Shareholder will receive consideration of S\$7.35 in cash.

### **(10) How will I be paid for the Offer Shares I tender, and how will I receive my money?**

- Following the successful close of the Partial Offer, the Offeror will pay Offer Shareholders for the Offer Shares tendered by such Offer Shareholders into the Partial Offer (subject to scale back, where Shares have been tendered in excess of the minimum entitlement). Payment will be made within **7 business days** of the closing date of the Partial Offer. Offer Shareholders can expect to either receive a cheque in S\$ for the appropriate amount, or be paid through their agreed arrangement with CDP for payment of cash distributions.

### **(11) What do I need to do if and when the Partial Offer is made?**

- Offer Shareholders will receive, as part of the Partial Offer, the Offer Document and an acceptance form. Offer Shareholders will be notified in due course of their pro-rata entitlement to the Partial Offer.
- Offer Shareholders can:
  - vote or abstain<sup>7</sup> from voting on the Partial Offer; and
  - choose to tender all, part or none of their Shares.

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<sup>7</sup> See footnote 3 above.

**(12) What are the important dates and times?**

- Formal Partial Offer Announcement Date (“T”) – After each of the Pre-Conditions is satisfied or waived (at the discretion of the Offeror).
- Despatch of Offer Document – Between 14 and 21 days after the Formal Partial Offer Announcement, unless the SIC otherwise consents to an earlier date of despatch.
- Record Date – 14 days prior to the First Closing Date.
- Despatch of Entitlement Notification – Following the Record Date.
- First Closing Date – Not less than 28 days after the despatch of the Offer Document.

Illustration:\*



*\*Note: The illustration above sets out an indicative timeline and the actual dates will be notified in due course if and when the Partial Offer is made. First Closing Date in the illustration above refers to the earliest First Closing Date.*

**(13) Who can I call if I need help?**

- Please contact Morgan Stanley Asia (Singapore) Pte. at (65) 6834 6676.

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