

SCHEME DOCUMENT

DATED 11 MARCH 2019

THIS SCHEME DOCUMENT IS
IMPORTANT AND REQUIRES
YOUR IMMEDIATE ATTENTION.
PLEASE READ IT CAREFULLY.

In relation to the proposed acquisition of Keppel Telecommunications & Transportation Ltd by Keppel Corporation Limited by way of a scheme of arrangement



Keppel Telecommunications & Transportation Ltd
(Incorporated in the Republic of Singapore)
(Company Registration Number: 196500115G)

Financial Adviser to
Keppel Corporation Limited



DBS Bank Ltd.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 196800306E)

Independent Financial Adviser to
the Independent Directors of
Keppel Telecommunications & Transportation Ltd



Rothschild & Co Singapore Limited
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197301242C)

Important Notice

This Scheme Document is issued by Keppel Telecommunications & Transportation Ltd (the "Company").

IF YOU ARE IN ANY DOUBT ABOUT THIS SCHEME DOCUMENT OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all or any of your issued and fully paid-up ordinary shares in the capital of the Company ("Shares"), you should immediately hand this Scheme Document and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited ("SGX-ST") assumes no responsibility for the correctness or accuracy of any of the statements made, reports contained or opinions expressed in this Scheme Document. All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Scheme Document.

Scheme Consideration

For each Scheme Share

S\$1.91
in cash

(the "Scheme Consideration")

**Submit your vote in
person or by proxy**

IMPORTANT DATES AND TIMES

**Last date and time for lodgement
of Proxy Form for Scheme Meeting**

3.00 p.m., 30 March 2019

Date and time of Scheme Meeting

3.00 p.m., 2 April 2019

Venue for Scheme Meeting

Suntec Singapore Convention and
Exhibition Centre, Rooms 334-336
Level 3, 1 Raffles Boulevard
Suntec City, Singapore 039593



What should I know about the Scheme

1 The Scheme

On 27 September 2018, Keppel Corporation Limited (the “**Offeror**”) and Keppel Telecommunications & Transportation Ltd (the “**Company**”) jointly announced the proposed acquisition by the Offeror of all the Shares (other than the Shares already held by the Offeror) (“**Scheme Shares**”) at **S\$1.91 per Scheme Share**.

The acquisition will be effected by way of a scheme of arrangement under Section 210 of the Companies Act (Chapter 50 of Singapore) (the “**Scheme**”). The Scheme is subject to a number of conditions, including approval from Scheme Shareholders and the sanction of the Scheme by the Court, and will only become effective when these conditions have been satisfied (or, where applicable, waived).

2 The Offeror

Keppel Corporation Limited

Incorporated in Singapore and listed on the Mainboard of the SGX-ST, the Offeror is a multi-business company providing robust solutions for sustainable urbanisation to meet the growing need for energy, infrastructure, clean environments, high quality homes and offices and connectivity.

As at the Latest Practicable Date, the Offeror owns 79.09 per cent. of the total number of Shares.

3 What do I get for my Scheme Shares if the Scheme becomes effective?

Scheme Consideration: **S\$1.91** in cash for each Scheme Share

An illustration of the consideration to be received by a Scheme Shareholder should the Scheme become effective:

1,000 Shares	=	S\$1,910 in cash
10,000 Shares	=	S\$19,100 in cash
50,000 Shares	=	S\$95,500 in cash

All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Scheme Document.

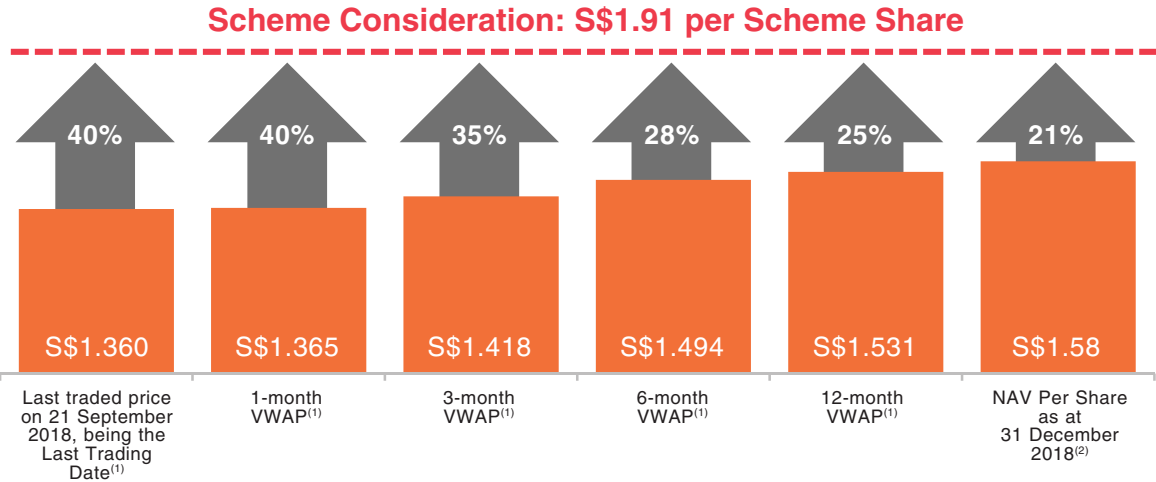
What should I know about the Scheme

4 Rationale for the Scheme



Opportunity for Shareholders to exit their investments in the Company

- The Scheme Consideration represents the following premia over the relevant benchmarks:



Notes:

- Figures in the above graph are calculated based on data extracted from Bloomberg L.P. as at 21 September 2018, being the last trading date prior to the Joint Announcement (“**Last Trading Date**”), and rounded to the nearest three (3) decimal places. Premia rounded to the nearest one (1) per cent..
- Net asset value per Share as at 31 December 2018, based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2018.

- The Scheme Consideration exceeds the highest closing price of the Shares since 29 September 2008.



Note: Figures in the above graph are extracted from Bloomberg L.P. as at 21 September 2018, being the Last Trading Date.

All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Scheme Document.

What should I know about the Scheme

4 Rationale for the Scheme



More Efficient Allocation of Resources and Capital Across the Offeror 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 without the reporting requirements and compliance costs associated with the maintenance of the Company’s listed status.



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

The privatisation of the Company allows for the full integration of the Company as a wholly-owned subsidiary of the Offeror Group. This will provide the Offeror with greater control and flexibility 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.

All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Scheme Document.

What should I know about the Scheme

5 What is the recommendation of the Independent Financial Adviser?

Extracted from the IFA Letter:

*“Based upon and subject to the foregoing, we are of the opinion that, as at the Latest Practicable Date, the financial terms of the Scheme are **FAIR AND REASONABLE** so far as the Scheme Shareholders are concerned. Accordingly, we advise the Independent Directors to recommend that the Scheme Shareholders **VOTE IN FAVOUR** of the Scheme at the Scheme Meeting or sell their Scheme Shares in the open market if they are able to obtain a price higher than the Scheme Consideration (after netting off the related transaction expenses).”*



INDEPENDENT FINANCIAL ADVISER

IT IS IMPORTANT THAT YOU READ THIS EXTRACT TOGETHER WITH AND IN THE CONTEXT OF THE IFA LETTER IN FULL, WHICH CAN BE FOUND IN APPENDIX 1 TO THIS SCHEME DOCUMENT. YOU ARE ADVISED AGAINST RELYING SOLELY ON THIS EXTRACT, WHICH IS ONLY MEANT TO DRAW ATTENTION TO THE CONCLUSION AND OPINION OF THE IFA.

6 What is the recommendation of the Independent Directors?

Extracted from the recommendation from the Independent Directors:

*“The Independent Directors, having carefully considered the terms of the Scheme and the advice given by the IFA in the IFA Letter, concur with the recommendation of the IFA in respect of the Scheme. Accordingly, the Independent Directors unanimously recommend that Scheme Shareholders **VOTE IN FAVOUR** of the Scheme at the Scheme Meeting.”*



INDEPENDENT DIRECTORS

IT IS IMPORTANT THAT YOU READ THIS EXTRACT TOGETHER WITH AND IN THE CONTEXT OF THE LETTER TO SHAREHOLDERS IN FULL. YOU ARE ADVISED AGAINST RELYING SOLELY ON THIS EXTRACT, WHICH IS ONLY MEANT TO DRAW ATTENTION TO THE RECOMMENDATION FROM THE INDEPENDENT DIRECTORS.

What should I know about the Scheme

7 What is required for the Scheme to be approved by Scheme Shareholders?

The Scheme is subject to a number of conditions, including approval from Scheme Shareholders and the sanction of the Scheme by the Court, and will only become effective when these conditions have been satisfied (or, where applicable, waived). The Scheme Conditions must be satisfied (or, where applicable, waived) by 30 April 2019⁽¹⁾ (“**Long-Stop Date**”), failing which the Scheme will not become effective.

The Offeror and its concert parties will abstain from voting on the Scheme in respect of their Scheme Shares at the Scheme Meeting.

YOUR VOTE COUNTS

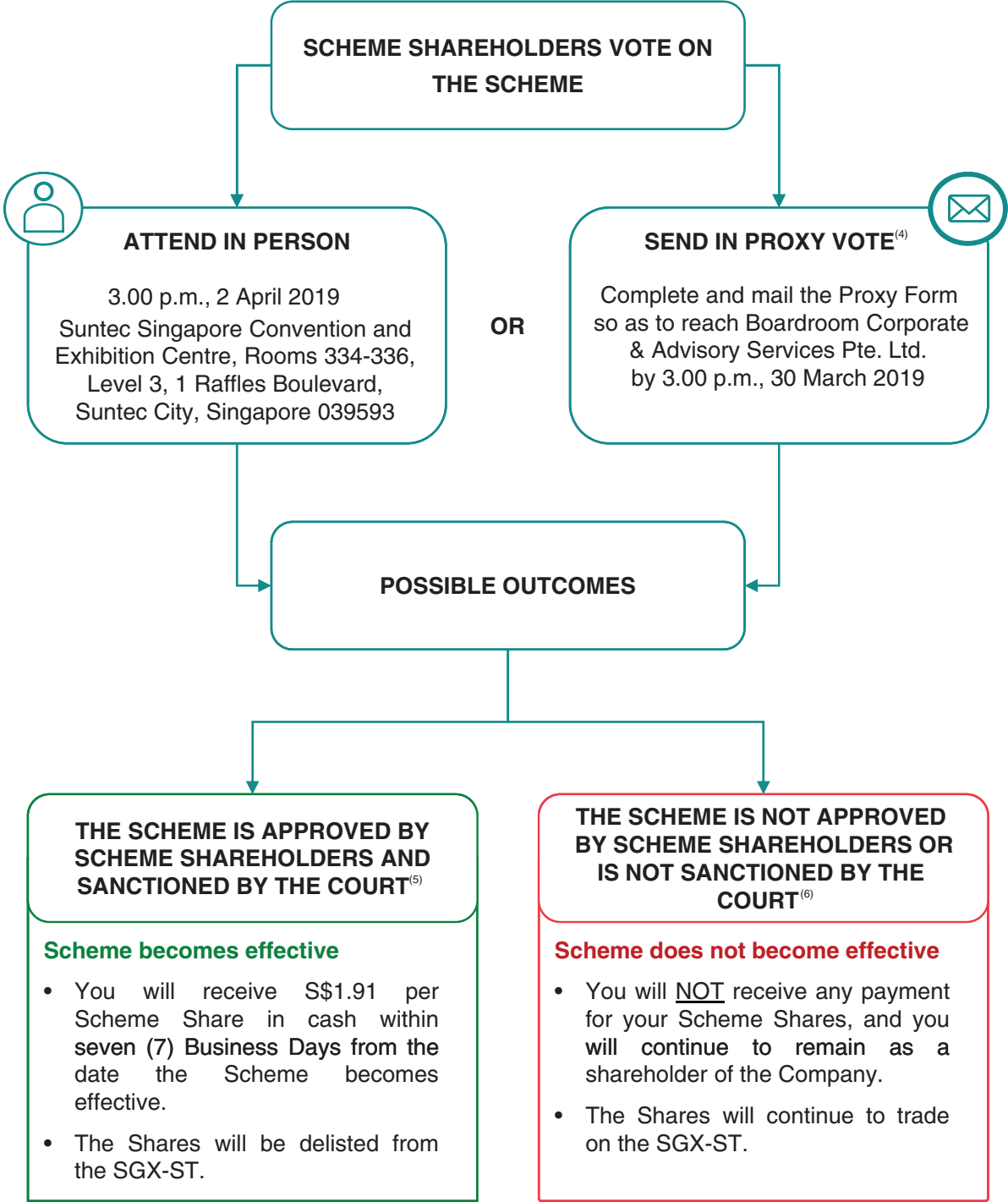
There are two conditions to be met for the Scheme to be approved by Scheme Shareholders at the Scheme Meeting.

“HEAD-COUNT” CONDITION		“SHARE-COUNT” CONDITION
> 50%	+	≥ 75%
Approval of <u>more than 50% of the number of Scheme Shareholders present and voting in person or by proxy at the Scheme Meeting</u>⁽²⁾		Approval of <u>at least 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting in person or by proxy at the Scheme Meeting</u>⁽³⁾

(1) Or such other date as the Company and the Offeror may agree in writing.
(2) Excluding the Offeror and its concert parties, who are not eligible to vote and will abstain from voting.
(3) Excluding Shares held by the Offeror and its concert parties, who are not eligible to vote and will abstain from voting.

All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Scheme Document.

What are the possible outcomes of the Scheme



(4) Appoint a proxy to vote on your behalf at the Scheme Meeting.
 (5) Assuming that all of the other Scheme Conditions are satisfied (or, where applicable, waived) by the Long-Stop Date.
 (6) Or if any of the other Scheme Conditions is not satisfied (or, where applicable, waived) by the Long-Stop Date.

All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Scheme Document.

How do I vote on the Scheme



ATTEND IN PERSON

3.00 p.m., 2 April 2019

Suntec Singapore Convention and Exhibition Centre, Rooms 334-336, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593

If you are unable to attend in person, you may nominate someone you know, or the Chairman of the Scheme Meeting, to vote on your behalf using the Proxy Form.

STEP 1 Locate the Proxy Form

The Proxy Form is enclosed with this Scheme Document, or can be obtained from:

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

Operating hours: Monday to Friday 8.30 a.m. to 5.30 p.m.

STEP 2 Complete the Proxy Form

PROXY FORM FOR SCHEME MEETING

Keppel T&T
Keppel Telecommunications & Transportation Ltd
SINGAPORE

SCHEME MEETING

PROXY FORM

I/We _____ (Name) _____ (NRIC/Passport No.) of _____ (Address) _____ (Address) being a member/members of Keppel Telecommunications & Transportation Ltd (the "Company") hereby appoint _____ (Name) _____ (NRIC/Passport No.) _____ (Address) _____ (Address) as my/our proxy to attend the Scheme Meeting at _____ (Address) _____ (Address) on _____ (Date) _____ (Time) and at any adjournment thereof, for the purpose of participating and, if thought fit, approving the Scheme referred to in the notice convening the Scheme Meeting, and at such Scheme Meeting or at any adjournment thereof to vote for "in favour" and in "my/our name(s)" for or against the said Scheme as hereunder indicated.

*We direct "my/our proxy to vote for or against the Scheme to be proposed at the Scheme Meeting as indicated hereunder. If no specific direction is given, the proxy will vote or abstain from voting at "his/her discretion, as "he/she" will on any other matter arising at the Scheme Meeting and at any adjournment thereof. If no person is named in the box below, the Chairman of the Scheme Meeting shall be "my/our proxy to vote, for or against the Scheme at the Scheme Meeting, for "in favour" and on "my/our behalf" at the Scheme Meeting and at any adjournment thereof.

If you wish to vote "FOR" the Scheme referred to in the notice convening the Scheme Meeting, please indicate with a tick (✓) in the box marked "FOR" set out below. If you wish to vote "AGAINST" the Scheme referred to in the notice convening the Scheme Meeting, please indicate with a tick (✓) in the box marked "AGAINST" set out below. **DO NOT TICK IN BOTH BOXES.**

RESOLUTION	FOR	AGAINST
To approve the Scheme of Arrangement		

Dated this _____ day of _____ 2019

Signature(s) or Common Seal of Member(s)

IMPORTANT: Please read the notes overleaf before completing this Proxy Form.

Total Number of Shares Held: _____

A Fill in your name and particulars.

I/We Michael M. (Name) G0000000X (NRIC/Passport No.) of Blk 000 ABC Road #00-00 S(000000) (Address) being a member/members of Keppel Telecommunications & Transportation Ltd (the "Company") hereby appoint:

B You may fill in the details of your appointed proxy or leave this section blank. The Chairman of the Scheme Meeting will be appointed as your proxy if this section is left blank.

Name	Address	NRIC/Passport No.
Michael M.	Blk 000 ABC Road #00-00 S(000000)	G0000000X

C Indicate your vote by ticking in the box labelled **FOR** or **AGAINST** the Scheme Resolution.

RESOLUTION	FOR	AGAINST
To approve the Scheme of Arrangement	✓	

D Indicate the total number of Shares you hold.

Total Number of Shares Held	X,XXX
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All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Scheme Document.

How do I vote on the Scheme

STEP 2 Complete the Proxy Form (continued)

PROXY FORM FOR SCHEME MEETING

Keppel T&T
Keppel Telecommunications & Transportation Ltd

SCHEME MEETING

PROXY FORM

I/We _____ (Name) (NRIC/Passport No.) of _____ (Address) being a member/member(s) of Keppel Telecommunications & Transportation Ltd (the "Company") hereby appoint: _____

Name	Address	NRIC/Passport No.

or failing "them/her, the Chairman of the Scheme Meeting of the Company, as "my/our proxy to attend, speak and to vote for "me/us on "my/our behalf at the Scheme Meeting to be held at Suntec Singapore Convention and Exhibition Centre Rooms, 334 - 336, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 038903 on 2 April 2019 at 3:00 p.m. and at any adjournment thereof, for the purpose of considering and, if thought fit, approving the Scheme referred to in the notice convening the Scheme Meeting and at each Scheme Meeting for or any adjournment thereof to vote for "me/us and in "my/our name(s) for the said Scheme or against the said Scheme as hereunder indicated.

"We direct "my/our proxy to vote for or against the Scheme to be proposed at the Scheme Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy will vote or abstain from voting at "his/her discretion, as "he/she will on any other matter arising at the Scheme Meeting and at any adjournment thereof. If no person is named in the above box(es) the Chairman of the Scheme Meeting shall be "my/our proxy to vote, for or against the Scheme at the Scheme Meeting, for "me/us and on "my/our behalf at the Scheme Meeting and at any adjournment thereof.

If you wish to vote "FOR" the Scheme referred to in the notice convening the Scheme Meeting, please indicate with a tick (✓) in the box marked "FOR" set out below. If you wish to vote "AGAINST" the Scheme referred to in the notice convening the Scheme Meeting, please indicate with a tick (✓) in the box marked "AGAINST" set out below. **DO NOT TICK IN BOTH BOXES.**

RESOLUTION	FOR	AGAINST
To approve the Scheme of Arrangement		

* Done accordingly

Dated this _____ day of _____ 2019

Signature(s) or Common Seal of Member(s)

IMPORTANT: Please read the notes overleaf before completing this Proxy Form.

Glue at sides firmly. Stapling and spot sealing are disallowed.

E Indicate the date and sign.

Dated this ____XX____ day of ____XXXX____ 2019

Ju

Signature(s) or Common Seal of Member(s)

STEP 3 Return the completed Proxy Form

Return the completed Proxy Form in the enclosed pre-addressed envelope so as to reach Boardroom Corporate & Advisory Services Pte. Ltd. by 3.00 p.m. on 30 March 2019.

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE PERMIT NO. 05004

|||

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD
c/o BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.
50 RAFFLES PLACE
#32-01 SINGAPORE LAND TOWER
SINGAPORE 048623

PROPOSED ACQUISITION OF KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD BY WAY OF A SCHEME OF ARRANGEMENT

All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Scheme Document.

What are the important dates and times?

Last date and time for lodgement of Proxy Form 3.00 p.m., 30 March 2019

Details of Scheme Meeting 3.00 p.m., 2 April 2019
Suntec Singapore Convention and Exhibition Centre, Rooms 334-336
Level 3, 1 Raffles Boulevard
Suntec City, Singapore 039593

Expected Effective Date⁽⁷⁾ 29 April 2019

Expected date for payment of the Scheme Consideration⁽⁸⁾ By 9 May 2019

How can I check the number of Shares I own?

You can check your shareholding balance with CDP by contacting them at +65 6535 7511. If you own Shares through a bank, broker or any other intermediary, you can also check your shareholding balance by contacting them directly. If you are a CPFIS Investor or SRS Investor, please consult your CPF Agent Bank or SRS Agent Bank for further information.

Who can I call if I have inquiries in relation to the Scheme?

Financial Adviser to the Offeror

DBS Bank Ltd.
Strategic Advisory

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

Tel: +65 6682 8999

Important Notice

The information in this section is qualified by, and should be read in conjunction with, the full information contained in the rest of this Scheme Document. In the event of any inconsistency or conflict between the terms of this section and the rest of this Scheme Document, the terms set out in this Scheme Document shall prevail. Nothing in this section is intended to be, or shall be taken as, an advice, a recommendation or a solicitation to the Scheme Shareholders or any other party.

Scheme Shareholders are advised to exercise caution when dealing in their Scheme Shares and refrain from taking any action in relation to their Scheme Shares which may be prejudicial to their interests.

(7) The Scheme will only be effective and binding upon lodgement of the Scheme Court Order with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"). The Scheme Court Order will be lodged with ACRA after the satisfaction (or, where applicable, waiver) of all the Scheme Conditions.

(8) Assuming that the Effective Date is on 29 April 2019.

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DEFINITIONS

For the purpose of this Scheme Document, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“Acquisition”	:	Has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders
“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“Awards”	:	Share awards granted under the KT&T Share Plans
“Board”	:	The board of directors of the Company
“Books Closure Date”	:	A date to be announced (before the Effective Date) by the Company on which the Transfer Books and the Register of Members will be closed in order to determine the entitlements of the Scheme Shareholders in respect of the Scheme
“Business Day”	:	A day (other than Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore
“CDP”	:	The Central Depository (Pte) Limited
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“Company” or “KT&T”	:	Keppel Telecommunications & Transportation Ltd
“Company Securities”	:	Collectively, any (a) Shares; (b) securities which carry voting rights in the Company; or (c) convertible securities, warrants, options and derivatives in respect of Shares or securities which carry voting rights in the Company
“Constitution”	:	The constitution of the Company
“Court”	:	The High Court of the Republic of Singapore
“CPF”	:	The Central Provident Fund
“CPF Agent Banks”	:	Agent banks included under the CPFIS
“CPFIS”	:	CPF Investment Scheme
“CPFIS Investors”	:	Investors who purchased Shares using their CPF savings under the CPFIS

DEFINITIONS

“derivatives”	:	Any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities which causes the holder to have a long economic exposure to the underlying securities
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“Effective Date”	:	The date on which the Scheme becomes effective in accordance with its terms
“Encumbrance”	:	Any charge, mortgage, lien, hypothecation, hire purchase, judgment, encumbrance, easement, security, title retention, preferential right, trust arrangement or any other security interest or any other agreements or arrangements having a commercial effect analogous to the conferring of security or similar rights in favour of any person
“Entitled Scheme Shareholders”	:	Scheme Shareholders as at 5.00 p.m. on the Books Closure Date
“Explanatory Statement”	:	The explanatory statement in compliance with Section 211 of the Companies Act as set out on pages 25 to 39 of this Scheme Document
“FY”	:	The financial year ended 31 December of a particular year. A reference to “FY” followed immediately by a reference to a calendar year shall mean the financial year starting on 1 January of the relevant calendar year and ending on 31 December of the relevant calendar year. By way of illustration, “FY2018” shall mean the financial year from 1 January 2018 to 31 December 2018
“FY2018 Audited Financial Statements”	:	The audited consolidated financial statements of the Group for FY2018 released on SGXNET on 8 March 2019
“Governmental Agency”	:	Any foreign or Singaporean government or governmental, semi-governmental, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity
“Group”	:	The Company and its subsidiaries, and “Group Company” means any one of them
“Holding Announcement Date”	:	24 September 2018, being the date on which the Offeror released an announcement in relation to, <i>inter alia</i> , consideration by the Offeror of a transaction involving its interest in the Company

DEFINITIONS

“IFA”	:	Rothschild & Co Singapore Limited, the independent financial adviser to the Independent Directors
“IFA Letter”	:	The letter from the IFA to the Independent Directors dated 11 March 2019, as set out in Appendix 1 to this Scheme Document
“IFRS”	:	International Financial Reporting Standards
“Implementation Agreement”	:	The implementation agreement dated 27 September 2018 entered into between the Company and the Offeror setting out the terms and conditions on which the Offeror and the Company will implement the Scheme
“Independent Directors”	:	The Directors who are considered independent for the purposes of making a recommendation to Scheme Shareholders in respect of the Scheme, namely all the Directors excluding the Relevant Directors
“Joint Announcement”	:	The joint announcement by the Company and the Offeror dated 27 September 2018 in relation to, <i>inter alia</i> , the Acquisition and the Scheme
“Joint Announcement Date”	:	27 September 2018, being the date of the Joint Announcement
“KCL PSP”	:	The Offeror’s Performance Share Plan
“KCL PSP – TIP”	:	The transformation incentive plan under the Offeror’s Performance Share Plan
“KCL RSP”	:	The Offeror’s Restricted Share Plan
“KCL Share Plans”	:	KCL PSP, KCL PSP – TIP and KCL RSP
“KCL SOS”	:	KCL Share Option Scheme
“KPL”	:	Konnectivity Pte. Ltd.
“KT&T PSP”	:	The Company’s Performance Share Plan
“KT&T RSP”	:	The Company’s Restricted Share Plan
“KT&T Share Plans”	:	KT&T PSP and KT&T RSP
“Last Trading Date”	:	21 September 2018, being the date on which the Shares were last traded on the SGX-ST prior to the Joint Announcement Date

DEFINITIONS

“Latest Practicable Date”	:	1 March 2019, being the latest practicable date prior to the printing of this Scheme Document
“Letter to Shareholders”	:	The letter to the Shareholders as set out on pages 12 to 24 of this Scheme Document
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Long-Stop Date”	:	30 April 2019 (or such other date as the Company and the Offeror may agree in writing)
“M1”	:	M1 Limited
“M1 Shares”	:	Issued and paid-up ordinary shares in the capital of M1 Limited (excluding treasury shares)
“Market Day”	:	A day on which the SGX-ST is open for the trading of securities
“Notice of Scheme Meeting”	:	The notice of the Scheme Meeting as set out in Appendix 14 to this Scheme Document
“Offer Announcement”	:	The announcement by KPL dated 28 December 2018 in relation to the voluntary conditional general offer by KPL for all the 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
“Offeror” or “KCL”	:	Keppel Corporation Limited
“Offeror Concert Party Group”	:	The Offeror and persons acting in concert with the Offeror in relation to the Scheme and the Acquisition
“Offeror Group”	:	The Offeror and its subsidiaries
“Offeror Securities”	:	Offeror Shares and convertible securities, warrants, options and derivatives in respect of any such Offeror Shares
“Offeror Shares”	:	Ordinary shares in the capital of the Offeror
“Offeror’s Financial Adviser”	:	DBS Bank Ltd.
“Offeror’s Letter”	:	The letter from the Offeror to Shareholders as set out in Appendix 2 to this Scheme Document

DEFINITIONS

“Official Assignee”	:	The public officer from the Singapore Ministry of Law administering a bankrupt’s affairs in bankruptcy
“Official Receiver”	:	The public officer from the Singapore Ministry of Law acting as the liquidator of companies in compulsory winding up in Singapore
“options”	:	Options to subscribe for or purchase new shares or existing shares in the capital of the Company or the Offeror (as the case may be)
“Overseas Shareholders”	:	Shareholders whose addresses are outside Singapore, as shown on the Register of Members, or as the case may be, in the records of the Depository Register
“Parties”	:	The Company and the Offeror, and “Party” means any one of them
“Prescribed Occurrence”	:	Has the meaning ascribed to it in Appendix 7 to this Scheme Document
“Proxy Form” or “form of proxy”	:	The accompanying proxy form for the Scheme Meeting as set out in this Scheme Document
“Register of Members”	:	The register of members of the Company
“Relevant Directors”	:	Mr. Loh Chin Hua, Mr. Chan Hon Chew and Mr. Thomas Pang Thieng Hwi and “Relevant Director” means any one of them
“Relevant Group Companies”	:	The Company and its subsidiaries as set out in Appendix 12 to this Scheme Document and “Relevant Group Company” means any of them
“Remuneration Committee”	:	The Remuneration Committee of the Company
“Scheme”	:	The scheme of arrangement under Section 210 of the Companies Act dated 11 March 2019 as set out on pages 226 to 232 of this Scheme Document (as may be amended or modified from time to time)
“Scheme Conditions”	:	The conditions precedent in the Implementation Agreement which must be satisfied (or, where applicable, waived) by the Long-Stop Date for the Scheme to be implemented and which are reproduced in Appendix 6 to this Scheme Document

DEFINITIONS

“Scheme Consideration”	:	S\$1.91 in cash for each Scheme Share to be paid by the Offeror to each Entitled Scheme Shareholder in accordance with the terms of the Scheme
“Scheme Court Order”	:	The order of the Court sanctioning the Scheme under Section 210 of the Companies Act
“Scheme Document”	:	This document dated 11 March 2019 issued by the Company to Shareholders containing, <i>inter alia</i> , details of the Scheme, an explanatory statement complying with the requirements of the Companies Act, the Notice of Scheme Meeting and the Proxy Form
“Scheme Meeting”	:	The meeting of Scheme Shareholders to be convened pursuant to the order of the Court to approve the Scheme, notice of which is set out in Appendix 14 of this Scheme Document, and any adjournment thereof
“Scheme Shareholders”	:	Shareholders other than the Offeror
“Scheme Shares”	:	Shares other than those already held by the Offeror
“Securities Account”	:	The relevant securities account maintained by a depositor with CDP but does not include a securities sub-account
“Securities and Futures Act”	:	The Securities and Futures Act, Chapter 289 of Singapore
“Senior Notes”	:	The S\$100,000,000 fixed rate notes due 2024 issued by the Company pursuant to its S\$500,000,000 Multicurrency Medium Term Note Programme
“SFRS”	:	Singapore Financial Reporting Standards
“SFRS(I)”	:	Singapore Financial Reporting Standards (International)
“SFRS(I) 1”	:	SFRS(I) 1 <i>First-time Adoption of Singapore Financial Reporting Standards (International)</i>
“SGXNET”	:	Singapore Exchange Network
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd., the share registrar of the Company
“Shareholders”	:	Persons who are registered as holders of Shares in the Register of Members and depositors who have Shares entered against their names in the Depository Register

DEFINITIONS

“ Shares ”	:	Issued and paid-up ordinary shares in the capital of the Company
“ SIC ”	:	Securities Industry Council of Singapore
“ SRS ”	:	Supplementary Retirement Scheme
“ SRS Agent Banks ”	:	Agent banks included under the SRS
“ SRS Investors ”	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
“ Subject Properties ”	:	The properties as set out in Appendix 5 to this Scheme Document
“ Substantial Shareholders ”	:	As defined in Section 2 of the Securities and Futures Act
“ Surviving Provisions ”	:	Clauses 1 (Definitions and Interpretation), 4.4 (Effect of Termination), 7 (Public Announcement), 8 (Confidentiality) and 9 (Miscellaneous) of the Implementation Agreement which will survive termination of the Implementation Agreement
“ S\$ ” and “ cents ”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
“ Transfer Books ”	:	The transfer books of the Company
“ Valuation Reports ”	:	The valuation reports issued by the relevant Valuers in respect of the Subject Properties, of which extracts are set out in Appendix 5 to this Scheme Document
“ Valuers ”	:	Edmund Tie & Company (SEA) Pte Ltd, Cushman & Wakefield VHS Pte. Ltd. and CBRE Limited
“ VWAP ”	:	Volume-weighted average price
“ warrants ”	:	Rights to subscribe for or purchase new shares or existing shares in the Company or the Offeror (as the case may be)
“ % ” or “ per cent. ”	:	Per centum or percentage

Acting in Concert and Concert Parties. The terms “**acting in concert**” and “**concert parties**” shall have the meanings ascribed to them respectively in the Code.

Depositors and Depository Register. The terms “**depositor**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

DEFINITIONS

Subsidiary and Related Corporations. The terms “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Headings. The headings in this Scheme Document are for ease of reference only and shall be ignored in construing this Scheme Document.

Expressions. Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing any one gender shall, where applicable, include the other genders (male, female or neuter). References to persons shall, where applicable, include firms, corporations and other entities.

Statutes. Any reference in this Scheme Document to any enactment or statute is a reference to that enactment or statute for the time being amended, modified, supplemented or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act, the Code, the Listing Manual or any modification thereof and used but not otherwise defined in this Scheme Document shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Code, the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

Time and Date. Any reference to a time of day and date in this Scheme Document is made by reference to Singapore time and date respectively, unless otherwise stated.

Rounding. Any discrepancies in the figures included in this Scheme Document between the listed amounts and the totals thereof and/or the respective percentages are due to rounding. Accordingly, figures shown as totals in this Scheme Document may not be an arithmetic aggregation of the figures that precede them.

Total Number of Shares and Percentage of Shares. In this Scheme Document, the total number of Shares as at the Latest Practicable Date is 560,031,980. As at the Latest Practicable Date, the Company does not hold any treasury shares. Unless otherwise stated, all references to percentage shareholding of the issued share capital of the Company in this Scheme Document are based on 560,031,980 Shares as at the Latest Practicable Date.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Scheme Document are or may be forward-looking statements. Forward-looking statements include, but are not limited to, those using words such as “aim”, “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “intend”, “plan”, “project”, “seek”, “strategy” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s and/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 or outcomes may differ materially from those expressed or implied in such forward-looking statements. Given the risks and uncertainties that may cause actual results or outcomes to differ materially from those expressed or implied in such forward-looking statements, Shareholders, investors of the Offeror and the Company should not place undue reliance on such forward-looking statements, and neither the Offeror nor the Company guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements.

EXPECTED TIMETABLE

Last date and time for lodgement of Proxy Form for Scheme Meeting	:	30 March 2019, 3.00 p.m. ⁽¹⁾⁽²⁾
Date and time of Scheme Meeting	:	2 April 2019, 3.00 p.m.
Place of Scheme Meeting	:	Suntec Singapore Convention and Exhibition Centre Rooms 334 – 336, Level 3 1 Raffles Boulevard Suntec City Singapore 039593
Expected date of Court hearing of the application to sanction the Scheme	:	18 April 2019
Expected last day of trading of the Shares	:	24 April 2019
Expected Books Closure Date	:	26 April 2019, 5.00 p.m.
Expected Effective Date	:	29 April 2019 ⁽³⁾
Expected date for the payment of the Scheme Consideration	:	By 9 May 2019 ⁽⁴⁾
Expected date for the delisting of the Shares	:	After payment of the Scheme Consideration

You should note that save for the last date and time for the lodgement of the Proxy Form and the date, time and place of the Scheme Meeting, the above timetable is indicative only and may be subject to change. For the events listed above which are described as “expected”, please refer to future announcement(s) by the Company and/or the SGX-ST for the exact dates of these events.

Notes:

- (1) Scheme Shareholders are requested to lodge the Proxy Forms for the Scheme Meeting in accordance with the instructions contained therein not less than 72 hours before the time appointed for the Scheme Meeting.
- (2) All Proxy Forms for the Scheme Meeting must be lodged with the Share Registrar at Keppel Telecommunications & Transportation Ltd c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Completion and lodgement of a Proxy Form will not prevent a Scheme Shareholder from attending and voting in person at the Scheme Meeting if they subsequently wish to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.
- (3) The Scheme will only become effective and binding upon lodgement of the Scheme Court Order with ACRA. The Scheme Court Order will be lodged with ACRA after the satisfaction (or, where applicable, waiver) of all the Scheme Conditions, a list of which is set out in **Appendix 6** to this Scheme Document.
- (4) Assuming that the Effective Date is on 29 April 2019.

CORPORATE INFORMATION

DIRECTORS	:	Mr. Loh Chin Hua Mr. Thomas Pang Thieng Hwi Mr. Karmjit Singh Prof. Neo Boon Siong Mr. Khor Poh Hwa Mr. Lim Chin Leong Mrs. Lee Ai Ming Mr. Chan Hon Chew
COMPANY SECRETARY	:	Mr. Kenny Lee
REGISTERED OFFICE	:	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
SHARE REGISTRAR	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
LEGAL ADVISER TO THE COMPANY	:	WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS	:	Rothschild & Co Singapore Limited One Raffles Quay, North Tower 1 Raffles Quay #10-02 Singapore 048583
AUDITORS	:	PricewaterhouseCoopers LLP 7 Straits View Marina One East Tower Level 12 Singapore 018936

LETTER TO SHAREHOLDERS

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 196500115G)

Directors:

Mr. Loh Chin Hua (Non-Independent and Non-Executive Chairman)
Mr. Thomas Pang Thieng Hwi (Non-Independent and Executive Director and Chief Executive Officer)
Mr. Karmjit Singh (Independent Director)
Prof. Neo Boon Siong (Independent Director)
Mr. Khor Poh Hwa (Independent Director)
Mr. Lim Chin Leong (Independent Director)
Mrs. Lee Ai Ming (Independent Director)
Mr. Chan Hon Chew (Non-Independent and Non-Executive Director)

Registered Office:

1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

11 March 2019

To: The Shareholders of Keppel Telecommunications & Transportation Ltd

Dear Sir/Madam

PROPOSED ACQUISITION OF KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD BY KEPPEL CORPORATION LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT, CHAPTER 50 OF SINGAPORE

1. INTRODUCTION

1.1 Joint Announcement

On 27 September 2018, the Company and the Offeror jointly announced the proposed acquisition of all the Scheme Shares by the Offeror (the “**Acquisition**”) to be effected by way of the Scheme at a Scheme Consideration of S\$1.91 in cash for each Scheme Share under Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

A copy of the Joint Announcement is available on the SGXNET at www.sgx.com.

1.2 Purpose

The purpose of this Scheme Document is to set out information pertaining to the Scheme, to seek your approval of the Scheme and to give you notice of the Scheme Meeting.

1.3 Explanatory Statement

An Explanatory Statement setting out the key terms of, the rationale for, and the effect of, the Scheme and the procedures for its implementation is set out on pages 25 to 39 of this Scheme Document. The Explanatory Statement should be read in conjunction with the full text of this Scheme Document, including the Scheme as set out on pages 226 to 232 of this Scheme Document.

LETTER TO SHAREHOLDERS

1.4 Information on the Company

The Company was incorporated in Singapore on 27 May 1965 and listed on the Mainboard of the SGX-ST.

The principal activity of the Company is that of an investment holding and management company. The Group offers integrated services and solutions in two core businesses: logistics and data centres. The logistics business helps clients of the Group to manage their entire supply chain, while the data centre business develops, acquires, owns and operates high-availability data centre facilities.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$84,277,343.78 comprising 560,031,980 Shares. The Company has no treasury shares.

1.5 Information on the Offeror

As stated in the Offeror's Letter as set out in **Appendix 2** to this Scheme Document, the Offeror was incorporated in Singapore and listed on the Mainboard of the SGX-ST.

The Offeror is a multi-business company providing robust solutions for sustainable urbanisation to meet the growing need for energy, infrastructure, clean environments, high quality homes and offices and connectivity.

The principal activity of the Offeror is that of an investment holding and management company. The principal activities of the companies in the Offeror Group consist of (a) offshore oil-rig construction, shipbuilding & shiprepair and conversion; (b) environmental engineering, power generation, logistics and data centres; (c) property development & investment; and (d) investments and asset management. The subsidiaries of the Offeror include, amongst others, (i) the Company; (ii) Keppel Offshore & Marine Limited; (iii) Keppel Land Limited; (iv) Keppel Infrastructure Holdings Pte Ltd; and (v) Keppel Capital Holdings Pte. Ltd..

As at the Latest Practicable Date, the Offeror holds 442,935,526 Shares, representing approximately 79.09 per cent. of the total number of Shares in issue.

Further details on the Offeror can be found in the Offeror's Letter as set out in **Appendix 2** to this Scheme Document.

2. RATIONALE FOR THE ACQUISITION AND FUTURE PLANS FOR THE COMPANY

2.1 The Offeror's Rationale

The rationale for the Acquisition is stated in **paragraphs 4.1 to 4.3** of the Offeror's Letter as set out in **Appendix 2** to this Scheme Document, an extract of which is set out below:

"4.1 More Efficient Allocation of Resources and Capital Across the Offeror Group (as defined below)

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

LETTER TO SHAREHOLDERS

more efficient manner without the reporting requirements and compliance costs associated with the maintenance of the Company's listed status.

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

The privatisation of the Company allows for the full integration of the Company as a wholly-owned subsidiary of the Offeror Group. This will provide the Offeror with greater control and flexibility 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.

4.3 Opportunity for Shareholders to Exit their Investments in the Company

*Shareholders will be aware that on 28 December 2018, a voluntary conditional general offer ("**Offer**") was 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**") at the price of S\$2.06 in cash per M1 Share ("**Offer Price**"), 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**"). KPL has also announced, on 22 January 2019, that it does not intend to increase the Offer Price under any circumstances whatsoever and has further declared, on 15 February 2019, that the Offer is unconditional in all respects.*

*Shareholders will also be aware that the Company has an interest in 178,864,000 M1 Shares (representing approximately 19.31 per cent. of M1 Shares)¹, which is held through Keppel Telecoms Pte. Ltd. (its wholly-owned subsidiary) ("**KTPL**"). For the avoidance of doubt, the Offer is not extended to the M1 Shares held by KPL, its related corporations and their respective nominees. As KTPL is a related corporation of KPL, the Offer is not extended to KTPL and in any event, KTPL has, on 27 September 2018, undertaken, inter alia, not to tender its M1 Shares in acceptance of the Offer.*

The Scheme 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 the Scheme Shareholders and becomes effective. For completeness, the Offer does not affect the terms of the Scheme and the Scheme is not conditional upon the outcome of the Offer.

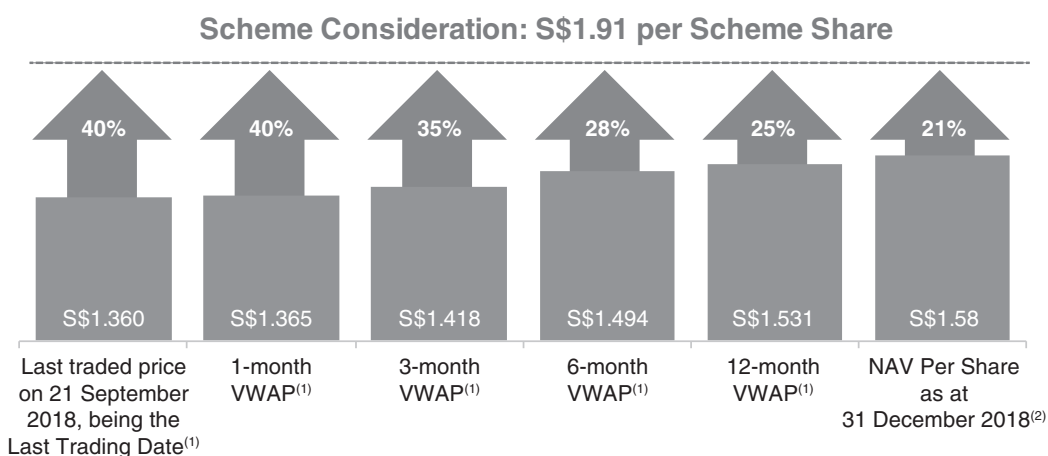
The Scheme Shareholders may wish to refer to the Offer Announcement for M1 on www.sgx.com.

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

¹ The percentage is calculated based on 926,409,782 ordinary M1 Shares in issue (excluding treasury shares), based on M1's business profile extracted from ACRA dated 1 March 2019.

LETTER TO SHAREHOLDERS

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



Notes:

- (1) Figures in the above graph are calculated based on data extracted from Bloomberg L.P. as at 21 September 2018, being the last trading date prior to the Joint Announcement (the “**Last Trading Date**”), and rounded to the nearest three (3) decimal places. Premia rounded to the nearest one (1) per cent..
- (2) Net asset value per Share as at 31 December 2018, based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2018 released on SGXNET on 8 March 2019 (“**FY2018 Audited Financial Statements**”).”

2.2 The Offeror’s Future Plans

As stated in **paragraph 4.4** of the Offeror’s Letter as set out in **Appendix 2** to this Scheme Document:

“Future Plans. The Offeror intends to work with the Company’s management team to identify, develop and execute appropriate transformation strategies which, if successfully implemented, may enable the Company to better utilise its resources in achieving a different growth trajectory and profit performance.

Until such time when a decision is made to implement such transformation strategies and the relevant approvals (where necessary) are obtained, the Offeror has no intention to (i) introduce any major changes to the business of the Company or the operations of any Group Company; (ii) re-deploy the Company’s fixed assets; or (iii) discontinue the employment of any of the existing employees of any of the Group Companies, other than in the ordinary course of business. However, the Offeror retains the flexibility to consider, at any time, any options in relation to any Group Company which may present themselves and which it may regard to be in the interest of the Offeror.”

3. THE ACQUISITION AND THE SCHEME

3.1 Terms of the Scheme

The Acquisition will be effected by way of a scheme of arrangement pursuant to Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

LETTER TO SHAREHOLDERS

Under the Scheme:

- (a) all the Scheme Shares held by the Entitled Scheme Shareholders as at the Books Closure Date will be transferred to the Offeror:
 - (i) fully paid;
 - (ii) free from all 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 Scheme 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
- (b) in consideration for such transfer, each Entitled Scheme Shareholder will be entitled to receive the Scheme Consideration for each Scheme Share held by such Entitled Scheme Shareholder as at the Books Closure Date.

The Scheme will also be extended to all Scheme Shares unconditionally issued on or prior to the Books Closure Date pursuant to the valid vesting of any Awards.

The aggregate Scheme Consideration that is payable to any Entitled Scheme Shareholder in respect of the Scheme Shares held by such Entitled Scheme Shareholder will be rounded down to the nearest whole cent.

3.2 Termination of the Implementation Agreement

In the event of termination of the Implementation Agreement by either the Offeror or the Company (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.

3.3 Financial Evaluation of the Scheme Consideration

Please refer to **paragraph 5** of the Offeror's Letter as set out in **Appendix 2** to this Scheme Document for the financial evaluation of the Scheme Consideration.

4. **NO CASH OUTLAY**

Scheme Shareholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from the Entitled Scheme Shareholders under the Scheme.

LETTER TO SHAREHOLDERS

5. APPROVALS REQUIRED

5.1 Scheme Meeting and Court Sanction

The Scheme will require, *inter alia*, the following approvals:

- (a) the approval of the Scheme by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority representing not less than three-fourths in value of the Scheme Shares voted at the Scheme Meeting; and
- (b) 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 Scheme Court Order has been lodged with ACRA.

5.2 Confirmations/Rulings from the SIC

An application was made by the Offeror to the SIC to seek certain rulings in relation to the Scheme. The SIC has by way of a letter dated 26 September 2018, confirmed, *inter alia*, that:

- (a) the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 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) the Directors who are also directors of the Offeror, or who are acting in concert with those persons mentioned in subparagraphs (i) and (ii) above, abstain from making a recommendation on the Scheme to the Scheme Shareholders;
 - (iv) the Company appoints an independent financial adviser to advise the Scheme Shareholders on the Scheme; and
 - (v) this Scheme Document discloses the names of the Offeror and its concert parties, their current voting rights in the Company as at the Latest Practicable Date and their voting rights in the Company after the Scheme; and
- (b) it has no objections to the Scheme Conditions.

LETTER TO SHAREHOLDERS

6. DELISTING

6.1 Delisting of the Company

Upon the Scheme becoming effective and binding in accordance with its terms, 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.

An application was made to seek approval-in-principle from the SGX-ST for the proposed delisting of the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 19 February 2019, advised that it has no objection to the Company's application for delisting from the Official List of the SGX-ST, subject to:

- (a) compliance with the SGX-ST's listing requirements;
- (b) approval of the Scheme by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority representing not less than three-fourths in value of the Scheme Shares voted at the Scheme Meeting;
- (c) sanction of the Scheme by the Court; and
- (d) the Scheme becoming effective and binding in accordance with its terms.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the Scheme, the proposed delisting of the Company from the Official List of the SGX-ST, the Company, its subsidiaries and/or their securities.

SCHEME SHAREHOLDERS SHOULD NOTE THAT THE SHARES WILL BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.

6.2 Continued Listing of the Senior Notes

As at the Latest Practicable Date, the Company has issued S\$100,000,000 fixed rate notes due 2024 (the "**Senior Notes**") pursuant to its S\$500,000,000 Multicurrency Medium Term Note Programme which are outstanding and listed on the SGX-ST.

An application was also made to seek confirmation from the SGX-ST that the proposed delisting of the Company from the SGX-ST will not affect the listing of the Senior Notes and the Senior Notes will remain listed on the SGX-ST. The SGX-ST has, on 8 February 2019, provided such confirmation.

7. CONFIRMATION OF FINANCIAL RESOURCES

As stated in the Offeror's Letter as set out in **Appendix 2** to this Scheme Document, DBS Bank Ltd. (the "**Offeror's Financial Adviser**"), 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 Scheme Shares to be acquired by the Offeror pursuant to the Scheme.

LETTER TO SHAREHOLDERS

8. INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS

8.1 Appointment of IFA

Rothschild & Co Singapore Limited has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Scheme and pursuant to Rule 1309(2) of the Listing Manual. Scheme Shareholders should consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors before deciding whether or not to vote in favour of the Scheme. The advice of the IFA is set out in its letter dated 11 March 2019 (the “**IFA Letter**”) in **Appendix 1** to this Scheme Document.

8.2 Factors Taken Into Consideration by the IFA

In arriving at its recommendation, the IFA has taken into account certain considerations (an extract of which is reproduced in italics below). Scheme Shareholders should read the following extract in conjunction with, and in the context of, the IFA Letter in its entirety as set out in **Appendix 1** to this Scheme Document. Unless otherwise defined or the context otherwise requires, all capitalised terms below shall have the same meanings ascribed to them in the IFA Letter.

“In arriving at our opinion and our advice to the Independent Directors, we have taken into consideration and relied upon, inter alia, the following key considerations and factors which should be read in conjunction with, and interpreted, in the full context of this IFA Letter:

- (a) the Acquisition is by way of a Scheme, under which if effected, each of the Shareholders will be entitled to receive S\$1.91 per Scheme Share;*
- (b) on the date on which the Scheme becomes effective, the Company will become a wholly-owned subsidiary of Keppel Corp, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST shortly thereafter;*
- (c) the trading volume of the Shares had generally been low in the past 12 months prior to the Joint Announcement Date and ending on the Latest Practicable Date. Hence, the Scheme represents a clean cash exit opportunity for Shareholders to realise their entire investment without incurring brokerage and other trading costs, an option which may not otherwise be readily available due to the low trading liquidity of the Shares;*
- (d) the closing prices of the Shares have traded between S\$1.34 and S\$1.89 in the three-year period up to the Latest Practicable Date;*
- (e) the Shares have underperformed the Benchmark Index for the three-month, six-month, 12-month and 24-month periods up to the Last Trading Day; and outperformed the Benchmark Index for the three-month, six-month, 12-month and 24-month periods up to the Latest Practicable Date;*
- (f) from the first trading day following the Joint Announcement Date to the Latest Practicable Date, the closing prices of the Shares have ranged between S\$1.85 and S\$1.89;*
- (g) the Scheme Consideration represents a premium of approximately 40.4% over the closing price of the Shares of S\$1.36 on the Last Trading Day;*

LETTER TO SHAREHOLDERS

- (h) *the Scheme Consideration represents premia of approximately 41.2%, 39.5%, 34.9%, 28.1% and 24.9%, respectively, over the VWAP of the Shares in the one-week, one-month, three-month, six-month and 12-month periods up to the Last Trading Day;*
- (i) *the LTM EV/EBITDA multiple implied by the Scheme Consideration (80.0 times) is above the range of the LTM EV/EBITDA multiples of the Company over the 12-month period prior to the Joint Announcement Date (between 22.2 times and 51.3 times);*
- (j) *the LTM P/E multiple implied by the Scheme Consideration (16.4 times) is within the range of the LTM P/E multiples of the Company over the 12-month period prior to the Joint Announcement Date (between 8.7 times and 23.5 times);*
- (k) *the P/NAV multiple implied by the Scheme Consideration (1.2 times) is above the range of the P/NAV multiples of the Company over the 12-month period prior to the Joint Announcement Date (between 0.9 times and 1.1 times);*
- (l) *the implied premia of the Scheme Consideration are above the median of the premia on Selected Precedent Takeovers in Singapore for last transacted price (23.1%), one-month VWAP (25.5%), three-month VWAP (25.2%) and six-month VWAP (26.2%);*
- (m) *the Scheme Consideration is 26.5% above the target price of the sole broker coverage in the last 12 months, UOB Kay Hian, of S\$1.51, prior to the Joint Announcement Date;*
- (n) *as at the Latest Practicable Date, UOB Kay Hian has updated the UOBKH Broker Report to reflect the Scheme Consideration of S\$1.91, with a recommendation to accept the Scheme offer; and*
- (o) *based on the SOTP analysis, the implied equity value per Share is S\$1.25 to S\$1.33 per share, where the Scheme Consideration reflects a premium of 43.9% to 52.9% above the SOTP analysis.”*

8.3 Advice of the IFA

After having regard to the considerations set out in the IFA Letter, and based on the information available to the IFA as at the Latest Practicable Date, the IFA has made certain recommendations to the Independent Directors, an extract of which is reproduced in italics below.

Scheme Shareholders should read the following extract in conjunction with, and in the context of, the IFA Letter in its entirety as set out in **Appendix 1** to this Scheme Document. Unless otherwise defined or the context otherwise requires, all capitalised terms below shall have the same meanings ascribed to them in the IFA Letter.

“Based upon and subject to the foregoing, we are of the opinion that, as at the Latest Practicable Date, the financial terms of the Scheme are FAIR AND REASONABLE so far as the Scheme Shareholders are concerned. Accordingly, we advise the Independent Directors to recommend that the Scheme Shareholders VOTE IN FAVOUR of the Scheme at the Scheme Meeting or sell their Scheme Shares in the open market if they are able to obtain a price higher than the Scheme Consideration (after netting off the related transaction expenses).”

LETTER TO SHAREHOLDERS

9. INDEPENDENT DIRECTORS' RECOMMENDATION

9.1 Independence

The following Directors (the “**Relevant Directors**”) are exempted from making a recommendation on the Scheme to the Scheme Shareholders in accordance with the terms of the exemption granted by the SIC as described in **paragraph 7.1(c)** of the Explanatory Statement for the reasons set out below:

- (a) Mr. Loh Chin Hua, the Non-Independent and Non-Executive Chairman of the Company is also currently a director and Chief Executive Officer of the Offeror;
- (b) Mr. Chan Hon Chew, a Non-Independent and Non-Executive Director of the Company is also currently the Chief Financial Officer of the Offeror; and
- (c) Mr. Thomas Pang Thieng Hwi, the Chief Executive Officer of the Company (i) is also currently a director of other entities in the Offeror Group, including Keppel Capital Holdings Pte. Ltd. and Keppel DC REIT Management Pte. Ltd., and (ii) as at the Latest Practicable Date, holds 185,737 Offeror Shares, 49,500 options under the KCL SOS and 200,000 contingent awards granted under the KCL PSP – TIP.

Accordingly, each of the Relevant Directors would face, or may reasonably be perceived to face, a conflict of interest, that would render each of them inappropriate to join the remainder of the Directors in making a recommendation on the Scheme to the Scheme Shareholders.

The Relevant Directors must, however, still assume responsibility for the accuracy of the facts stated and completeness of information given by the Company to the Scheme Shareholders in connection with the Scheme.

9.2 Recommendation

The Independent Directors, having carefully considered the terms of the Scheme and the advice given by the IFA in the IFA Letter, concur with the recommendation of the IFA in respect of the Scheme. Accordingly, the Independent Directors unanimously recommend that Scheme Shareholders **VOTE IN FAVOUR** of the Scheme at the Scheme Meeting.

Scheme Shareholders should also be aware and note that there is no assurance that the trading volumes and market prices of the Scheme Shares will be maintained at the current levels prevailing as at the Latest Practicable Date if the Scheme does not become effective and binding for whatever reason. In the event the Scheme becomes effective, it will be binding on all Scheme Shareholders whether or not they were present in person or by proxy or voted to approve the Scheme at the Scheme Meeting. Scheme Shareholders should also be aware and note that there is currently no certainty that the Scheme will become effective and binding.

Scheme Shareholders should read and consider carefully this Scheme Document in its entirety, and in particular, the advice of the IFA as set out in **Appendix 1** to this Scheme Document, before deciding whether or not to vote in favour of the Scheme.

LETTER TO SHAREHOLDERS

9.3 No Regard to Specific Objectives

The Independent Directors advise Scheme Shareholders, in deciding whether or not to vote in favour of the Scheme, to carefully consider the advice of the IFA and in particular, the various considerations highlighted by the IFA in the IFA Letter.

In giving the above recommendation, the Independent Directors have not had regard to the specific objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints and circumstances of any individual Scheme Shareholder. As each Scheme Shareholder would have different investment objectives and profiles, the Independent Directors recommend that any individual Scheme Shareholder who may require advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

10. DIRECTORS' INTENTIONS WITH RESPECT TO THEIR SCHEME SHARES

It is intended that all the Relevant Directors will abstain from voting at the Scheme Meeting to the extent that they hold Scheme Shares.

All of the Directors who hold Scheme Shares as at the Latest Practicable Date (save for the Relevant Directors), as set out in **paragraph 5.3 of Appendix 3** to this Scheme Document, have informed the Company that they will **VOTE IN FAVOUR** of the Scheme in respect of all such Scheme Shares.

11. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN COMPANY SECURITIES

11.1 As at the Latest Practicable Date, based on the Register of Substantial Shareholders maintained by the Company, the interests of the Substantial Shareholders of the Company in the Shares are as follows:

Substantial Shareholder	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾⁽²⁾	No. of Shares	% ⁽¹⁾⁽²⁾	No. of Shares	% ⁽¹⁾⁽²⁾
Keppel Corporation Limited	442,935,526	79.09	–	–	442,935,526	79.09
Temasek Holdings (Private) Limited ⁽³⁾	–	–	442,935,526	79.09	442,935,526	79.09
Agus Anwar ⁽⁴⁾⁽⁵⁾	4,328,000	0.77	29,217,000	5.22	33,545,000	5.99
Investoasia Pte. Ltd. ⁽⁶⁾⁽⁷⁾	–	–	33,545,000	5.99	33,545,000	5.99
Tjia Marcel Han Liong ⁽⁴⁾	–	–	33,545,000	5.99	33,545,000	5.99

Notes:

- (1) All references to percentage shareholding of the issued share capital of the Company are calculated based on 560,031,980 Shares in issue as at the Latest Practicable Date.
- (2) Rounded to the nearest two (2) decimal places.
- (3) The deemed interest of Temasek Holdings (Private) Limited arises from its shareholdings in the Offeror.
- (4) The interests of Agus Anwar and Tjia Marcel Han Liong arise from their controlling interests in Investoasia Pte. Ltd. and Kapital Asia Company Limited.
- (5) Please see elaboration in **paragraph 11.2** below.
- (6) Includes interests held by Kapital Asia Company Limited and Agus Anwar.
- (7) Please see elaboration in **paragraph 11.3** below.

LETTER TO SHAREHOLDERS

- 11.2 In the annual report of the Company for FY2017, based on information and confirmation previously provided by Mr. Agus Anwar and his representatives, it was disclosed that Mr. Agus Anwar is a Substantial Shareholder of the Company with combined direct and deemed interests of 33,545,000 Shares, representing approximately 5.99% of the Shares in issue of the Company as at the Latest Practicable Date. The Company received a letter dated 6 December 2018 from the Official Assignee appointed by the Court notifying the Company that Mr. Agus Anwar had been adjudicated as a bankrupt in Singapore. The Company has obtained legal advice and has been advised that under the laws of Singapore, the property of a bankrupt person shall vest in the Official Assignee, including the capacity to exercise voting rights under any Company Securities held by the bankrupt person, and the bankrupt person shall not be able to exercise any voting rights under any such Company Security. Based on individual insolvency searches conducted on Mr. Agus Anwar on the Latest Practicable Date, Mr. Agus Anwar remains as an undischarged bankrupt. As at the Latest Practicable Date, the Company has not received any notification from Mr. Agus Anwar regarding any change of his interest in the Shares as recorded in the Register of Substantial Shareholders maintained by the Company.
- 11.3 Based on information and confirmation previously provided by Mr. Agus Anwar and his representatives, it was also disclosed in the annual report of the Company for FY2017 that Investoasia Pte. Ltd. is a Substantial Shareholder of the Company and the interests of Mr. Agus Anwar and Mr. Tjia Marcel Han Liong arise from their controlling interests in Investoasia Pte. Ltd. and Kapital Asia Company Limited. The business profile of Investoasia Pte. Ltd. extracted from ACRA on 14 December 2018 reflects that Investoasia Pte. Ltd. was struck off as a company on 4 June 2018. The Company has obtained legal advice and has been advised that under the laws of Singapore, the property of a Singapore incorporated company struck off by the Registrar of Companies would vest in the Official Receiver. Based on the business profile of Investoasia Pte. Ltd. extracted from ACRA on the Latest Practicable Date, Investoasia Pte. Ltd. remains as a struck-off company and has not been restored to the Register of Companies maintained by the Registrar of Companies. As at the Latest Practicable Date, the Company has not received any notification from Investoasia Pte. Ltd. regarding any change of its interest in the Shares as recorded in the Register of Substantial Shareholders maintained by the Company.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Scheme Document (other than the information in **Appendices 1, 2, and 5** to this Scheme Document, and any information relating to or opinions expressed by the Offeror, any member of the Offeror Concert Party Group, the Offeror's Financial Adviser and/or the IFA) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Scheme Document constitutes full and true disclosure of all material facts about the Acquisition, the Scheme and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Scheme Document misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including, without limitation, the IFA Letter, the Offeror's Letter and the Valuation Reports), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Scheme Document in its proper form and context.

LETTER TO SHAREHOLDERS

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are fair and accurate.

13. GENERAL INFORMATION

Your attention is drawn to the further relevant information in the Explanatory Statement and the Appendices to this Scheme Document.

Yours faithfully

For and on behalf of the Board of Directors of
KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD

Prof. Neo Boon Siong
Independent Director

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

**PROPOSED ACQUISITION OF THE COMPANY BY THE OFFEROR
BY WAY OF THE SCHEME**

1. INTRODUCTION

1.1 Joint Announcement

On 27 September 2018, the Company and the Offeror jointly announced the proposed Acquisition to be effected by way of the Scheme at a Scheme Consideration of S\$1.91 in cash for each Scheme Share under Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

A copy of the Joint Announcement is available on the SGXNET at www.sgx.com.

1.2 Effect of the Scheme and the Delisting

Upon the Scheme becoming effective and binding in accordance with its terms, 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.

An application was made to seek approval-in-principle from the SGX-ST for the proposed delisting of the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 19 February 2019, advised that it has no objection to the Company's application for delisting from the Official List of the SGX-ST, subject to:

- (a) compliance with the SGX-ST's listing requirements;
- (b) approval of the Scheme by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority representing not less than three-fourths in value of the Scheme Shares voted at the Scheme Meeting;
- (c) sanction of the Scheme by the Court; and
- (d) the Scheme becoming effective and binding in accordance with its terms.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the Scheme, the proposed delisting of the Company from the Official List of the SGX-ST, the Company, its subsidiaries and/or their securities.

As at the Latest Practicable Date, the Senior Notes issued by the Company pursuant to its S\$500,000,000 Multicurrency Medium Term Note Programme are outstanding and listed on the SGX-ST.

An application was also made to seek confirmation from the SGX-ST that the proposed delisting of the Company from the SGX-ST will not affect the listing of the Senior Notes and the Senior Notes will remain listed on the SGX-ST. The SGX-ST has, on 8 February 2019, provided such confirmation.

EXPLANATORY STATEMENT

(in compliance with Section 211 of the Companies Act)

1.3 Explanatory Statement

This Explanatory Statement should be read in conjunction with the full text of this Scheme Document, including the Scheme as set out on pages 226 to 232 of this Scheme Document. Capitalised terms used in this Explanatory Statement which are not defined in this Explanatory Statement and the Scheme shall have the same meanings ascribed to them on pages 1 to 8 of this Scheme Document.

2. RATIONALE FOR THE ACQUISITION

The rationale for the Acquisition is set out in **paragraphs 4.1 to 4.3** of the Offeror's Letter which can be found in **Appendix 2** to this Scheme Document.

3. THE SCHEME

3.1 Terms of the Scheme

The Scheme is proposed to all Scheme Shareholders.

The Acquisition will be effected by way of a scheme of arrangement pursuant to Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

Under the Scheme:

- (a) all the Scheme Shares held by the Entitled Scheme Shareholders as at the Books Closure Date will be transferred to the Offeror:
 - (i) fully paid;
 - (ii) free from all 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 Scheme 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
- (b) in consideration for such transfer, each Entitled Scheme Shareholder will be entitled to receive the Scheme Consideration for each Scheme Share held by such Entitled Scheme Shareholder as at the Books Closure Date.

The Scheme will also be extended to all Scheme Shares unconditionally issued on or prior to the Books Closure Date pursuant to the valid vesting of any Awards.

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3.2 No Cash Outlay

Scheme Shareholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from the Entitled Scheme Shareholders under the Scheme.

4. INFORMATION ON THE OFFEROR

Information on the Offeror, as well as the Offeror's rationale for the Acquisition and future plans for the Group, are set out in the Offeror's Letter which can be found in **Appendix 2** to this Scheme Document.

5. SCHEME MEETING

5.1 Scheme Meeting

The Scheme, which is proposed pursuant to Section 210 of the Companies Act, is required to be approved by Scheme Shareholders at the Scheme Meeting. By an order of the Court dated 4 March 2019, the Scheme Meeting was directed to be convened for the purpose of considering, and if thought fit, approving the Scheme.

By proposing that the Acquisition be implemented by way of a scheme of arrangement under Section 210 of the Companies Act, the Company is providing Scheme Shareholders with the opportunity to decide at the Scheme Meeting whether they consider the Scheme to be in their best interests.

The Scheme must be approved by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority representing not less than three-fourths in value of the Scheme Shares voted at the Scheme Meeting.

When the Scheme becomes effective, it will be binding on all Scheme Shareholders, whether or not they were present in person or by proxy or voted to approve the Scheme at the Scheme Meeting.

5.2 Notice

The Notice of Scheme Meeting is set out in **Appendix 14** of this Scheme Document. You are requested to take note of the date, time and place of the Scheme Meeting.

6. CONDITIONS OF THE SCHEME

6.1 Scheme Conditions

(a) *Scheme Conditions*: The Scheme is conditional upon the satisfaction (or, where applicable, waiver) of all the Scheme Conditions by the Long-Stop Date.

A list of the Scheme Conditions is set out in **Appendix 6** to this Scheme Document.

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(b) *Update on Status of Scheme Conditions:* Set out below is an update on the status of the Scheme Conditions:

(i) the SIC has by way of a letter dated 26 September 2018, confirmed, *inter alia*, that:

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

(B) it has no objections to the Scheme Conditions.

Please refer to **paragraph 7.1** of this Explanatory Statement for further details;

(ii) the SGX-ST has on 19 February 2019 given its clearance for this Scheme Document and has also advised that it has no objection to the Company's application to delist from the Official List of the SGX-ST. Please refer to **paragraph 9** of this Explanatory Statement for further details; and

other than as set out in this **paragraph 6.1(b)**, none of the other Scheme Conditions have, as at the Latest Practicable Date, been satisfied or waived.

(c) *Remaining Scheme Conditions:* Accordingly, as at the Latest Practicable Date, the Scheme remains conditional upon the satisfaction (or, if applicable, waiver) of the remaining Scheme Conditions as set out in **Appendix 6** to this Scheme Document on or before 5.00 p.m. on the Long-Stop Date.

6.2 Non-fulfilment of Scheme Conditions

The Scheme will only become effective and binding if all the Scheme Conditions have been satisfied or, where applicable, waived, in accordance with the terms of the Implementation Agreement. The Scheme Shareholders should note that if any of the Scheme Conditions is not satisfied (or, if applicable, waived) on or before 5.00 p.m. on the Long-Stop Date, the Scheme will not become effective and binding.

6.3 Benefit of Certain Scheme Conditions

(a) *Offeror's Benefit:* The Offeror alone may waive the Scheme Conditions in **paragraphs 6** (in relation to Prescribed Occurrences relating to the Relevant Group Companies) and **8** of **Appendix 6** to this Scheme Document.

(b) *The Company's Benefit:* The Company alone may waive the Scheme Conditions in **paragraphs 6** (in relation to Prescribed Occurrences relating to the Offeror) and **7** of **Appendix 6** to this Scheme Document.

(c) *Mutual Benefit:* Any non-fulfilment of the Scheme Condition in **paragraph 5** of **Appendix 6** to this Scheme Document is capable of being waived with the consent in writing of both Parties (to the extent legally permissible).

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- (d) *Other Scheme Conditions*: For the avoidance of doubt, the Scheme Conditions in **paragraphs 1 to 4 of Appendix 6** to this Scheme Document are not capable of being waived by either Party or both Parties.

6.4 Termination Rights

Scheme Shareholders should note that:

- (a) the Implementation Agreement provides that the Implementation Agreement may be terminated at any time on or prior to the Effective Date:
- (i) *Court Order*: by either the Offeror or the Company, if any court of competent jurisdiction or 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;
 - (ii) *Shareholders' Approvals*: by either the Offeror or the Company, if the resolutions in respect of the Scheme are not approved (without amendment) by the requisite majorities of the Scheme Shareholders at the Scheme Meeting;
 - (iii) *SGX-ST's Approval*: by either the Offeror or the Company, if the approval-in-principle of the SGX-ST of this Scheme Document and for the proposed delisting of the Company from the SGX-ST is not obtained; or
 - (iv) *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), 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 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 14-day period,

in each case, after prior consultation with the SIC;

- (b) the Parties agree that, 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 the Long-Stop Date, either the Offeror or the Company may immediately terminate the Implementation Agreement (save for the Surviving Provisions) 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 6.3** of this Explanatory Statement, 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 gives its approval for, or states that it has no objection to, such termination;

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- (c) in the event either Party intends to consult the SIC in relation to the termination of the Implementation 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; and
- (d) in the event of termination of the Implementation Agreement by either the Offeror or the Company (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.

7. SCHEME CONDITIONS AND REGULATORY APPROVALS

7.1 SIC

- (a) *Code*: The SIC has by way of a letter dated 26 September 2018, confirmed, *inter alia*, that the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) to 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) the Directors who are also directors of the Offeror, or who are acting in concert with those persons mentioned in subparagraphs (i) and (ii) above, abstain from making a recommendation on the Scheme to the Scheme Shareholders;
 - (iv) the Company appoints an independent financial adviser to advise the Scheme Shareholders on the Scheme; and
 - (v) this Scheme Document discloses the names of the Offeror and its concert parties, their current voting rights in the Company as at the Latest Practicable Date and their voting rights in the Company after the Scheme.

In compliance with the conditions set out above:

- (A) to the extent that any member in the Offeror Concert Party Group holds Scheme Shares, such parties will abstain from voting their Scheme Shares on the Scheme at the Scheme Meeting. Other than Temasek Holdings (Private) Limited which is deemed interested in the Shares held by the Offeror by virtue of its shareholdings in the Offeror, the Offeror and the Company do not have common Substantial Shareholders;

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- (B) the Relevant Directors have abstained from making a recommendation on the Scheme to the Scheme Shareholders, in accordance with SIC's ruling as set out in **paragraph 7.1(a)(iii)** of this Explanatory Statement;
 - (C) the Company has appointed the IFA to advise the Independent Directors in relation to the Scheme; and
 - (D) save as disclosed in **Schedule B** of the Offeror's Letter which can be found in **Appendix 2** to this Scheme Document, there were no dealings in any Company Securities by any member of the Offeror Concert Party Group during the period commencing on 24 June 2018 (i.e. three (3) months prior to the Holding Announcement Date) and ending on the Latest Practicable Date. **Paragraph 9.1** of the Offeror's Letter further discloses that, upon the Scheme becoming effective and binding in accordance with its terms, the Offeror shall hold and control all the voting rights in the Company.
- (b) *Scheme Conditions*: The SIC has by way of a letter dated 26 September 2018, confirmed, *inter alia*, that it has no objections to the Scheme Conditions.
- (c) *Recommendation to the Scheme Shareholders*: The SIC has by way of a letter dated 26 September 2018, confirmed, *inter alia*, that each of the Relevant Directors are exempted from the requirement to make a recommendation on the Scheme to the Scheme Shareholders. Each of the Relevant Directors must, however, still assume responsibility for the accuracy of the facts stated and the completeness of information given by the Company to the Scheme Shareholders in connection with the Scheme.

7.2 Court

The Scheme is subject to the sanction of the Court as stated in **paragraph 3** of **Appendix 6** to this Scheme Document.

7.3 SGX-ST

As set out in **paragraph 9** of this Explanatory Statement, an application was made to seek approval-in-principle from the SGX-ST for the proposed delisting of the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms.

8. **OBLIGATIONS OF THE COMPANY AND THE OFFEROR IN RELATION TO THE SCHEME**

Pursuant to the terms of the Implementation Agreement, each of the Company and the Offeror shall execute all documents and do all acts and things necessary, as soon as reasonably practicable, for the completion of the Acquisition and the implementation of the Scheme including the obligations set out respectively in **Appendix 10** and **Appendix 11** to this Scheme Document.

The Company is not obligated pursuant to its obligations in **Appendix 10** to this Scheme Document 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 conclude in good faith that taking such

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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.

9. EFFECT OF THE SCHEME AND DELISTING

9.1 Delisting of the Company

Upon the Scheme becoming effective and binding in accordance with its terms, 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.

An application was made to seek approval-in-principle from the SGX-ST for the proposed delisting of the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 19 February 2019, advised that it has no objection to the Company's application for delisting from the Official List of the SGX-ST, subject to:

- (a) compliance with the SGX-ST's listing requirements;
- (b) approval of the Scheme by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority representing not less than three-fourths in value of the Scheme Shares voted at the Scheme Meeting;
- (c) sanction of the Scheme by the Court; and
- (d) the Scheme becoming effective and binding in accordance with its terms.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the Scheme, the proposed delisting of the Company from the Official List of the SGX-ST, the Company, its subsidiaries and/or their securities.

SCHEME SHAREHOLDERS SHOULD NOTE THAT THE SHARES WILL BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.

9.2 Continued Listing of the Senior Notes

As at the Latest Practicable Date, the Senior Notes issued by the Company pursuant to its S\$500,000,000 Multicurrency Medium Term Note Programme are outstanding and listed on the SGX-ST.

An application was also made to seek confirmation from the SGX-ST that the proposed delisting of the Company from the SGX-ST will not affect the listing of the Senior Notes and the Senior Notes will remain listed on the SGX-ST. The SGX-ST has, on 8 February 2019, provided such confirmation.

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10. IMPLEMENTATION OF THE SCHEME

10.1 Application to Court for Sanction

If the Scheme is approved by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority representing not less than three-fourths in value of the Scheme Shares voted at the Scheme Meeting, an application will be made to the Court by the Company for the sanction of the Scheme.

10.2 Procedure for Implementation

If the Court sanctions the Scheme, the Offeror and the Company will (subject to the satisfaction (or, if applicable, waiver) of all the Scheme Conditions on or before 5.00 p.m. on the Long-Stop Date) take the necessary steps to render the Scheme effective and binding in accordance with its terms, and the following will be implemented:

- (a) the Scheme Shares held by Entitled Scheme Shareholders will be transferred to the Offeror for the Scheme Consideration to be paid by the Offeror to the Entitled Scheme Shareholders for each Scheme Share as follows:
 - (i) in the case of Entitled Scheme Shareholders (not being depositors), the Company shall authorise any person to execute or effect on behalf of all such Entitled Scheme Shareholders an instrument or instruction of transfer of all the Scheme Shares held by such Entitled Scheme Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Scheme Shareholder; and
 - (ii) in the case of Entitled Scheme Shareholders (being depositors), the Company shall instruct CDP, for and on behalf of such Entitled Scheme Shareholders, to debit, not later than seven (7) Business Days after the Effective Date, all the Scheme Shares standing to the credit of the Securities Account of such Entitled Scheme Shareholders and credit all of such Scheme Shares to the Securities Account of the Offeror or such Securities Account(s) as directed by the Offeror;
- (b) from the Effective Date, all existing share certificates relating to the Scheme Shares held by the Entitled Scheme Shareholders (not being depositors) will cease to be evidence of title of the Scheme Shares represented thereby;
- (c) Entitled Scheme Shareholders (not being depositors) are required to forward their existing share certificates relating to their Scheme Shares to the Share Registrar at Keppel Telecommunications & Transportation Ltd c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, as soon as possible, but not later than seven (7) Business Days after the Effective Date for cancellation; and

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- (d) the Offeror shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Scheme Shares set out in **paragraph 10.2(a)** of this Explanatory Statement, make payment of the aggregate Scheme Consideration payable on the transfer of the Scheme Shares pursuant to the Scheme to:
- (i) each Entitled Scheme Shareholder (not being a depositor) by sending a cheque for the aggregate Scheme Consideration payable to such Entitled Scheme Shareholder made out in favour of such Entitled Scheme Shareholder by ordinary post to his address in the Register of Members at the close of business on the Books Closure Date, at the sole risk of such Entitled Scheme Shareholder, or in the case of joint Entitled Scheme Shareholders, to the first named Entitled Scheme Shareholder made out in favour of such Entitled Scheme Shareholder by ordinary post to his address in the Register of Members at the close of business on the Books Closure Date, at the sole risk of such Entitled Scheme Shareholders; and
 - (ii) each Entitled Scheme Shareholder (being a depositor) by making payment of the aggregate Scheme Consideration payable to such Entitled Scheme Shareholder to CDP. CDP shall (A) in the case of an Entitled Scheme Shareholder (being a depositor) who has registered for CDP's direct crediting service, credit the aggregate Scheme Consideration payable to such Entitled Scheme Shareholder, to the designated bank account of such Entitled Scheme Shareholder; and (B) in the case of an Entitled Scheme Shareholder or joint Entitled Scheme Shareholders (being depositor(s)) who has or have not registered for CDP's direct crediting service, send to such Entitled Scheme Shareholder(s), by ordinary post to his mailing address in the Depository Register at the close of business on the Books Closure Date and at the sole risk of such Entitled Scheme Shareholder(s), a cheque for the payment of such aggregate Scheme Consideration made out in favour of such Entitled Scheme Shareholder(s).

Assuming that the Scheme becomes effective and binding on 29 April 2019, the crediting by CDP of the Scheme Consideration payable to the Entitled Scheme Shareholders (being depositors and who have registered with CDP for direct crediting service) into the designated bank accounts of such Entitled Scheme Shareholders or, as the case may be, the posting of cheques for the Scheme Consideration under the Scheme in the manner set out in this **paragraph 10.2(d)** is expected to take place on or before 9 May 2019.

10.3 Retention and Release of Proceeds

On and after the day being six (6) calendar months after the posting of such cheques relating to the Scheme Consideration, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account in the Company's name with a licensed bank in Singapore selected by the Company.

The Company or its successor entity shall hold such moneys and any moneys returned by CDP to the Company (which shall similarly be placed in the bank account referred to in the preceding paragraph) until the expiration of six (6) years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to **Clause 3.2**

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of the Scheme as set out in **Appendix 13** to this Scheme Document to persons who satisfy the Company or its successor entity that they are respectively entitled thereto and that the cheques referred to in **Clause 3.2** of the Scheme as set out in **Appendix 13** to this Scheme Document for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the Company thereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to **Clause 3.1** of the Scheme as set out in **Appendix 13** to this Scheme Document.

On the expiry of six (6) years from the Effective Date, each of the Company and the Offeror shall be released from any further obligation to make any payments of the Scheme Consideration under the Scheme and the Company or its successor entity shall transfer to the Offeror the balance (if any) of the sums then standing to the credit of the bank account referred to in **Clause 3.4(a)** of the Scheme as set out in **Appendix 13** to this Scheme Document including accrued interest, subject, if applicable, to the deduction of interest, tax or any withholding tax or any other deduction required by law and subject to the deduction of any expenses.

11. CLOSURE OF BOOKS

11.1 Notice of Books Closure

Subject to the approval of the Scheme by the Scheme Shareholders at the Scheme Meeting, notice of the Books Closure Date will be given in due course for the purposes of determining the entitlements of the Entitled Scheme Shareholders to the Scheme Consideration under the Scheme.

The Books Closure Date is tentatively scheduled to be 26 April 2019 at 5.00 p.m.. The Company will make a further announcement in due course of the Books Closure Date.

11.2 Books Closure

No transfer of the Scheme Shares where the certificates relating thereto are not deposited with CDP may be effected after the Books Closure Date, unless such transfer is made pursuant to the Scheme.

11.3 Trading in Shares on the SGX-ST

The Scheme is tentatively scheduled to become effective and binding on or about 29 April 2019 and accordingly (assuming the Scheme becomes effective and binding on 29 April 2019), the Shares are expected to be delisted and withdrawn from the Official List of the SGX-ST after payment of the Scheme Consideration. It is therefore expected that, subject to the approval of the SGX-ST, the Shares will cease to be traded on the SGX-ST on or about 24 April 2019 at 5.00 p.m., being two (2) Market Days before the expected Books Closure Date.

Scheme Shareholders (not being depositors) who wish to trade in their Scheme Shares on the SGX-ST are required to deposit with CDP their certificates relating to their Scheme Shares, together with the duly executed instruments of transfer in favour of CDP, 15 Market Days prior to the tentative last day for trading of the Shares.

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12. SETTLEMENT AND REGISTRATION PROCEDURES

Subject to the Scheme becoming effective and binding in accordance with its terms, the following settlement and registration procedures will apply:

12.1 Entitled Scheme Shareholders whose Scheme Shares are not deposited with CDP

Entitlements to the Scheme Consideration will be determined on the basis of Entitled Scheme Shareholders (not being depositors) and their holdings of Scheme Shares appearing in the Register of Members as at 5.00 p.m. on the Books Closure Date.

Entitled Scheme Shareholders (not being depositors) who have not already done so are requested to take the necessary action to ensure that the Scheme Shares owned by them are registered in their names with the Share Registrar by 5.00 p.m. on the Books Closure Date.

From the Effective Date, each existing share certificate representing a former holding of Scheme Shares by Entitled Scheme Shareholders (not being depositors) will cease to be evidence of title of the Scheme Shares represented thereby.

Within seven (7) Business Days of the Effective Date, the Offeror shall make payment of the Scheme Consideration to each Entitled Scheme Shareholder (not being a depositor) based on his holding of the Scheme Shares as at 5.00 p.m. on the Books Closure Date.

12.2 Entitled Scheme Shareholders whose Scheme Shares are deposited with CDP

Entitlements to the Scheme Consideration will be determined on the basis of Entitled Scheme Shareholders (being depositors) and the number of Scheme Shares standing to the credit of their Securities Account as at 5.00 p.m. on the Books Closure Date.

Entitled Scheme Shareholders (being depositors) who have not already done so are requested to take the necessary action to ensure that the Scheme Shares owned by them are credited to their Securities Account by 5.00 p.m. on the Books Closure Date.

Following the Effective Date, CDP will debit all the Scheme Shares standing to the credit of each relevant Securities Account of each Entitled Scheme Shareholder (being a depositor) and credit all of such Scheme Shares to the Securities Account of the Offeror or such Securities Account(s) as directed by the Offeror.

Within seven (7) Business Days of the Effective Date, CDP shall make payment of the Scheme Consideration to each Entitled Scheme Shareholder (being a depositor) based on the number of Scheme Shares standing to the credit of his Securities Account as at 5:00 p.m. on the Books Closure Date.

13. DIRECTORS' INTERESTS

The interests of the Directors in the Scheme Shares as at the Latest Practicable Date are set out in **paragraph 5.3 of Appendix 3** to this Scheme Document.

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14. OVERSEAS SHAREHOLDERS

14.1 Overseas Shareholders

The applicability of the Scheme to Scheme Shareholders whose addresses are outside Singapore (as shown in the Register of Members or, as the case may be, in the records of the Depository Register) (collectively, the “**Overseas Shareholders**”) may be affected by the laws of the relevant overseas jurisdiction. Accordingly, all Overseas Shareholders should keep themselves informed of, and observe, any applicable legal requirements, restrictions or prohibitions in their own jurisdiction.

Where there are potential restrictions on sending this Scheme Document to any overseas jurisdiction, the Offeror and the Company reserve 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 Scheme Shareholders (including the Overseas Shareholders), including those to whom this Scheme Document will not be, or may not be, sent, provided that this 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.

14.2 Copies of Scheme Document

Scheme Shareholders (including Overseas Shareholders) may obtain copies of this Scheme Document and any related documents during normal business hours and up to the date of the Scheme Meeting from the Share Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Shareholder may write in to the Share Registrar at the same address to request for this Scheme Document and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three (3) Market Days prior to the date of the Scheme Meeting.

It is the responsibility of any Overseas Shareholder who wishes to request for this Scheme Document and any related documents to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with all necessary formalities or legal requirements. In requesting for this Scheme Document and any related documents, the Overseas Shareholder represents and warrants to the Offeror and the Company that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

If any Overseas Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

14.3 Notice

The Offeror and the Company each reserves the right to notify any matter, including the fact that the Scheme has been proposed, to any or all Scheme Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Scheme

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Shareholder (including any Overseas Shareholder) to receive or see such announcement or advertisement. For the avoidance of doubt, for as long as the Company remains listed on the SGX-ST, it will continue to notify all Scheme Shareholders (including Overseas Shareholders) of any matter relating to the Scheme by announcement via the SGXNET.

Notwithstanding that such Overseas Shareholder may not receive the Notice of Scheme Meeting, they shall be bound by the Scheme if the Scheme becomes effective.

14.4 Foreign Jurisdiction

It is the responsibility of any Overseas Shareholder who wishes to send in the Proxy Form and/or participate in the Scheme to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with all necessary formalities or legal requirements. In sending in the Proxy Form and/or participating in the Scheme, the Overseas Shareholder represents and warrants to the Offeror and the Company that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Overseas Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

15. ACTION TO BE TAKEN BY SCHEME SHAREHOLDERS

Scheme Shareholders who are unable to attend the Scheme Meeting are requested to complete the enclosed Proxy Form in accordance with the instructions printed thereon and lodge them with the Share Registrar at Keppel Telecommunications & Transportation Ltd c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 in accordance with the instructions contained therein not less than 72 hours before the time fixed for the Scheme Meeting.

Each Shareholder entitled to attend and vote at the Scheme Meeting, and who votes in person or by proxy at the Scheme Meeting, may only cast all the votes it uses at the Scheme Meeting in one way, namely, either for or against the Scheme.

The completion and lodgement of Proxy Forms will not prevent Scheme Shareholders from attending and voting in person at the Scheme Meeting if they subsequently wish to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

16. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors who wish to attend the Scheme Meeting as observers and/or to vote are advised to consult their respective CPF Agent Banks and SRS Agent Banks for further information and if they are in any doubt as to the action they should take, such CPFIS Investors and SRS Investors should seek independent professional advice.

17. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

The IFA Letter setting out the advice of the IFA to the Independent Directors is set out on pages 40 to 109 in **Appendix 1** to this Scheme Document.

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18. INDEPENDENT DIRECTORS' RECOMMENDATION

The recommendation of the Independent Directors in relation to the Scheme is set out in **paragraph 9** of the Letter to Shareholders.

19. GENERAL INFORMATION

Your attention is drawn to the further relevant information, including the interests in the Scheme Shares of the Directors, which are set out in the Appendices to this Scheme Document. These Appendices form part of this Scheme Document. This Explanatory Statement should be read in conjunction with, and is qualified by, the full text of this Scheme Document, including the Scheme as set out on pages 226 to 232 of this Scheme Document.

APPENDIX 1 LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

11 March 2019

The Independent Directors
Keppel Telecommunications & Transportation Ltd
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

Dear Sir/Madam,

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

1 INTRODUCTION

On 27 September 2018 (the “**Joint Announcement Date**”), Keppel Telecommunications & Transportation Ltd (“**Keppel T&T**” or the “**Company**”) and Keppel Corporation Limited (“**Keppel Corp**” or the “**Offeror**”, together with the Company, the “**Parties**”) jointly announced the proposed acquisition (the “**Acquisition**”) by the Offeror of all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of the Company (other than those already held by the Offeror) (the “**Scheme Shares**”) from the shareholders of the Company (the “**Shareholders**”) other than the Offeror (the “**Scheme Shareholders**”) via a joint announcement (the “**Joint Announcement**”). The Parties announced that the Acquisition will be effected by way of a scheme of arrangement (the “**Scheme**”) in accordance with Section 210 of the Companies Act, Chapter 50 of the Singapore and the Singapore Code on Take-overs and Mergers (the “**Code**”). The Parties announced that the offer price for the Shares (the “**Scheme Consideration**”) is S\$1.91 in cash for each Scheme Share.

As announced by the Company in an announcement dated 10 October 2018, Rothschild & Co Singapore Limited (“**Rothschild & Co**”) has been appointed pursuant to the requirements of the Code and Rule 1309(2) of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) to act as independent financial adviser (the “**IFA**”) to the directors of the Company (the “**Directors**”) who are considered to be independent for the purpose of making a recommendation to the Shareholders (the “**Independent Directors**”) in connection with the Scheme. This letter (this “**IFA Letter**”) sets out, *inter alia*, our evaluation of the financial terms of the Scheme and our opinion on the Scheme arising from such evaluation and forms part of the circular dated 11 March 2019 (the “**Scheme Document**”) to be sent to the Shareholders in connection with the Scheme.

Unless otherwise defined in this IFA Letter or where the context otherwise requires, all terms and expressions defined in the Scheme Document shall have the same meaning when used in this IFA Letter.

To ensure that this IFA Letter is comprehensive and concise, details contained in the Scheme Document, where necessary or relevant, may not be wholly reproduced, but instead, are referenced to or summarised throughout this IFA Letter. We recommend that

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LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

the Independent Directors advise the Shareholders to read these contextual references and summaries with due care and in conjunction with the full text and entirety of the Scheme Document.

Unless stated otherwise, all references to the financial statements, financial profile, and financial metrics of the Company in this IFA Letter refer to the consolidated financial statements, financial profile, or relevant financial metrics of the Company and its subsidiaries (the “**Group**”).

2 TERMS OF REFERENCE

We have been appointed pursuant to the requirements of the Code and Rule 1309(2) of the Listing Manual to advise the Independent Directors on the financial terms of the Scheme in compliance with the Code. We have confined our evaluation to the financial terms of the Scheme and have **not** taken into account the commercial risks and/or commercial merits of the Scheme. Our terms of reference do not require us to evaluate or comment on the rationale for, or the strategic or long-term merits of the Scheme or on the future prospects of the Group or the method and terms by which the Scheme is conducted or any other alternative methods by which the Scheme may be conducted. Such evaluations and comments remain the sole responsibility of the Directors and the management of the Company (including senior executives and other authorised representatives of the Company (the “**Management**”)), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

In the course of our evaluation of the financial terms of the Scheme, we have undertaken the following (which for the avoidance of doubt shall not be regarded as an exhaustive list):

- (i) reviewed, as we deemed appropriate, certain publicly available financial statements and other publicly available business and financial information relating to the Company, as well as certain public information provided, and representations made, to us by the Directors, the Management and the professional advisers of the Company;
- (ii) discussed the past and current business operations and financial condition of the Group with the Management;
- (iii) reviewed the reported prices, trading multiples and trading activity for the Shares;
- (iv) compared the premia implied by the Scheme Consideration to the premia/discounts on takeovers and mergers in Singapore at different times prior to their respective announcement dates;
- (v) reviewed the UOBKH Broker Report (as defined below);
- (vi) participated in discussions with the Directors, the Management and the professional advisers of the Company with respect to the Scheme;
- (vii) reviewed the Joint Announcement and the Scheme Document; and

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(viii) performed such other financial analyses, reviewed such other information and considered such other matters as we deemed appropriate for the purposes of this IFA Letter.

In the course of our evaluation of the financial terms of the Scheme and for the purposes of this IFA Letter, we have relied upon and assumed without independent verification, *inter alia*, the accuracy, adequacy and completeness of all information that was publicly available as at 1 March 2019 (the “**Latest Practicable Date**”) or which was furnished to or discussed with us by the Directors, the Management and/or the professional advisers of the Company, or which was otherwise reviewed by or for us, as at the Latest Practicable Date. Without prejudice to the generality of the foregoing, we have also relied on, without independent verification, information provided and representations made, including all financial analyses, estimates, forecasts, as well as certain reports including but not limited to the Valuation Reports (as defined below) and the UOBKH Broker Report, provided to us by the Directors, the Management and/or the professional advisers of the Company. As such, we have not independently verified (nor have we assumed any responsibility or liability for independently verifying) any such information, whether written or verbal, or its accuracy or completeness or adequacy. We do not represent or warrant, expressly or impliedly, and do not accept or assume any responsibility for, the accuracy, completeness or adequacy of such information. However, we have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, as we deemed necessary and have found no reason to doubt the accuracy or reliability of such information and representations made to us. Shareholders should note that such information, representations, financial analyses, estimates, forecasts and reports may contain certain disclaimers and qualifications and that our evaluation of the financial terms of the Scheme and any opinions expressed in this IFA Letter are subject to such disclaimers and qualifications, and are similarly disclaimed and qualified.

We have relied upon the independent valuation reports in respect of selected data centre assets provided by the independent professional valuers (collectively, the “**Valuation Reports**”) and a summary of each of the Valuation Reports is reproduced in **Appendix 5** of the Scheme Document. With respect to such Valuation Reports, we are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on these Valuation Reports for such asset appraisal and have not made any independent verification of the contents thereof. We have not been furnished with any evaluation or appraisal of the assets and liabilities of the Group except for the Valuation Reports as stated above.

We have not conducted any independent valuation or appraisal of any assets or liabilities of the Company, the Offeror, their respective subsidiaries, their respective associated companies, or any other party to the Scheme, nor have we evaluated the solvency of the Company, the Offeror, their respective subsidiaries, their respective associated companies, or any other relevant party to the Scheme under any applicable laws relating to bankruptcy, insolvency or similar matters. We are not legal, accounting or tax experts. We are the independent financial advisers only and have relied on, without independent verification, the assessments made by the independent professional valuers and the professional advisers to the Company with respect to such issues.

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In addition, we have assumed that the Scheme will be consummated in accordance with the terms set forth in the Scheme Document without any waiver, amendment or delay of any terms or conditions or the performance thereof and that no conditions or restrictions will be imposed (whether by law, contractually, or otherwise) that would have a material adverse effect on the contemplated benefits expected to be derived from the Scheme. We have further assumed, *inter alia*, that all necessary governmental, regulatory or other approvals, consents, filings and registrations necessary for the consummation of the Scheme will be obtained and effected, and that no delays, limitations, conditions or restrictions will be imposed that would have any material adverse effect on the Company or on the contemplated benefits of the Scheme.

This IFA Letter is based on economic, market, industry, monetary and other conditions in effect on, and the information made available to us, as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. It should be understood that subsequent developments after the Latest Practicable Date may affect the contents of this IFA Letter and/or our opinion on the Scheme, and that we do not have any obligation to update, revise, or affirm the contents of this IFA Letter and/or our opinion on the Scheme in light of any subsequent developments after the Latest Practicable Date. Shareholders should further take note of any announcements relevant to their consideration of the Scheme which may be released by the Company and/or the Offeror after the Latest Practicable Date.

Our opinion is limited to the fairness, from a financial point of view, of the Scheme Consideration and we express no opinion as to the fairness of the Scheme Consideration to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors or other constituencies of the Company as to the underlying decision by the Company to engage in the Scheme. Furthermore, we express no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the Scheme, or any class of such persons relative to the Scheme Consideration to be received by the Shareholders in the Scheme or with respect to the fairness of any such compensation. We were not a party to any negotiations in relation to the Scheme or related transactions. In addition, we were not requested to and have not provided advice concerning the structure, the specific amount of the consideration (including the Scheme Consideration), or any other aspects of the Scheme, or provided services other than the delivery of this IFA Letter.

We have not been requested or authorised to solicit, and have not solicited, any expressions of interest from any other parties with respect to the Shares or the sale of all or any part of the Company or any other alternative transaction. We do not evaluate and/or comment on the strategic or commercial merits and/or risks of the Scheme and/or future prospects of the Company. We do not address the relative merits and/or risks of the Scheme as compared to any other alternative transaction, or any other alternatives, or whether or not such alternatives could be achieved or are available.

The Directors have confirmed to us that, having made all reasonable enquiries and to the best of their knowledge, information and belief, all material information available to them in connection with the Company, the Group, the Acquisition, the Scheme and the Scheme Document has been disclosed to us, and that such information is true, complete and accurate in all respects and there are no omissions which may cause any information disclosed to us to be inaccurate, incomplete or misleading. They have further confirmed

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that the Scheme Document constitutes full, complete and accurate disclosure of all material information about the Acquisition, the Scheme and the Group, and the Directors are not aware of any other information or facts, the omission of which would cause any information in the Scheme Document to be inaccurate, incomplete or misleading. The Directors jointly and severally accept responsibility accordingly. We have relied upon such confirmation given by the Directors and the accuracy and completeness of all publicly available information and information given to us and have not independently verified any such information, whether written or verbal, or its accuracy or completeness or adequacy, and accordingly cannot and do not represent or warrant, expressly or impliedly, and do not accept or assume any responsibility for, the accuracy, completeness or adequacy of such information. However, we have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, as we deemed necessary and have found no reason to doubt the accuracy or reliability of such information and representations made to us.

For the purposes of providing this IFA Letter and our evaluation of the Scheme Consideration from a financial point of view, we have received certain financial projections and forecasts in respect of the Company. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects and/or earnings potential of the Company, the Group or any part or division of any of the foregoing. We are therefore not expressing any opinion herein as to the price at which the Shares may trade if the Scheme does not become effective or on the future financial performance of the Company or any part or division of any of the foregoing.

In rendering our opinion, we are not providing any investment advice and we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax status or positions or particular needs or constraints of any specific Shareholder, and do not assume any responsibility for, nor hold ourselves out as advisers to, any person other than the Independent Directors. As different Shareholders may have different investment profiles and objectives, the Independent Directors may wish to advise any Shareholder who may require specific advice in relation to his investment portfolio to consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. As such, our opinion should not be the sole basis for deciding whether or not to accept the Scheme.

The Company has been separately advised by its own advisers in the preparation of the Scheme Document (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Scheme Document (other than this IFA Letter). We have no role or involvement and have not and will not provide any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Scheme Document (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Scheme Document (except for this IFA Letter).

We have relied upon the assurances of the Directors that the Scheme Document has been approved by the Directors (including those who have delegated detailed supervision of the Scheme Document) who have taken all reasonable care to ensure that the facts stated with respect to the Company and opinions expressed (excluding those expressed in this IFA Letter and excluding the recommendation of the Independent Directors) in the Scheme

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Document are fair and accurate and that no material facts have been omitted. The Directors jointly and severally accept responsibility accordingly.

Where information set out in the Scheme Document has been extracted from published or otherwise publicly available sources, the responsibility of the Directors has been to ensure that, having made reasonable enquiries, such information has been accurately and correctly extracted from the relevant sources.

We will receive a fee from the Company for the delivery of this IFA Letter. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement. In the ordinary course of its business, Rothschild & Co and its affiliates may also seek to provide services to the Company and the Offeror in future and expect to receive fees for rendering such services.

The issuance of this IFA Letter has been approved by a committee in Rothschild & Co in accordance with our customary practice. This IFA Letter is provided to the Independent Directors solely for their information only. This IFA Letter is addressed strictly to the Independent Directors and not to any third party including, without limitation, the Shareholders, the Directors (other than the Independent Directors), employees and creditors of the Company. Whilst a copy of this IFA Letter and parts thereof may be reproduced in the Scheme Document, no person may use, reproduce, disseminate, refer to, or quote this IFA Letter (or any part thereof) for any purpose whatsoever except for in connection with the Scheme.

Unless as otherwise stated, the opinion set forth herein is based solely on publicly available information and information provided by the Directors and the Management, and is predicated upon the economic and market conditions prevailing as at the Latest Practicable Date.

Our opinion in relation to the Scheme Consideration should be considered in the context of the entirety of this IFA Letter.

3 TERMS AND CONDITIONS OF THE SCHEME

The Scheme Document, amongst other things, sets out the terms and conditions of the Scheme. The principal terms of the Scheme, as extracted from the Scheme Document, are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those in the Scheme Document, unless otherwise stated. Scheme Shareholders are advised to read the entire Scheme Document including relevant sections, as extracted below, carefully.

Relevant sections extracted from the Letter to Shareholders in the Scheme Document:

“3. THE ACQUISITION AND THE SCHEME

3.1 Terms of the Scheme

The Acquisition will be effected by way of a scheme of arrangement pursuant to Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

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Under the Scheme:

- (a) *all the Scheme Shares held by the Entitled Scheme Shareholders as at the Books Closure Date will be transferred to the Offeror:*
- (i) *fully paid;*
 - (ii) *free from all 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 Scheme 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*
- (b) *in consideration for such transfer, each Entitled Scheme Shareholder will be entitled to receive the Scheme Consideration for each Scheme Share held by such Entitled Scheme Shareholder as at the Books Closure Date.*

The Scheme will also be extended to all Scheme Shares unconditionally issued on or prior to the Books Closure Date pursuant to the valid vesting of any Awards.

The aggregate Scheme Consideration that is payable to any Entitled Scheme Shareholder in respect of the Scheme Shares held by such Entitled Scheme Shareholder will be rounded down to the nearest whole cent.

3.2 Termination of the Implementation Agreement

In the event of termination of the Implementation Agreement by either the Offeror or the Company (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.

...

4. NO CASH OUTLAY

Scheme Shareholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from the Entitled Scheme Shareholders under the Scheme.

APPENDIX 1 LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

5. APPROVALS REQUIRED

5.1 Scheme Meeting and Court Sanction

The Scheme will require, inter alia, the following approvals:

- (a) the approval of the Scheme by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority representing not less than three-fourths in value of the Scheme Shares voted at the Scheme Meeting; and*
- (b) 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 Scheme Court Order has been lodged with ACRA.

...

6. DELISTING

6.1 Delisting of the Company

Upon the Scheme becoming effective and binding in accordance with its terms, 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.

An application was made to seek approval-in-principle from the SGX-ST for the proposed delisting of the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 19 February 2019, advised that it has no objection to the Company's application for delisting from the Official List of the SGX-ST, subject to:

- (a) compliance with the SGX-ST's listing requirements;*
- (b) approval of the Scheme by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority representing not less than three-fourths in value of the Scheme Shares voted at the Scheme Meeting;*
- (c) sanction of the Scheme by the Court; and*
- (d) the Scheme becoming effective and binding in accordance with its terms.*

The above decision of the SGX-ST is not to be taken as an indication of the merits of the Scheme, the proposed delisting of the Company from the Official List of the SGX-ST, the Company, its subsidiaries and/or their securities.

APPENDIX 1 LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

SCHEME SHAREHOLDERS SHOULD NOTE THAT THE SHARES WILL BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.”

Relevant sections extracted from the Explanatory Statement in the Scheme Document:

“5. SCHEME MEETING

5.1 Scheme Meeting

The Scheme, which is proposed pursuant to Section 210 of the Companies Act, is required to be approved by Scheme Shareholders at the Scheme Meeting. By an order of the Court dated 4 March 2019, the Scheme Meeting was directed to be convened for the purpose of considering, and if thought fit, approving the Scheme.

By proposing that the Acquisition be implemented by way of a scheme of arrangement under Section 210 of the Companies Act, the Company is providing Scheme Shareholders with the opportunity to decide at the Scheme Meeting whether they consider the Scheme to be in their best interests.

The Scheme must be approved by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority representing not less than three-fourths in value of the Scheme Shares voted at the Scheme Meeting.

When the Scheme becomes effective, it will be binding on all Scheme Shareholders, whether or not they were present in person or by proxy or voted to approve the Scheme at the Scheme Meeting.

5.2 Notice

*The Notice of Scheme Meeting is set out in **Appendix 14** of this Scheme Document. You are requested to take note of the date, time and place of the Scheme Meeting.*

6. CONDITIONS OF THE SCHEME

6.1 Scheme Conditions

(a) Scheme Conditions: The Scheme is conditional upon the satisfaction (or, where applicable, waiver) of all the Scheme Conditions by the Long-Stop Date.

*A list of the Scheme Conditions is set out in **Appendix 6** to this Scheme Document.*

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(b) *Update on Status of Scheme Conditions: Set out below is an update on the status of the Scheme Conditions:*

(i) *the SIC has by way of a letter dated 26 September 2018, confirmed, inter alia, that:*

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

(B) *it has no objections to the Scheme Conditions.*

*Please refer to **paragraph 7.1** of this Explanatory Statement for further details;*

(ii) *the SGX-ST has on 19 February 2019 given its clearance for this Scheme Document and has also advised that it has no objection to the Company's application to delist from the Official List of the SGX-ST. Please refer to **paragraph 9** of this Explanatory Statement for further details; and*

*other than as set out in this **paragraph 6.1(b)**, none of the other Scheme Conditions have, as at the Latest Practicable Date, been satisfied or waived.*

(c) *Remaining Scheme Conditions: Accordingly, as at the Latest Practicable Date, the Scheme remains conditional upon the satisfaction (or, if applicable, waiver) of the remaining Scheme Conditions as set out in **Appendix 6** to this Scheme Document on or before 5.00 p.m. on the Long Stop Date.*

6.2 Non-fulfilment of Scheme Conditions

The Scheme will only become effective and binding if all the Scheme Conditions have been satisfied or, where applicable, waived, in accordance with the terms of the Implementation Agreement. The Scheme Shareholders should note that if any of the Scheme Conditions is not satisfied (or, if applicable, waived) on or before 5.00 p.m. on the Long-Stop Date, the Scheme will not become effective and binding."

4 INFORMATION ON THE OFFEROR

Information on the Offeror is set out in the Offeror's Letter in **Appendix 2** of the Scheme Document.

5 INFORMATION ON THE COMPANY

Information on the Company is set out in the General Information Relating to the Company in **Appendix 3** of the Scheme Document.

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6 FINANCIAL EVALUATION OF THE SCHEME

We have confined our evaluation to the financial terms of the Scheme. In evaluating the financial terms of the Scheme, we have performed the following analyses based on market, economic, industry, monetary and other conditions in effect on the Latest Practicable Date, and on publicly available information and information made available to us by the Company as at the Latest Practicable Date, which we consider to be pertinent and have a significant bearing on our evaluation.

- **Liquidity and broker research coverage analysis** to evaluate the ability for the Shares to be converted into cash with minimal impact on price;
- **Historical Share price performance analysis** to evaluate how the Scheme Consideration compares to the historical Share prices of the Company over different observation periods;
- **Historical trading performance analysis** to evaluate how the valuation multiples implied by the Scheme Consideration compare to the Company's historical trading multiples;
- **Precedent Singapore takeover analysis** to evaluate how the premia implied by the Scheme Consideration compares to the premia/discount on selected takeover transactions in Singapore at different times prior to their respective announcement dates;
- **Broker research price targets for the Shares** to evaluate how the Scheme Consideration compares to broker research price targets for the Company in reports issued prior to the Joint Announcement Date and as at the Latest Practicable Date; and
- **Sum-of-the-parts valuation** to assess how the sum of the value of the individual divisions of the Company's businesses compares against the Scheme Consideration.

The figures and underlying financial and market data used in our analyses in this IFA Letter, including share prices, trading volumes, free float data and broker research, have been extracted from, *inter alia*, Bloomberg, FactSet, Mergermarket, the SGX-ST and other publicly available filings and documents, or have been provided by the Company where relevant, as at the Latest Practicable Date. Rothschild & Co has not independently verified (nor assumed responsibility or liability for independently verifying) or ascertained and makes no representations or warranties, express or implied, as to the accuracy, completeness or adequacy of such information. However, we have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, as we deemed necessary and have found no reason to doubt the accuracy or reliability of such information and representations made to us.

We note that the accounting principles used by the respective comparable companies may be different. Such differences may therefore render any comparisons carried out less useful than if the same accounting principles were being used. In addition, we note that the comparable companies are not identical to

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the Company in terms of, *inter alia*, location, business mix, scale, geographical spread and track record. Any conclusions drawn from any comparisons made may therefore not necessarily reflect the possible market valuation of the Company.

7 VALUATION RATIOS

We have applied the following valuation ratios in our analysis of the Scheme Consideration:

Valuation ratio	General description
EV/EBITDA	<p>“EV” or “enterprise value” is the sum of the company’s market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents and other investments.</p> <p>“EBITDA” stands for the historical earnings before interest, tax, depreciation and amortisation expenses, excluding share of associates’ and joint ventures’ income and exceptional items. EBITDA for the Company reflects the historical operating profit before interest, tax, depreciation and amortisation, excluding share of results of associated companies and joint ventures and exceptional items as classified under “Other income”.</p> <p>The “EV/EBITDA” ratio illustrates the market value of a company’s business relative to its historical pre-tax operating cash flow performance, without regard to the company’s capital structure.</p>
P/E	<p>The “P/E” or “price-to-earnings” ratio illustrates the multiple of the market capitalisation of a company’s shares relative to its earnings attributable to common shareholders before exceptional items. Market capitalisation is calculated based on share price multiplied by total ordinary shares outstanding. The P/E multiple is affected by, <i>inter alia</i>, the capital structure of a company, its tax position as well as its accounting policies relating to sales recognition, depreciation and intangible assets.</p>
P/NAV	<p>The “P/NAV” or “price-to-net asset value” ratio illustrates the ratio of the market price of the company’s shares relative to historical net asset value (“NAV”) per share as recorded in its latest reported financial statements. Comparisons of companies using their book NAVs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.</p>

In applying the above ratios, we have considered whether the multiples of the Company, implied by the Scheme Consideration, lie above, within or below the mean and median, and the minimum and maximum of the range implied by the relevant ratios considered as set out in Section 8.3.

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8 EVALUATION OF THE FINANCIAL TERMS OF THE SCHEME

8.1 Liquidity and Broker Research Coverage Analysis

In general, share prices may be affected by various factors including free float, relative liquidity and investor interest or market sentiment at a given point in time. In evaluating the Scheme Consideration relative to the Company's historical Share price, we have considered the relative liquidity of the Company in comparison with companies that make up the 30 constituents of the Straits Times Index ("STI") traded on the SGX-ST in Singapore, as at the Latest Practicable Date. This analysis is to evaluate the ability for the Shares to be converted into cash with minimal impact on price.

Chart 1. Liquidity Analysis and Broker Research Coverage¹

Company	Market cap ² (S\$m)	Free float ³ (%)	Avg daily vol ⁴ / Free float (%)	Avg daily val ⁵ / Market cap (%)	No. of brokers covering ⁶
DBS	64,304	71%	0.25%	0.18%	24
JMH USD	50,399	69%	0.04%	0.03%	8
SingTel	48,824	48%	0.26%	0.13%	25
OCBC Bank	47,250	72%	0.18%	0.14%	22
JSH USD	43,576	30%	0.07%	0.02%	5
UOB	42,014	69%	0.22%	0.16%	23
ThaiBev	20,468	29%	0.31%	0.08%	20
Wilmar Intl	20,363	26%	0.33%	0.08%	19
HongkongLand USD	17,108	49%	0.15%	0.07%	14
CapitalLand	14,661	59%	0.34%	0.20%	20
Jardine C&C	13,418	24%	0.33%	0.08%	6
Genting Sing	12,457	47%	0.60%	0.30%	22
SIA	11,831	44%	0.28%	0.13%	18
ST Engineering	11,647	49%	0.26%	0.12%	15
Dairy Farm Int'l	11,593	22%	0.24%	0.05%	8
Keppel Corp	11,147	79%	0.26%	0.23%	17
CapitaMall Trust	8,889	53%	0.54%	0.26%	23
Ascendas REIT	8,710	83%	0.39%	0.30%	24
SGX	8,455	76%	0.24%	0.17%	17
CityDev	8,011	43%	0.52%	0.25%	22
CapitaCom Trust	7,273	74%	0.41%	0.27%	24
SATS	5,733	58%	0.26%	0.15%	15
YZJ Shipbldg SGD	5,723	57%	1.01%	0.47%	13
UOL	5,556	54%	0.34%	0.20%	14
Venture	5,333	91%	0.77%	0.70%	10
ComfortDelGro	5,262	99%	0.38%	0.35%	16
Sembcorp Ind	4,665	50%	0.40%	0.21%	14
SPH	3,954	97%	0.28%	0.29%	6
Golden Agri-Res	3,530	55%	0.24%	0.14%	14
HPH Trust USD	2,004	56%	0.39%	0.26%	9
Mean ⁷	17,472	58%	0.34%	0.20%	16
Median ⁷	11,370	56%	0.29%	0.18%	17
Maximum ⁷	64,304	99%	1.01%	0.70%	25
Minimum ⁷	2,004	22%	0.04%	0.02%	5
Keppel T&T	1,053	21%	0.22%	0.04%	1

Source: The SGX-ST, FactSet and Bloomberg as at the Latest Practicable Date

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Notes:

1. All figures are as at the Latest Practicable Date.
2. Market capitalisation on a non-diluted basis. Keppel T&T's market capitalisation is calculated by taking the Share price as at the Latest Practicable Date and multiplying it by the Company's basic number of Shares issued and outstanding of 560,031,980 as at the Latest Practicable Date.
3. Free float percentages are based on SGX StockFacts database for all companies other than Keppel T&T. Keppel T&T's free float percentage is calculated based on the Company's basic number of Shares issued and outstanding, after excluding the 442,935,526 Shares directly owned by the Offeror as stated in the Joint Announcement.
4. Average daily trading volume for the last 12 months prior to the Latest Practicable Date.
5. Average daily trading value for the last 12 months prior to the Latest Practicable Date.
6. Latest analyst coverage based on Bloomberg and FactSet data.
7. Mean, median, maximum and minimum values based on the 30 constituents of the STI.

With respect to Chart 1, in the 12 months leading up to the Latest Practicable Date, the Company's average daily trading volume represented 0.22% of the Company's free float, which is within the range of the 30 constituents of the STI, but below the mean and median daily trading volume to free float of 0.34% and 0.29%.

In the same 12 months leading up to the Latest Practicable Date, the Company's average daily trading value represented 0.04% of the Company's market capitalisation, which is within the range of the 30 constituents of the STI, but below the mean and median daily trading value to market capitalisation of 0.20% and 0.18%.

Based on Bloomberg, there are two brokerage houses covering the Company. We note that only one brokerage house, UOB Kay Hian, has issued a report in the last 12 months, and this has been confirmed by the Management. This is below the range of the number of brokerage houses providing research coverage to the 30 constituents of the STI according to Bloomberg, which is from five to 25.

To further analyse the liquidity of the Shares, we have also considered the historical average daily trading value and volume of the Shares for the one-week, one-month, three-month, six-month and 12-month periods leading up to the Latest Practicable Date, as set out in Chart 2.

Chart 2. Historical Trading Volume

Calendar period up to Latest Practicable Date ¹	VWAP ² (\$)	Total volume traded (m)	Avg daily trading value (\$m)	Avg. daily trading vol (m)	Avg. daily trading volume / Free float (%)
12-month	1.7807	67.7	0.5	0.3	0.22%
6-month	1.8471	54.6	0.8	0.4	0.36%
3-month	1.8659	20.0	0.6	0.3	0.27%
1-month	1.8828	2.9	0.3	0.1	0.12%
1-week	1.8830	0.7	0.2	0.1	0.10%
From Joint Ann. Date to the Latest Pract. Date	1.8535	53.9	0.9	0.5	0.40%

Source: FactSet as at the Latest Practicable Date

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Notes:

1. Periods analysed are as follows – one week up to the Latest Practicable Date (inclusive): 22 February 2019 to 1 March 2019; one month up to the Latest Practicable Date (inclusive): 1 February 2019 to 1 March 2019; three months up to the Latest Practicable Date (inclusive): 3 December 2018 to 1 March 2019; six months up to the Latest Practicable Date (inclusive): 3 September 2018 to 1 March 2019; and 12 months up to the Latest Practicable Date (inclusive): 1 March 2018 to 1 March 2019.
2. The volume weighted average price of the Shares (the “**VWAP**”) calculated as the average daily trading value/average daily trading volume for the relevant period.

For the 12-month period ended on the Latest Practicable Date, the average daily trading volume has been 0.3 million Shares, and the average daily trading value has been approximately S\$0.5 million. We note that announcements related to the Scheme may have had an impact on the trading volume of the Shares during this period.

In addition, we note that for the period from the Joint Announcement Date to the Latest Practicable Date, the average daily trading volume and trading value increased to 0.5 million Shares and S\$0.9 million respectively.

Our analysis of the historical trading volume of the Shares, and the average daily trading volume and value relative to the 30 constituents of the STI suggests that the trading volume of the Shares had generally been low in the past 12 months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

Hence, the Scheme represents a clean cash exit opportunity for Shareholders to realise their entire investment without incurring brokerage and other trading costs, an option which may not otherwise be readily available due to the low trading liquidity of the Shares.

8.2 Historical Share Price Performance Analysis

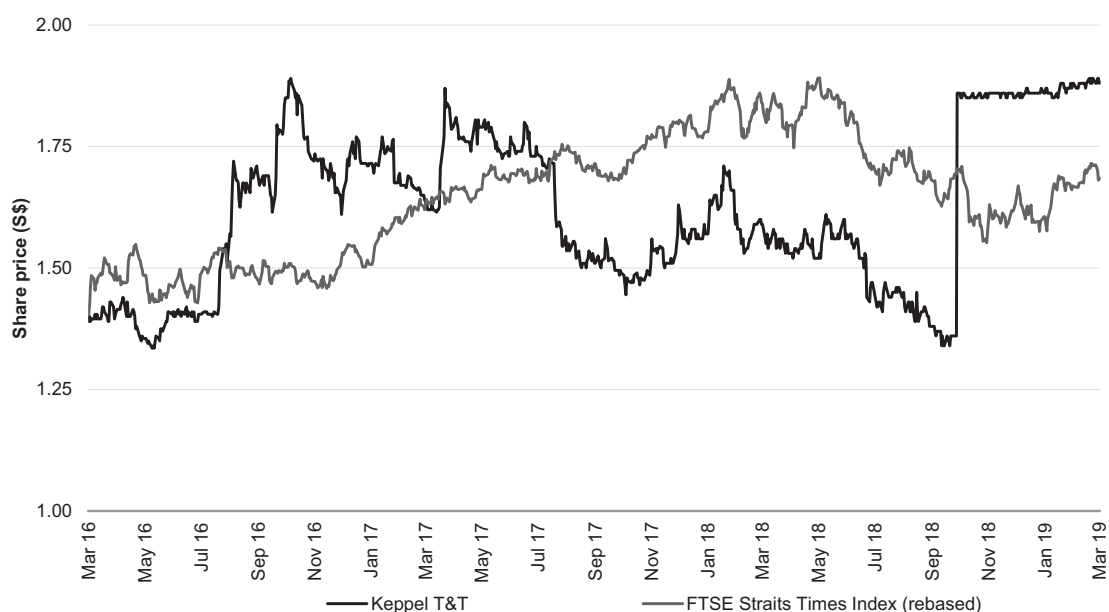
In evaluating the fairness of the Scheme Consideration from a market price perspective, we have compared the Scheme Consideration to the historical and current share price performance of the Shares over different observation periods.

We set out in Chart 3 the daily closing prices of the Shares compared with the performance of the STI (the “**Benchmark Index**”) for the three-year period up to the Latest Practicable Date.

We note that the closing prices of the Shares have traded between S\$1.34 and S\$1.89 in the three-year period up to the Latest Practicable Date.

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Chart 3. Share Price Performance Relative to the Benchmark Index



Source: Company filings on the SGX-ST and Factset as at the Latest Practicable Date

Significant Events

1. **15 Mar 2016:** Keppel T&T announced that its wholly-owned subsidiary, Keppel Data Centres Pte. Ltd. (“**KDCPL**”), signed a memorandum of understanding on connectivity with the National Supercomputing Centre.
2. **31 Mar 2016:** Keppel T&T announced the cessation of Deputy Chief Executive Officer Mr Chan Shui Har, with effect from 1 April 2016, due to retirement.
3. **12 Apr 2016:** Keppel T&T announced that Keppel Data Centres Holding Pte. Ltd. (“**KDCH**”) secured S\$84.5 million in contracts to provide colocation and data centre services at Keppel Datahub 2.
4. **15 Apr 2016:** Keppel T&T announced the cessation of Mr Tan Boon Huat and Mr Wee Sin Tho as non-executive and independent directors of the Company.
5. **18 Apr 2016:** Keppel T&T announced that, through KDCH, it had entered into a long-term collaboration agreement, on an international carrier exchange in Hong Kong, with PCCW Global, the international operating division of HKT, a Hong Kong telecommunications service provider.
6. **28 Apr 2016:** Keppel T&T announced that its subsidiary, Keppel DC REIT Management Pte. Ltd. (“**KDCRM**”), had acquired 55,416 units in Keppel DC REIT. The units were issued directly to KDCRM and constitute payment by Keppel DC REIT of 100% of the management fee due to KDCRM, in respect of Keppel DC REIT’s 100% interest in Intellicentre 2, Australia for the period from 1 January 2016 to 31 March 2016.

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7. **1 Jul 2016:** Keppel T&T announced that KDCPL had completed the sale of 50% of the shares of KDCRM, the manager of Keppel DC REIT, to Keppel Capital Holdings Pte. Ltd. ("**Keppel Capital**"), a wholly-owned subsidiary of Keppel Corp, for a total cash consideration of S\$38 million. Following the disposal, Keppel T&T retained a 50% stake in KDCRM and KDCRM will remain as an associated company.
8. **19 Jul 2016:** Keppel T&T announced that KDCH had partnered with Quann, a managed security services provider and a business unit of security organisation, Certis CISCO, in a strategic collaboration on end-to-end enterprise cyber security solutions.
9. **20 Jul 2016:** Keppel T&T announced a collaboration between KDCH and Alpha Investment Partners Limited ("**Alpha Investment**") on a US\$500 million data centre fund.
10. **20 Jul 2016:** Keppel T&T announced that KDCH secured more than S\$144 million in contracts at Keppel DC Singapore 3 (formerly Keppel Datahub 2) and Keppel DC Singapore 4 (formerly Keppel Datahub 3) ahead of the latter's completion.
11. **28 Jul 2016:** Keppel T&T announced that its associated company, KDCRM, had acquired 55,657 units in Keppel DC REIT. The units were issued directly to KDCRM and constitute payment by Keppel DC REIT of 100% of the management fee due to KDCRM, in respect of Keppel DC REIT's 100% interest in Intellicentre 2, Australia for the period from 1 April 2016 to 30 June 2016.
12. **12 Aug 2016:** Keppel T&T announced the re-designation of Mr Ko Woon Chun Vincent from Chief Executive Officer, Logistics (China) to Director, Special Projects.
13. **30 Sep 2016:** Keppel T&T referred to the queries from the SGX-ST regarding unusual price movements in the Company's shares, and responded that it was not aware of any information not previously announced and provided several possible explanations for the occurrence of recent unusual price movements.
14. **17 Oct 2016:** Keppel T&T announced that KDCH will divest 90% of Keppel DC Singapore 3, formerly T27 or Keppel Datahub 2, to Keppel DC REIT via a share sale for an aggregate consideration of approximately S\$141 million.
15. **31 Oct 2016:** Keppel T&T announced that Keppel Logistics Pte. Ltd. ("**Keppel Logistics**"), a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement with Lee Kok Tong and Choa Soon Heng, to acquire Lee Kok Tong's entire interest in Courex Pte. Ltd. ("**Courex**"), representing 59.6% of the issued and paid-up capital of Courex, for an aggregate cash consideration of S\$758,326. Courex is engaged in the business of providing general logistics services, supply chain management, parcel delivery services and other customer-oriented logistics services.
16. **11 Nov 2016:** Keppel T&T announced a co-investment transaction in which KDCH and Alpha DC Fund Private Limited ("**ADC Fund**") are to acquire a data centre facility in Frankfurt, Germany for an aggregate cash consideration of EUR76 million. Calcium DC Pte. Ltd. ("**Calcium**"), a 60-40 joint venture between ADC Fund and KDCH, entered into definitive legal documentation with Citibank N.A. to acquire the data centre.

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17. **14 Nov 2016:** Keppel T&T announced that its subsidiary, Keppel DC Investment Holdings Pte. Ltd. (“**Keppel DC Investment**”), had acquired 72,818,828 units in Keppel DC REIT at an issue price of S\$1.155 per unit pursuant to the acceptance in full of their provisional allotment under the preferential offering of new units in Keppel DC REIT.
18. **28 Feb 2017:** Keppel T&T announced that its associated company, KDCRM, had acquired 138,034 units in Keppel DC REIT. The units were issued directly to KDCRM and constituted payment by Keppel DC REIT of 100% of the management fee due to KDCRM, in respect of Keppel DC REIT’s 100% interest in Intellicentre 2, Australia.
19. **17 Mar 2017:** Keppel T&T announced a trading halt on its shares pending the release of an announcement.
20. **17 Mar 2017:** Keppel T&T referred to the queries from the SGX-ST regarding unusual price movements in the Company’s shares and responded that it was not aware of any information not previously announced and referred to an article entitled “M1’s Shareholders Said to Explore Sale of Singaporean Operator” which was published on Bloomberg News on 17 March 2017. The Company subsequently explained that Keppel T&T, Singapore Press Holdings Limited and Axiata Group Berhad are undertaking a strategic review in respect of their respective shareholdings in M1 Limited (“**M1**”), which may or may not lead to a transaction.
21. **17 Mar 2017:** Keppel T&T announced that it had entered into a sales and purchase agreement together with, among other parties, Holistic Capital Investment Limited (a subsidiary of Hong Kong Airlines Limited), to sell its entire 10% stake in Asia Airfreight Terminal Company Limited for a consideration of HK\$250 million.
22. **17 Mar 2017:** Keppel T&T announced the request for the lifting of the trading halt on its shares.
23. **28 Apr 2017:** Keppel T&T announced that its associated company, KDCRM, had acquired 51,700 units in Keppel DC REIT. The units were issued directly to KDCRM and constitute payment by Keppel DC REIT of 100% of the management fee due to KDCRM, in respect of Keppel DC REIT’s 100% interest in Intellicentre 2, Australia for the period from 1 January 2017 to 31 March 2017.
24. **13 Jul 2017:** Keppel T&T announced that following the securing of additional investment commitment(s) from third party investors in ADC Fund, the shareholding of KDCH in the issued ordinary share capital of ADC Fund had been reduced from 69.5% to 40.2%.
25. **18 Jul 2017:** Keppel T&T referred to the announcement made on 17 March 2017 in relation to the strategic review of the Company’s shareholdings in M1. The Company announced that together with Axiata Group Berhad and Singapore Press Holdings Limited, the Company has decided not to proceed further with the strategic review. Keppel T&T, Axiata Group Berhad and Singapore Press Holdings Limited have taken into consideration the proposals from interested parties, which despite a favorable level of interest, have not met the minimum criteria and parameters determined.

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26. **18 Jul 2017:** Keppel T&T announced that KDCH had entered into a share purchase agreement with Thorium DC Pte. Ltd. (“**Thorium**”), a 70-30 joint venture company between ADC Fund and KDCH, for the transfer of the entire issued share capital of Keppel DC Singapore 4 for a consideration of approximately S\$170 million. Post-transaction, Keppel T&T will retain an effective interest of approximately 40.7% in Keppel DC Singapore 4 through KDCH’s respective stakes in Thorium and ADC Fund.
27. **28 Jul 2017:** Keppel T&T announced that its associated company, KDCRM, had acquired 48,139 units in Keppel DC REIT. The units were issued directly to KDCRM and constitute payment by Keppel DC REIT of 100% of the management fee due to KDCRM, in respect of Keppel DC REIT’s 100% interest in Intellicentre 2, Australia for the period from 1 April 2017 to 30 June 2017.
28. **1 Aug 2017:** Keppel T&T announced that KDCH had committed to provide additional capital of US\$180 million to ADC Fund. Following the additional capital commitment, the Company’s effective shareholding in ADC Fund increased from 28.1% to 45.7%.
29. **25 Aug 2017:** Keppel T&T announced the proposed issue of S\$100 million 2.85% fixed rate notes due 2024, to be issued under the S\$500 million Multicurrency Medium Term Note Program established on 29 June 2012. The notes were expected to be issued on 5 September 2017 and expected to mature on 5 September 2024.
30. **12 Oct 2017:** Keppel T&T announced that the Canada Pension Plan Investment Board had partnered with Alpha Investment and KDCH for an initial allocation of up to US\$350 million alongside ADC Fund, with the option to invest another US\$150 million.
31. **24 Oct 2017:** Keppel T&T announced that Keppel Logistics has launched UrbanFox, an omnichannel logistics and channel management solutions brand with end-to-end capabilities from e-commerce channel management, warehousing and inventory management to last-mile fulfilment.
32. **30 Oct 2017:** Keppel T&T announced that its associated company, KDCRM, had acquired 47,425 units in Keppel DC REIT. The units were issued directly to KDCRM and constitute payment by Keppel DC REIT of 100% of the management fee due to KDCRM, in respect of Keppel DC REIT’s 100% interest in Intellicentre 2, Australia for the period from 1 July 2017 to 30 September 2017.
33. **31 Oct 2017:** Keppel T&T announced that Keppel Logistics had entered into a sale and purchase agreement with Misc Enterprises Holdings Sdn Bhd and John Keells Holdings Plc to divest its entire shareholding in Trans-ware Logistics (Private) Limited (“**Trans-ware**”) representing 25% of the issued and paid-up capital of Trans-ware for approximately S\$1.3 million.
34. **6 Nov 2017:** Keppel T&T announced that KDCH had partnered with the Singapore Internet Exchange Ltd. (“**SGIX**”) to enhance network connectivity in Singapore. Under the terms outlined in a memorandum of understanding, SGIX had set up its point of presence within Keppel DC Singapore 1 in Northeast Singapore.

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35. **30 Nov 2017:** Keppel T&T announced that it is currently undertaking a strategic review of its China logistics portfolio, with the view to optimise and focus resources to become the urban logistics solutions provider of choice. As part of the strategic review, Keppel T&T, through its appointed financial adviser, may undertake preliminary discussions with various parties to evaluate the viability of options available.
36. **31 Jan 2018:** Keppel T&T announced that its associated company, KDCRM, had acquired 103,981 units in Keppel DC REIT. The units were issued directly to KDCRM and constitute payment by Keppel DC REIT of 100% of the management fee due to KDCRM, in respect of Keppel DC REIT's 100% interest in Intellicentre 2, Australia. The management fee constituted a base fee component for the period from 1 October 2017 to 31 December 2017, and a performance fee component for the period from 1 January 2017 to 31 December 2017.
37. **5 Feb 2018:** Keppel T&T announced that Keppel Logistics had increased its shareholding in Courex, through the acquisition of 143,664 ordinary shares at an aggregate consideration of S\$7.5 million. Following the acquisition, the Company's shareholding in Courex had increased from 59.6% to 85%. The remaining 15% shareholding interest in Courex will continue to be held by Choa Soon Heng.
38. **16 Apr 2018:** Keppel T&T announced that KDCH had partnered with DE-CIX, an internet exchange operator, to boost interconnectivity. Under the commercial agreement, Keppel DC Frankfurt 1 will offer DE-CIX interconnection services such as peering and dedicated cloud connections. The partnership will also qualify Keppel DC Frankfurt 1 as a DE-CIX enabled site.
39. **30 Apr 2018:** Keppel T&T announced that its associated company, KDCRM, had acquired 46,086 units in Keppel DC REIT. The units were issued directly to KDCRM and constitute payment by Keppel DC REIT of 100% of the management fee due to KDCRM, in respect of Keppel DC REIT's 100% interest in Intellicentre 2, Australia for the period from 1 January 2018 to 31 March 2018.
40. **25 Jun 2018:** Keppel T&T announced that KDCPL had entered into a loan agreement with Keppel Digihub Holdings Limited, a wholly-owned subsidiary of Keppel Land Limited ("KLL"), to provide a S\$378 million loan to KDCH. The provision of the loan will enable KDCH to meet its capital commitment of US\$280 million to ADC Fund.
41. **30 July 2018:** Keppel T&T announced that its associated company, KDCRM, had acquired 73,881 units in Keppel DC REIT. The units were issued directly to KDCRM and constitute payment by Keppel DC REIT of 100% of the management fee due to KDCRM, in respect of Keppel DC REIT's 100% interest in Intellicentre 2, Australia for the period from 1 April 2018 to 30 June 2018 and Keppel DC REIT's 99% interest in Keppel DC Singapore 5, Singapore for the period from 13 June 2018 to 30 June 2018.
42. **10 Sep 2018:** Keppel T&T announced that the Salim Group and the Keppel Group through ADC Fund, managed by Alpha Investment and KDCH, have signed conditional agreements to jointly develop and operate a high-availability data centre in Bogor, 35km distance from Jakarta, Indonesia. The data centre, IndoKeppel Data Centre 1, will be developed and operated by a 60:40 joint venture between Salim

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Group and KDCH. IndoKeppel Data Centre 1, and its underlying 3ha land plot, will be held by a 60:40 joint venture between Salim Group and ADC Fund respectively.

43. **24 Sep 2018:** Keppel T&T announced a trading halt on its shares pending the release of an announcement.
44. **27 Sep 2018:** Keppel T&T and the Offeror announced, via the Joint Announcement, the proposed acquisition by the Offeror of all the Scheme Shares by way of a scheme of arrangement.
45. **27 Sep 2018:** Keppel T&T announced the request for the lifting of the trading halt on its shares.
46. **11 Oct 2018:** Keppel T&T announced that KDCH had entered into an agreement with Huawei, Xiangjiang Science & Technology Co., Ltd and Cloud Engine (Beijing) Network Technology Co., Ltd. to enhance cooperation in developing more efficient and robust data centres.
47. **30 Oct 2018:** Keppel T&T announced that its associated company, KDCRM, had acquired 183,166 units in Keppel DC REIT. The units were issued directly to KDCRM and constitute payment by Keppel DC REIT of 100% of the management fee due to KDCRM in respect of Keppel DC REIT's 100% interest in Intellicentre 2, Australia for the period from 1 July 2018 to 30 September 2018 and 50% of the management fee due to KDCRM in respect of Keppel DC REIT's 99% interest in Keppel DC Singapore 5, Singapore for the period from 1 July 2018 to 30 September 2018.
48. **31 Oct 2018:** Keppel T&T announced that its subsidiary, Kloud Info Tech (Shanghai) Co., Ltd., acquired the subsidiary, Techbod Info Tech (Shanghai) Co., Ltd. The transaction is not expected to have any material impact on the net tangible assets and earnings per share of Keppel T&T for the current financial year.
49. **23 Nov 2018:** Keppel T&T announced that it has incorporated two wholly-owned subsidiaries, namely, Asgard Investment Holdings Pte. Ltd. and Keppel Midgard Holdings Pte. Ltd. The incorporation of both subsidiaries is not expected to have any material impact on the net tangible assets and earnings per share of Keppel T&T for the current financial year.
50. **26 Nov 2018:** Keppel T&T announced that ADC Fund and KDCH have inked agreements to develop and operate a high-availability build-to-suit data centre in Johor, Malaysia. The initial development of the data centre and subsequent facilities management will be undertaken by KDCH.
51. **26 Dec 2018:** Keppel T&T announced that its wholly-owned subsidiaries, Apsilon Ventures Pte Ltd and Keppel Communications Pte Ltd ("**KCPL**"), have entered into separate sale and purchase agreements to divest their entire interest in Advanced Research Group Co., Ltd. ("**Advanced Group**") and 40% in Anew Corporation Limited, for a cash consideration of approximately S\$8.8 million. KCPL has also entered into a sale and purchase agreement to acquire 4% interest in Business Online Public Company Limited ("**BOPCL**") from Advanced Group for a cash consideration of approximately S\$2.8 million.

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52. **31 Jan 2019:** Keppel T&T announced that its associated company, KDCRM, had acquired 363,549 units in Keppel DC REIT. The units were issued directly to KDCRM and constitute payment by Keppel DC REIT of 100% of the management fee due to KDCRM in respect of Keppel DC REIT's 100% interest in Intellicentre 2, Australia for the period from 1 October 2018 to 31 December 2018, 50% of the management fee due to KDCRM in respect of Keppel DC REIT's 99% interest in Keppel DC Singapore 5, Singapore for the period from 1 October 2018 to 31 December 2018 and a performance fee component paid out on an annual basis in accordance with the Keppel DC REIT trust deed.
53. **18 Feb 2019:** Keppel T&T announced that it had applied to the SGX-ST for an extension of time for holding the annual general meeting and waiver of compliance with Rules 707(1) and 707(2) of the Listing Manual. The SGX-ST has indicated that it has no objection to the Company's application for a complete waiver of compliance with Rules 707(1) and 707(2) of the Listing Manual, and the Company's application for the extension of time to hold the FY2018 annual general meeting, subject to certain conditions being fulfilled.
54. **19 Feb 2019:** Keppel T&T announced that the SGX-ST has advised that it has no objection to the Company's application for delisting from the Official List of the SGX-ST, subject to, *inter alia*, the Scheme becoming effective and binding in accordance with its terms.
55. **25 Feb 2019:** Keppel T&T announced that the Company's application for an order of the High Court of the Republic of Singapore ("**Court**") to convene the meeting of Scheme Shareholders to approve the scheme has been directed to be heard before the Court on 4 Mar 2019.

Source: Company filings on the SGX-ST and Factset as at the Latest Practicable Date

Earnings Announcements (Period – Date)

In this section, "**1Q**" means the financial period which commenced on 1 January and ended on 31 March, "**2Q**" means the financial period which commenced on 1 April and ended on 30 June, "**3Q**" means the financial period which commenced on 1 July and ended on 30 September and "**FY**" means the financial year ended or ending 31 December.

1. **1Q2016 – 14 Apr 2016:** Group revenue increased by 1% year-on-year to S\$48.3 million in the first quarter of FY2016, mainly due to higher revenue from the Data Centre division, partially offset by lower revenue from Logistics division. Net profit attributable to shareholders in the corresponding period declined 16% year-on-year to S\$13.3 million.
2. **2Q2016 – 20 Jul 2016:** Group revenue increased by 2% year-on-year to S\$50.2 million in the second quarter of FY2016, mainly due to higher revenue from the Data Centre division, partially offset by lower revenue from Logistics division. Net profit attributable to shareholders in the corresponding period increased by 18% year-on-year to S\$18.8 million.

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3. **3Q2016 – 19 Oct 2016:** Group revenue decreased by 9% year-on-year to S\$46.5 million in the third quarter of FY2016, mainly due to lower revenue from the Logistics division, partially offset by higher revenue from the Data Centre division. Net profit attributable to shareholders in the corresponding period increased by 357% year-on-year to S\$69.9 million.
4. **FY2016 – 25 Jan 2017:** Group revenue for the year decreased by 3% to S\$194.6 million in FY2016, mainly due to lower revenue from both the Logistics division and Data Centre division. Net profit attributable to shareholders in the corresponding period increased by 15% year-on-year to S\$105.1 million.
5. **1Q2017 – 18 Apr 2017:** Group revenue decreased by 16% year-on-year to S\$40.7 million in the first quarter of FY2017, mainly due to lower revenue from both the Logistics and Data Centre divisions. Data Centre division revenue decreased due to the disposal of subsidiaries, 90% interest in Keppel DC Singapore 3 Pte Ltd to Keppel DC REIT on 20 January 2017, and 50% interest in KDCRM to Keppel Capital on 1 July 2016. After the disposal, both companies were classified as associated companies of Keppel T&T. Net profit attributable to shareholders in the corresponding period declined 13% year-on-year to S\$11.6 million.
6. **2Q2017 – 19 Jul 2017:** Group revenue decreased by 5% year-on-year to S\$47.6 million in the second quarter of FY2017, mainly due to weaker revenue from the Logistics division and disposal of 90% interest in Keppel DC Singapore 3 Pte Ltd to Keppel DC REIT on 20 January 2017 and 50% interest in KDCRM to Keppel Capital on 1 July 2016. Net profit attributable to shareholders in the corresponding period declined 45% year-on-year to S\$10.3 million.
7. **3Q2017 – 17 Oct 2017:** Group revenue declined 3% year-on-year to S\$45.0 million in the third quarter of FY2017, mainly due to mainly to weaker warehousing revenue in the Logistics division and absence of revenue due to disposal of 90% and 50% interest in subsidiaries, Keppel DC Singapore 3 Pte Ltd and KDCRM in January 2017 and July 2016 respectively. Net profit attributable to shareholders in the corresponding period declined 82% year-on-year to S\$12.8 million.
8. **FY2017 – 24 Jan 2018:** Group revenue for the year declined 9% year-on-year to S\$177.0 million in FY2017, mainly due to lower warehousing revenue from the Logistics Division and the absence of revenue due to the disposal of subsidiaries, Keppel DC Singapore 3 Pte. Ltd. and KDCRM in January 2017 and July 2016 respectively. Net profit attributable to shareholders in the corresponding period declined 51% year-on-year to S\$51.8 million.
9. **1Q2018 – 17 Apr 2018:** Group revenue increased by 5% year-on-year to S\$42.8 million in the first quarter of FY2018, mainly due to higher facility and project management fee income from the Data Centre division, partly offset by weaker contribution from the logistics operations in China. Net profit attributable to shareholders in the corresponding period declined by 16% year-on-year to S\$9.4 million.

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10. **2Q2018 – 18 Jul 2018:** Group revenue declined 5% year-on-year to S\$45.3 million in the second quarter of FY2018, mainly due to lower data centre project management fee income and lower container throughput from the China port operations. This was partly offset by higher revenue from warehousing and channel management business in Southeast Asia. Net profit attributable to shareholders in the corresponding period increased by 138% year-on-year to S\$26.0 million.
11. **3Q2018 – 17 Oct 2018:** Group revenue increased by 7% year-on-year to S\$47.9 million in the third quarter of FY2018, mainly due to higher data centre facility management income and logistics warehousing and channel management business revenue. Net profit attributable to shareholders in the corresponding period declined 12% year-on-year to S\$11.8 million.
12. **FY2018 – 23 Jan 2019:** Group revenue for the year increased 4% year-on-year to S\$183.2 million in FY2018, mainly due to higher data centre facility management income and logistics warehousing and channel management business revenue, partly offset by decline in revenue from China port operations. Net profit attributable to shareholders in the corresponding period increased 17% year-on-year to S\$65.5 million.

Source: Company filings on the SGX-ST and Factset as at the Latest Practicable Date

Chart 4. Historical Share Price Performance of the Company and the Benchmark Index

	Calendar period up to the Last Trading Day (21 Sep 2018)		Calendar period up to the Latest Practicable Date (1 Mar 2019)	
	Company	STI	Company	STI
Last 3 months	(10.5%)	(2.5%)	1.1%	0.9%
Last 6 months	(12.8%)	(8.4%)	36.2%	0.4%
Last 12 months	(10.2%)	0.1%	18.2%	(8.4%)
Last 24 months	(24.2%)	12.9%	15.0%	3.1%

Source: FactSet as at the Latest Practicable Date

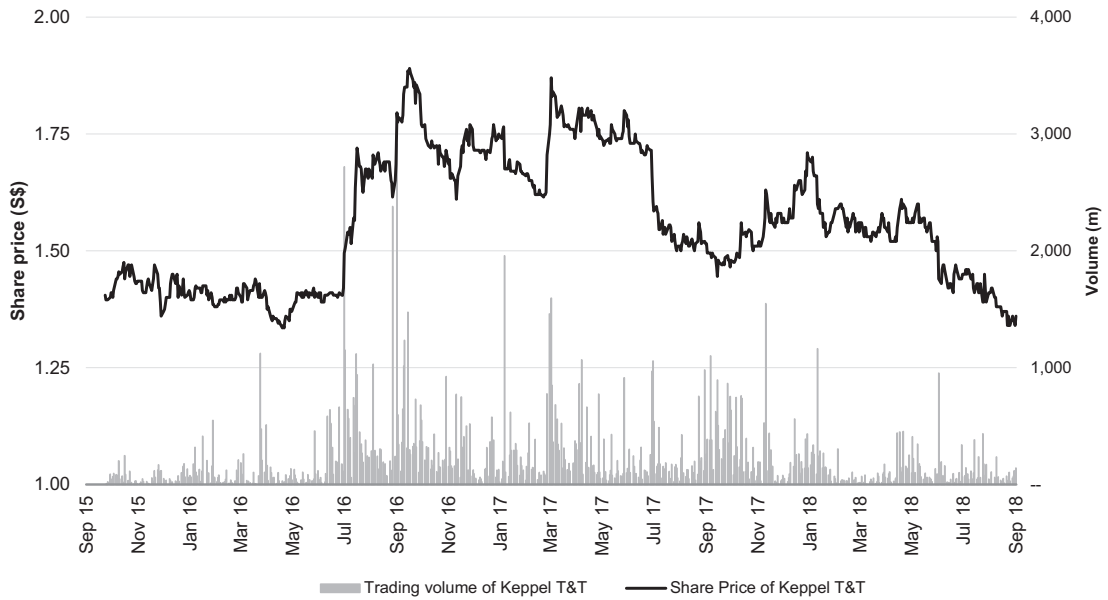
With reference to Chart 4 above, we note that the Shares have underperformed the Benchmark Index for the three-month, six-month, 12-month and 24-month periods up to 21 September 2018, the last day of trading prior to the Joint Announcement Date (the “**Last Trading Day**”).

In addition, we note that the Shares have outperformed the Benchmark Index for the three-month, six-month, 12-month and 24-month periods up to the Latest Practicable Date.

We set out in Chart 5 the daily closing prices and the daily trading volumes of the Shares for the three-year period up to the Last Trading Day.

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Chart 5. Share Price Performance and Trading Volumes up to the Last Trading Day



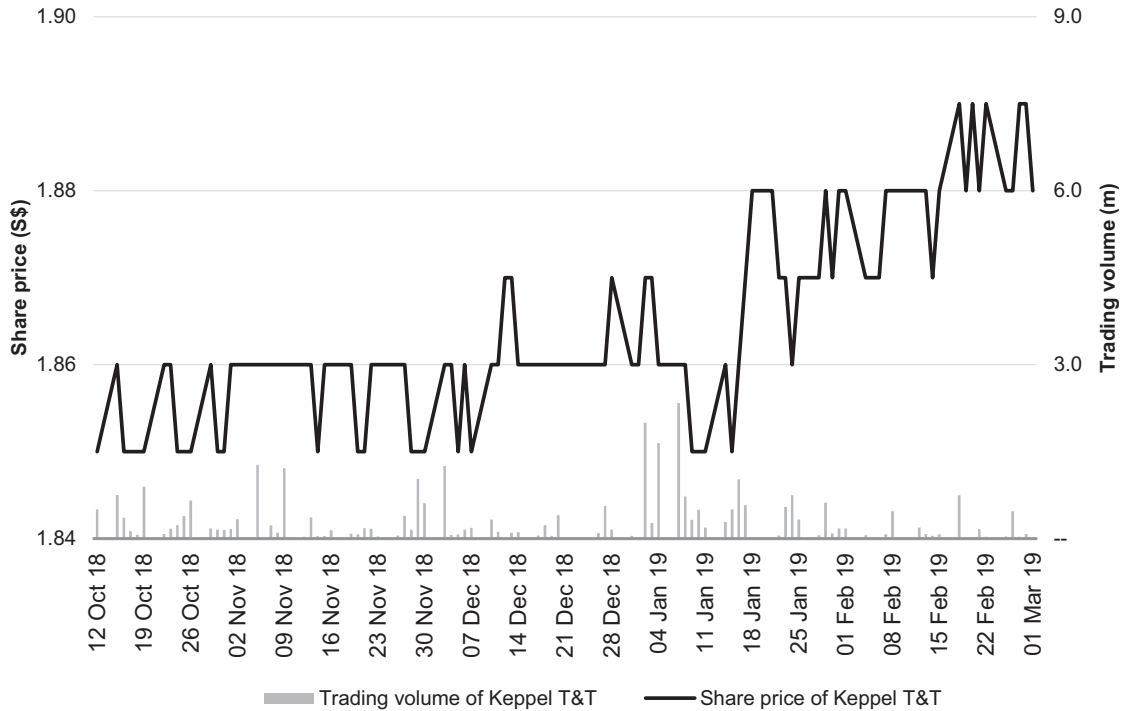
Source: FactSet as at the Last Trading Day

With reference to Chart 5, we note that over the three-year period up to the Last Trading Day, the price of the Shares increased from S\$1.34 to S\$1.36, an increase of 1.5%.

We set out in Chart 6 the daily closing prices of the Shares and total volume of Shares traded from the first day following the Joint Announcement Date to the Latest Practicable Date.

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Chart 6. Share Price Performance and Trading Volume from the first trading day following the Joint Announcement Date to the Latest Practicable Date



Source: FactSet as at the Latest Practicable Date

Based on Chart 6, we note that, from the first trading day following the Joint Announcement Date to the Latest Practicable Date, the closing prices of the Shares ranged between S\$1.85 and S\$1.89 and the total volume of Shares traded was approximately 52.1 million Shares, representing approximately 9.3% of the Company's total outstanding Shares as at the Latest Practicable Date.

We set out in Chart 7 the premia implied by the Scheme Consideration over the VWAP for the one-week, one-month, three-month, six-month and 12-month periods up to the Last Trading Day. Chart 7 also sets out the premia implied by the Scheme Consideration over the closing price of the Shares on the Latest Practicable Date, one trading day following the Joint Announcement Date and on the Last Trading Day.

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Chart 7. Analysis of Share Price Performance

	Price Basis	Price S\$	Scheme Consideration % Premium/(Discount)
Latest Practicable Date	Closing Price	1.88	1.6%
1 trading day post Joint Announcement Date	Closing Price	1.86	2.7%
Scheme price		1.91	
Last Trading Day	Closing Price	1.36	40.4%
Calendar Period VWAP prior to the Last Trading Day¹			
1 week period up to the Last Trading Day	VWAP ²	1.35	41.2%
1 month period up to the Last Trading Day	VWAP ²	1.37	39.5%
3 month period up to the Last Trading Day	VWAP ²	1.42	34.9%
6 month period up to the Last Trading Day	VWAP ²	1.49	28.1%
12 month period up to the Last Trading Day	VWAP ²	1.53	24.9%

Source: Bloomberg and FactSet as at the Latest Practicable Date

Notes:

1. Periods analysed are as follows – one week up to the Last Trading Day: 14 September 2018 to 21 September 2018, one month up to the Last Trading Day: 21 August 2018 to 21 September 2018, three months up to the Last Trading Day: 21 June 2018 to 21 September 2018, six months up to the Last Trading Day: 21 March 2018 to 21 September 2018 and 12 months up to the Last Trading Day: 21 September 2017 to 21 September 2018.
2. VWAP calculated as the average daily trading value/average daily trading volume for the relevant period.

Based on Chart 7, we note the following:

- The Scheme Consideration represents a premium of approximately 1.6% to the closing price of the Shares of S\$1.88 on the Latest Practicable Date and a premium of approximately 2.7% over the closing price of the Shares of S\$1.86 one trading day after the Joint Announcement Date;
- The closing price of the Shares on the Latest Practicable Date of S\$1.88 represents an increase of approximately 38.2% over the closing price of S\$1.36 on the Last Trading Day;
- The Scheme Consideration represents a premium of approximately 40.4% over the closing price of the Shares of S\$1.36 on the Last Trading Day; and
- The Scheme Consideration represents premia of approximately 41.2%, 39.5%, 34.9%, 28.1% and 24.9%, respectively, over the VWAP of the Shares in the one-week, one-month, three-month, six-month and 12-month periods up to the Last Trading Day.

We note that there is no assurance that the market price and trading volume of the Shares will be maintained at the prevailing level as at the Latest Practicable Date after the close or lapse of the Scheme. We also wish to highlight that the historical trading performance of the Shares serves only as an illustrative guide and should not be relied upon as an indication of the future price performance of the Shares, which will be governed by amongst other factors, the performance and prospects of the Company, prevailing economic conditions, economic outlook, and stock market conditions and sentiment.

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8.3 Historical Trading Performance Analysis

Definitions of the valuation ratios are as set out in Section 7.

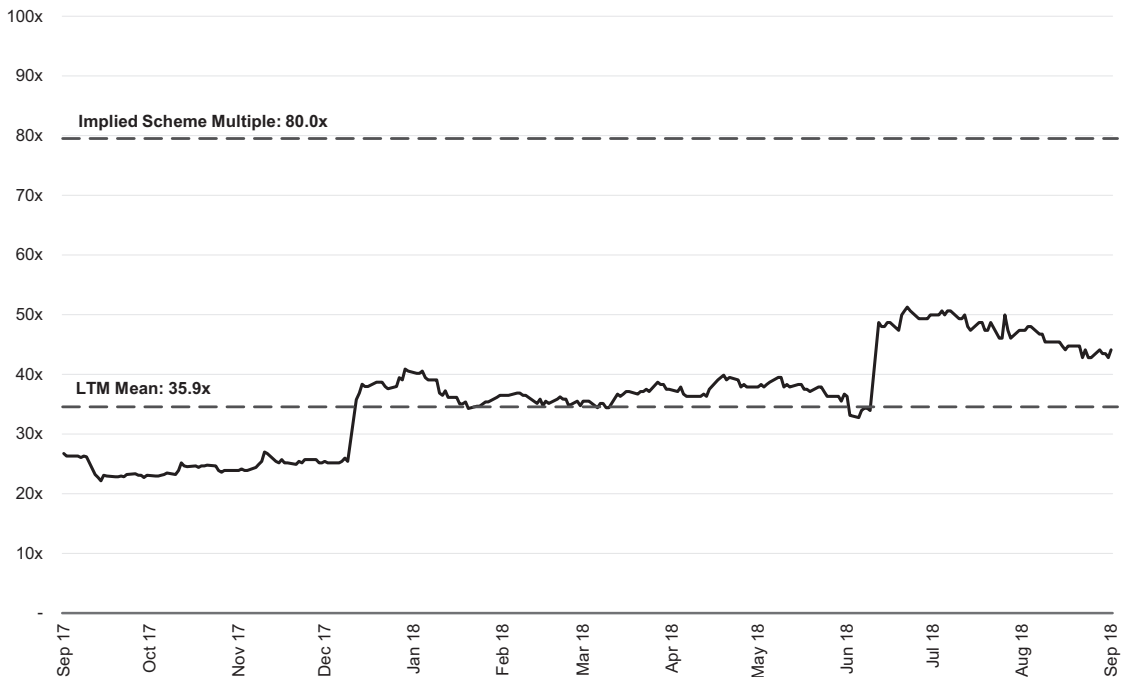
8.3.1 EV/EBITDA multiple

We set out, in Charts 8 and 9, a comparison of the EV/EBITDA multiple implied by the Scheme Consideration to the historical EV/EBITDA of the Company over the 12-month period prior to the Joint Announcement Date.

The EV/EBITDA multiple implied by the Scheme Consideration is based on the Company's last 12 months ("LTM") EBITDA ending 30 June 2018. As at the date of the Joint Announcement on 27 September 2018, the last quarterly financials released by the Company corresponded to the quarter ending 30 June 2018.

The historical EV/EBITDA of the Company is based on its trailing LTM EBITDA for the applicable time periods.

Chart 8. Historical LTM EV/EBITDA for the 12-month period to the Joint Announcement Date



Source: Company filings on the SGX-ST and FactSet as at the Last Trading Day

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Chart 9. Summary of Historical LTM EV/EBITDA Multiples

Implied Scheme Multiple (LTM EBITDA)	80.0x
12 months up to the Last Trading Day (21 September 2018)	
LTM mean (as per LTM EBITDA)	35.9x
LTM max (as per LTM EBITDA)	51.3x
LTM min (as per LTM EBITDA)	22.2x

Source: Company filings on the SGX-ST and FactSet as at the Last Trading Day

We note that, in the 12-month period prior to the Joint Announcement Date, the LTM EV/EBITDA multiple implied by the Scheme Consideration (based on LTM EBITDA ending 30 June 2018) of 80.0 times is above the range of the LTM EV/EBITDA multiples of the Company (based on trailing LTM EBITDA) of 22.2 times to 51.3 times.

8.3.2 P/E multiple

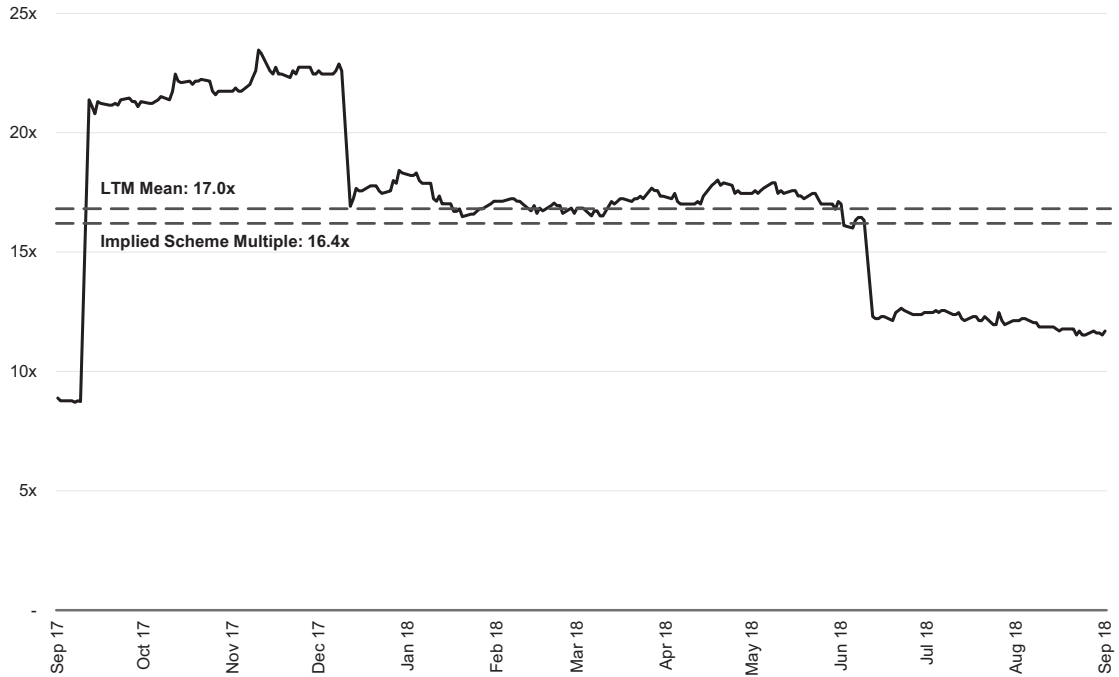
We set out, in Charts 10 and 11, a comparison of the P/E multiple implied by the Scheme Consideration to the historical P/E of the Company over the 12-month period prior to the Joint Announcement Date.

The P/E multiple implied by the Scheme Consideration is based on the Company's LTM PATMI ending 30 Jun 2018. As at the date of the Joint Announcement on 27 September 2018, the last quarterly financials released by the Company corresponded to the quarter ending 30 June 2018.

The historical P/E of the Company is based on its trailing LTM PATMI for the applicable time periods.

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Chart 10. Historical LTM P/E for the 12-month period to the Joint Announcement Date



Source: Company filings on the SGX-ST and FactSet as at the Last Trading Day

Chart 11. Summary of Historical LTM P/E Multiples

Implied Scheme Multiple (LTM PATMI)	16.4x
12 months up to the Last Trading Day (21 September 2018)	
LTM mean (as per LTM PATMI)	17.0x
LTM max (as per LTM PATMI)	23.5x
LTM min (as per LTM PATMI)	8.7x

Source: Company filings on the SGX-ST and FactSet as at the Last Trading Day

We note that, in the 12-month period prior to the Joint Announcement Date, the LTM P/E multiple implied by the Scheme Consideration (based on LTM PATMI ending 30 June 2018) of 16.4 times is within the range of the LTM P/E multiples of the Company (based on trailing LTM PATMI) of 8.7 times to 23.5 times, but below the mean of 17.0 times.

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8.3.3 P/NAV multiple

We set out, in Charts 12 and 13, a comparison of the P/NAV multiple implied by the Scheme Consideration to the historical P/NAV of the Company over the 12-month period prior to the Joint Announcement Date.

The P/NAV multiple implied by the Scheme Consideration is based on the Company's last reported NAV as at 30 June 2018. As at the date of the Joint Announcement on 27 September 2018, the last quarterly financials released by the Company corresponded to the quarter ending 30 June 2018.

The historical P/NAV of the Company is based on its last reported NAV for the applicable time periods.

Chart 12. Historical LTM P/NAV



Source: Company filings on the SGX-ST and FactSet as at the Last Trading Day

Chart 13. Summary of Historical LTM P/NAV Multiples

Implied Scheme Multiple (LTM NAV)	1.2x
12 months up to the Last Trading Day (21 September 2018)	
LTM mean (as per LTM NAV)	1.0x
LTM max (as per LTM NAV)	1.1x
LTM min (as per LTM NAV)	0.9x

Source: Company filings on the SGX-ST and FactSet as at the Last Trading Day

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We note that, in the 12-month period prior to the Joint Announcement Date, the P/NAV multiple implied by the Scheme Consideration (based on the Company's latest NAV as at 30 June 2018) of 1.2 times is above the range of P/NAV multiples (based on latest NAV for the applicable time periods) of 0.9 times to 1.1 times.

We note that the implied LTM EV/EBITDA and P/NAV multiples of the Scheme Consideration are above the Company's mean multiples for the 12-month period prior to the Joint Announcement Date. The LTM P/E multiple implied by the Scheme Consideration is below the Company's mean LTM P/E multiple for the 12-month period prior to the Joint Announcement Date.

We wish to highlight that the historical trading patterns or performance of the Shares should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook and market conditions and sentiments.

8.4 Precedent Singapore Takeover Analysis

We have looked at completed voluntary general offers (“VGO”), mandatory general offers (“MGO”), voluntary delisting offers (“VD”) and schemes of arrangement (“SOA”) involving Singapore-listed companies between 1 January 2016 and the Latest Practicable Date (the “**Precedent Takeovers in Singapore**”).

Chart 14 sets out the premium/discount implied by the offer price of the Precedent Takeovers in Singapore to the last transacted price and the VWAPs of the respective targets for the one-month, three-month and six-month periods prior to the respective offer announcements (or other reference date as described in the notes below).

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Chart 14. Precedent Takeovers in Singapore

Ann. Date ¹	Target	Note	Premium/(discount) of the offer price prior to announcement ²			
			Last Traded	1-month VWAP	3-month VWAP	6-month VWAP
13-Jan-16	Starland Holdings Limited	3	25.5%	45.7%	60.5%	73.5%
27-Jan-16	Lantrovision (S) Ltd	4	47.7%	42.8%	46.2%	56.6%
24-Feb-16	China Yongsheng Limited	5	52.4%	67.4%	62.4%	56.9%
25-Feb-16	Xinren Aluminium Holdings	6	31.3%	49.6%	50.0%	48.5%
23-Mar-16	Select Group Limited	7	23.5%	38.2%	43.4%	31.3%
28-Mar-16	Halcyon Agri Corporation Limited	8	24.0%	52.6%	29.0%	8.3%
29-Mar-16	Xyec Holdings Co Ltd	9	50.0%	49.3%	49.3%	53.8%
5-Apr-16	OSIM International	10	27.0%	40.9%	42.5%	16.7%
9-May-16	China Merchants Holdings (Pacific) Limited	11	22.9%	21.8%	25.3%	20.2%
16-May-16	Eu Yan Sang International Ltd.	12	2.6%	8.5%	16.5%	24.7%
3-Jul-16	Pteris Global Ltd	13	33.9%	38.0%	44.1%	49.7%
20-Jul-16	SMRT Corp Ltd	14	8.7%	10.8%	10.7%	8.7%
8-Aug-16	Sim Lian Group Ltd	15	14.9%	16.6%	19.5%	21.3%
6-Sep-16	China Minzhong Food Corporation Limited	16	25.0%	24.8%	23.1%	25.9%
20-Sep-16	Aztech Group Ltd	17	29.2%	38.6%	21.0%	10.5%
24-Oct-16	China Auto Electronics Group Limited	18	23.1%	50.9%	65.0%	65.0%
26-Oct-16	InnoValues Limited	19	14.5%	19.0%	21.6%	27.8%
3-Nov-16	Super Group Ltd	20	62.5%	60.5%	62.6%	55.7%
8-Nov-16	ARA Asset Management Limited	21	26.2%	29.6%	30.3%	31.7%
24-Nov-16	Advanced Integrated Manufacturing Corp. Ltd.	22	22.8%	20.7%	20.7%	17.3%
30-Nov-16	Sunmart Holdings Limited	23	(39.1%)	(39.1%)	(37.5%)	(34.0%)
7-Feb-17	Auric Pacific Group Limited	24	13.4%	17.8%	23.8%	35.8%
23-Feb-17	Global Premium Hotels Limited	25	14.1%	18.5%	21.7%	23.3%
3-Mar-17	Kingboard Copper Foil Holdings Limited	26	17.6%	28.3%	32.9%	39.5%
10-Mar-17	Spindex Industries Limited	27	21.4%	20.9%	23.4%	15.3%
28-Mar-17	Top Global Limited	28	50.0%	65.0%	65.0%	66.7%
9-Apr-17	CWT Limited	29	13.7%	16.5%	14.8%	15.3%
2-May-17	Nobel Design Holdings Ltd	30	8.5%	9.4%	15.9%	18.6%
29-May-17	Changtian Plastic & Chemical Limited	31	45.3%	46.6%	48.2%	49.6%
19-Jun-17	China Flexible Packaging Holdings Limited	32	23.2%	24.3%	28.2%	43.5%
28-Jun-17	Croesus Retail Trust	33	24.5%	26.2%	32.0%	34.5%
14-Jul-17	Global Logistic Properties Limited	34	25.2%	19.4%	17.8%	21.8%
20-Sep-17	Poh Tiong Choon Logistics Limited	35	(1.5%)	(0.8%)	(3.0%)	(7.1%)
22-Sep-17	GP Batteries International Limited	36	62.5%	62.9%	62.7%	61.1%
2-Oct-17	Rotary Engineering Limited	37	20.1%	21.9%	25.1%	19.3%
3-Nov-17	Cogent Holdings Limited	38	5.2%	6.2%	12.7%	20.3%
13-Nov-17	Vard Holdings Limited	39	-	(0.9%)	2.5%	3.6%
28-Dec-17	CWG International Ltd	40	27.5%	29.5%	29.2%	30.8%
9-Feb-18	LTC Corporation Limited	41	44.5%	46.1%	45.4%	44.1%
13-Mar-18	Weiyi Hldg Ltd	42	31.3%	41.0%	44.1%	44.4%
26-Apr-18	Tat Hong Holdings Ltd	43	42.9%	47.5%	49.1%	40.3%
26-Apr-18	Lee Metal Group Ltd	44	9.1%	14.1%	21.4%	26.5%
18-May-18	Viva Industrial Trust	45	7.9%	7.9%	9.1%	4.5%
19-Jul-18	Wheelock Properties (Singapore) Limited	46	22.7%	29.0%	22.7%	17.8%
26-Jul-18	CH Offshore Ltd.	47	-	(11.0%)	(11.6%)	(21.7%)
29-Oct-18	Cityneon Holdings Limited	48	4.1%	6.9%	11.9%	15.7%
Median			23.1%	25.5%	25.2%	26.2%
Mean			23.1%	27.8%	29.4%	29.0%
Scheme Consideration of \$1.91			40.4%	39.5%	34.9%	28.1%

Source: Thomson, Bloomberg, FactSet and company filings on the SGX-ST

Notes:

1. Date on which the relevant offer was announced. If the offer price was revised, then the date of the announcement of the final revision is taken.
2. Premium calculated based on the last traded price prior to the relevant takeover announcement, or other reference date as described in the notes below.

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3. On 13 January 2016, GRP Chongqing Land Pte. Ltd. ("**GRP Chongqing**"), a wholly-owned indirect subsidiary of GRP Limited Pte. Ltd., announced a mandatory unconditional general cash offer to acquire all the issued and paid-up ordinary shares in the capital of Starland Holdings Limited, other than those already held directly or indirectly, by GRP Chongqing and parties acting or deemed to be acting in concert with it. The market premia are calculated based on the offer price of S\$0.236 per share. The time reference for calculation of premia is 14 October 2015, being the last trading day of the shares on the SGX-ST prior to the pre-conditional offer announcement.
4. On 27 January 2016, MIRAIT Singapore Pte. Ltd., a wholly-owned subsidiary of MIRAIT Holdings Corporation (together, the "**MIRAIT Group**"), and Lantrovision (S) Limited ("**Lantrovision**") made a joint announcement in relation to the proposed acquisition by the MIRAIT Group of all the issued and paid-up ordinary shares in the capital of Lantrovision by way of a scheme of arrangement, at an offer price of S\$3.25 per share. The time reference for calculation of premia is 26 January 2016, being the last full trading day of the shares on the SGX-ST prior to the announcement of the offer.
5. On 24 February 2016, Torrington Place Pte. Ltd. announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of China Yongsheng Limited. The market premia are calculated based on the offer price of S\$0.032 per share. The time reference for calculation of premia is 23 February 2016, being the last trading day of the shares on the SGX-ST prior to the offer announcement.
6. On 25 February 2016, Merit Stand Inc. ("**Merit Stand**") announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Xinren Aluminium Holdings Limited, other than those already owned, controlled or agreed to be acquired by Merit Stand. The market premia are calculated based on the offer price of S\$0.60 per share. The time reference for calculation of premia is 24 February 2016, being the last trading day of the shares on the SGX-ST prior to the offer announcement.
7. On 23 March 2016, International Culinary Management Ltd ("**ICM**") announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Select Group Limited, other than those shares held directly or indirectly, by ICM as at the date of the offer. The market premia are calculated based on the offer price of S\$0.525 per share. The time reference for calculation of premia is 18 March 2016, being the last trading day of the shares on the SGX-ST prior to the offer announcement.
8. On 28 March 2016, Sinochem International (Overseas) Pte. Ltd ("**SIO**"), a wholly-owned subsidiary of Sinochem International Corporation, announced a mandatory general offer for all shares in Halcyon Agri Corporation Ltd ("**HAC**") other than those already owned, controlled or agreed to be acquired by SIO at an offer price of S\$0.75 per share. The time reference for calculation of premia is 8 September 2015, being the last full trading day prior to the SGX-ST's issuance of a query regarding unusual trading activity of HAC's shares on 9 September 2015.
9. On 29 March 2016, Mamezou Holdings Co., Ltd. and Xyec Holdings Co., Ltd. ("**Xyec**") jointly announced the proposed voluntary delisting of Xyec by a cash offer to acquire all the offer shares of Xyec. The market premia are calculated based on the exit offer price of S\$0.30 per share in cash. The time reference for calculation of premia is 29 March 2016, being the joint announcement date.
10. On 7 March 2016, Vision Three Pte. Ltd. ("**Vision Three**"), a wholly-owned subsidiary of Roval Holding Pte. Ltd., a private company wholly-owned by Mr Ron Sim Chye Hock, Chairman and Chief Executive Officer of OSIM International Ltd. ("**OSIM**") announced a voluntary unconditional cash offer to acquire all the issued ordinary shares in the capital of OSIM, other than those held in treasury and those already owned, controlled or agreed to be acquired by Vision Three as at the date of the offer, at an offer price of S\$1.32 per share. On 5 April 2016, Vision Three announced a revised offer price of S\$1.39 per share. The market premia are calculated based on the offer price of S\$1.39 per share. The time reference for calculation of premia is 29 February 2016, the last full market day preceding 1 March 2016, which is the date the SGX-ST issued a query regarding trading activity to OSIM.
11. On 9 May 2016, Easton Overseas Limited ("**Easton Overseas**"), a wholly-owned subsidiary of Cornerstone Holdings Limited, announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of China Merchants Holdings (Pacific) Limited, other than those already owned, controlled or agreed to be acquired by Easton Overseas. The market premia are calculated based on the offer price of S\$1.02 per share. The time reference for calculation of premia is 5 May 2016, being the last full trading day of the shares on the SGX-ST prior to the offer announcement.
12. On 16 May 2016, Righteous Crane Holding Pte. Ltd. ("**Righteous Crane**") announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Eu Yan Sang International Ltd, other than those owned, controlled or agreed to be acquired by Righteous Crane. The market premia are calculated based on the offer price of S\$0.60 per share. The time reference for calculation of premia is 9 May 2016, being the last full market day immediately prior to the offer announcement date.

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13. On 21 April 2016, Sharp Vision Holdings Limited (“**Sharp Vision**”), an indirect wholly-owned subsidiary of China International Marine Containers (Hong Kong) Ltd, announced a voluntary unconditional cash offer to acquire all of the issued and paid-up ordinary shares in the capital of Pteris Global Limited, for a price of S\$0.735 per share. On 3 July 2016, Sharp Vision announced a revised offer price of S\$0.85 per share. The market premia are calculated based on the offer price of S\$0.85 per share. The time reference for calculation of premia is 20 April 2016, being the last full trading day of the shares on the SGX-ST prior to the offer announcement.
14. On 20 July 2016, Belford Investments Pte. Ltd., a wholly-owned subsidiary of Temasek Holdings (Private) Limited, and SMRT Corporation Ltd (“**SMRT**”) jointly announced the proposed acquisition of all issued and paid-up ordinary shares in the capital of SMRT by way of a scheme of arrangement, at an offer price of S\$1.68 per share. The time reference for calculation of premia is 15 July 2016, being the last trading day of the shares on the SGX-ST prior to the announcement of the offer.
15. On 8 August 2016, Coronation 3G Pte. Ltd. announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Sim Lian Group Limited. The market premia are calculated based on the offer price of S\$1.08 per share. The time reference for calculation of premia is 8 August 2016, being the offer announcement date.
16. On 6 September 2016, Marvellous Glory Holdings Limited (“**Marvellous Glory**”) announced a voluntary conditional offer to acquire all the issued and paid-up ordinary shares in the capital of China Minzhong Food Corporation Limited, other than those already held by Marvellous Glory as at the date of the offer. The market premia are calculated based on the offer price of S\$1.20 per share. The time reference for calculation of premia is 6 September 2016, being the pre-conditional offer announcement date
17. On 20 September 2016, AVS Investments Pte. Ltd. (“**AVS**”) and Aztech Group Ltd. (“**Aztech**”) jointly announced the proposed voluntary delisting of Aztech by a cash offer to acquire all of the issued shares, other than those shares held in treasury and those shares already owned, controlled or agreed to be acquired by AVS. The market premia are calculated based on the exit offer price of S\$0.42 per share in cash. The time reference for calculation of premia is 20 September 2016, being the joint announcement date.
18. On 24 October 2016, THB Auto Electronics Limited (“**THB Auto**”), a wholly-owned subsidiary of THB Holding, announced a mandatory unconditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of China Auto Electronics Group Limited, other than those already owned, controlled or agreed to be acquired by THB Auto. The market premia are calculated based on the offer price of S\$0.16 per share. The time reference for calculation of premia is 24 October 2016, being the offer announcement date.
19. On 26 October 2016, Precision Solutions Limited (“**Precision**”), a wholly-owned subsidiary of Precision Solutions Group, and Innovalues Limited jointly announced a proposed acquisition by Precision of all issued ordinary shares in the capital of Innovalues Limited by way of a scheme of arrangement. The market premia are calculated based on the offer price of S\$1.01 per share. The time reference for calculation of premia is 7 April 2016, being the date on which Innovalues Limited first released a holding announcement in respect of a possible transaction.
20. On 3 November 2016, Sapphire Investments B.V. (“**Sapphire Investments**”), a wholly-owned subsidiary of Jacobs Douwe Egberts B.V., announced a voluntary conditional general offer to acquire all the issued and paid-up ordinary shares in the capital of Super Group Ltd., other than those owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with Sapphire Investments. The market premia are calculated based on the offer price of S\$1.30 per share. The time reference for calculation of premia is 4 October 2016, being the last full day of trading prior to the date on which a query regarding trading activity was issued by the SGX-ST.
21. On 8 November 2016, Athena Investment Company (Cayman) Limited (“**Athena**”) and ARA Asset Management Limited (“**ARA**”) jointly announced a proposed acquisition by Athena of all issued and paid-up ordinary shares of ARA by way of a scheme of arrangement. The market premia are calculated based on the offer price of S\$1.78 per share. The time reference for calculation of premia is 2 November 2016, being the last full trading day of the shares prior to the date on which trading was halted following a query regarding trading activity received on 3 November 2016 issued by the SGX-ST.
22. On 24 November 2016, HAO Corp Pte. Ltd. (“**HAO**”) and Advanced Integrated Manufacturing Corp. Ltd. (“**AIM**”) jointly announced the proposed voluntary delisting of AIM by a cash offer to acquire all shares, excluding treasury shares, other than those shares already owned, controlled or agreed to be acquired by HAO as at the date of the offer. The market premia are calculated based on the exit offer price of S\$0.21 per share in cash. The time reference for calculation of premia is 24 November 2016, being the joint announcement date.

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23. On 30 November 2016, Sun Bingzhong and Sunmart Holdings Limited (“**Sunmart**”) jointly announced the proposed voluntary delisting of Sunmart by a cash offer to acquire all the issued ordinary shares in the capital of Sunmart. The market premia are calculated based on the exit offer price of S\$0.07 per share in cash. The time reference for calculation of premia is 2 April 2012, being the last full trading day prior to the joint announcement date.
24. On 7 February 2017, Silver Creek Capital Pte. Ltd. (“**Silver Creek**”) announced a voluntary conditional cash offer to acquire all of the issued and paid-up ordinary shares in the capital of Auric Pacific Group Limited, other than those owned, controlled or agreed to be acquired by Silver Creek. The market premia are calculated based on the offer price of S\$1.65 per share. The time reference for calculation of premia is 3 February 2017, being the last full trading day prior to the offer announcement.
25. On 23 February 2017, JK Global Capital Pte. Ltd. (“**JK Global**”) announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Global Premium Hotels Limited, other than those already held by JK Global, its related corporations or their respective nominees. The market premia are calculated based on the offer price of S\$0.365 per share. The time reference for calculation of premia is 20 February 2017, being the last full trading day prior to the offer announcement.
26. On 3 March 2017, Excel First Investments Limited (“**Excel First**”), a wholly-owned subsidiary of Kingboard Laminates Holdings Limited, announced a voluntary unconditional cash offer to acquire all of the issued and paid-up ordinary shares in the capital of Kingboard Copper Foil Holdings Limited, other than those owned, controlled or agreed to be acquired by Excel First. The market premia are calculated based on the offer price of S\$0.40 per share. The time reference for calculation of premia is 27 February 2017, being the last trading day of the shares on the SGX-ST prior to the offer announcement.
27. On 9 February 2017, Hong Wei Holdings Ltd (“**Hong Wei**”) and Spindex Industries Limited (“**Spindex**”) jointly announced the proposed acquisition by Hong Wei of all the issued and paid-up ordinary shares in the capital of Spindex by way of a scheme of arrangement. Subsequently on 3 March 2017, DBS Bank Ltd announced, for and on behalf of Hong Wei, in an update announcement that the Securities Industry Council of Singapore has consented to the termination of the scheme by Hong Wei and the implementation of the acquisition by way of a mandatory general offer instead. On 10 March 2017, Hong Wei announced a mandatory unconditional cash offer to acquire all of the issued and paid-up ordinary shares in the capital of Spindex, other than those held directly or indirectly, by Hong Wei. The market premia are calculated based on the offer price of S\$0.85 per share. The time reference for calculation of premia is 8 February 2017, being the last full trading day prior to the joint announcement of the scheme of arrangement.
28. On 28 March 2017, SW International Holding Pte. Ltd. (“**SW**”) announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Top Global Limited, other than those already owned, controlled or agreed to be acquired by SW. The market premia are calculated based on the offer price of S\$0.33 per share. The time reference for calculation of premia is 28 March 2017, being the date of the offer announcement.
29. On 9 April 2017, HNA Belt and Road Investments (Singapore) Pte. Ltd. (“**HNA Belt and Road Investments**”), an indirect wholly-owned subsidiary of HNA Holding Group Co. Limited, announced a voluntary conditional general offer to acquire all the issued and paid-up ordinary shares in the capital of CWT Limited, other than those already owned, controlled or agreed to be acquired by HNA Belt and Road Investments. The market premia are calculated based on the offer price of S\$2.33 per share. The time reference for calculation of premia is 9 April 2017, being the date of the pre-conditional offer announcement.
30. On 2 May 2017, Grand Slam RF18 Investments Pte. Ltd. (“**Grand Slam**”) announced a mandatory unconditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Nobel Design Holdings Ltd, other than those held in treasury and those already owned, controlled or agreed to be acquired by Grand Slam. The market premia are calculated based on the offer price of S\$0.51 per share. The time reference for calculation of premia is 28 April 2017, being the last full trading day prior to the offer announcement date.
31. On 29 May 2017, United Tech Industries Limited (“**United Tech**”) announced a voluntary unconditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Changtian Plastic & Chemical Limited, other than those already owned, controlled or agreed to be acquired by United Tech. The market premia are calculated based on the offer price of S\$1.30 per share. The time reference for calculation of premia is 24 May 2017, being the last trading day of the shares on the SGX-ST prior to the offer announcement.
32. On 19 June 2017, Harmony Gowell Company Limited (“**Harmony Gowell**”), wholly-owned by Mr Zeng Hanming, the Chairman and Chief Executive Officer of China Flexible Packaging Holdings Limited (“**China Flexible**”), announced a voluntary unconditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of China Flexible, other than those already owned, controlled or agreed to be acquired by Harmony Gowell. The market premia are calculated based on the offer price of S\$1.25 per share. The

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time reference for calculation of premia is 16 June 2017, being the last trading day of the shares on the SGX-ST prior to the offer announcement.

33. On 28 June 2017, Cyrus BidCo Pte. Ltd. ("**Cyrus**"), a company incorporated in Singapore by funds managed or advised by affiliates of The Blackstone Group L.P, and Croesus Retail Asset Management Pte. Ltd. (in its position as trustee-manager of Croesus Retail Trust ("**Croesus**")), jointly announced a proposed acquisition of all issued units in Croesus by Cyrus by way of a trust scheme, for a scheme consideration of S\$1.17 per unit. The time reference for calculation of premia is 25 April 2017, being the last trading day immediately prior to the initial holding announcement.
34. On 14 July 2017, Nesta Investment Holdings Limited ("**Nesta**") and Global Logistic Properties Limited ("**GLP**") jointly announced a proposed acquisition by Nesta of all issued and paid-up ordinary shares in the capital of GLP by way of a scheme of arrangement. The market premia are calculated based on the offer price of S\$3.38 per share. The time reference for calculation of premia is 13 July 2017, being the market day immediately before the joint announcement date.
35. On 20 September 2017, Respond Logistics Pte. Ltd. ("**Respond Logistics**"), announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Poh Tiong Choon Logistics Limited ("**PTCL**"), other than those already held by Respond Logistics. The market premia are calculated based on the offer price of S\$1.30 per share. The time reference for calculation of premia is 20 September 2017, being the joint announcement date.
36. On 22 September 2017, GP Industries Limited ("**GP Industries**"), announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of GP Batteries International Limited, other than those already owned or agreed to be acquired by GP Industries. The market premia are calculated based on the offer price of S\$1.30 per share. The time reference for calculation of premia is 8 August 2017, being the last trading day of the shares on the SGX-ST prior to the pre-conditional offer announcement.
37. On 2 October 2017, Orochem Pte. Ltd. ("**Orochem**") and Rotary Engineering Limited ("**Rotary**") jointly announced the proposed voluntary delisting of Rotary by a cash offer to acquire all shares other than those held as treasury shares and those held directly or indirectly by Orochem. The market premia are calculated based on the exit offer price of S\$0.46 per share in cash. The time reference for calculation of premia is 28 September 2017, being the full last trading day of the shares on the SGX-ST prior to the joint announcement.
38. On 3 November 2017, COSCO Shipping International (Singapore) Co., Ltd. ("**COSCO Shipping**") announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Cogent Holdings Limited ("**Cogent Holdings**"), other than those already held by COSCO Shipping. The market premia are calculated based on the offer price of S\$1.02 per share. The time reference for calculation of premia is 2 November 2017, being the last full trading day of the shares on the SGX-ST prior to the offer announcement.
39. On 13 November 2016, Fincantieri Oil & Gas S.p.A. ("**Fincantieri**"), a direct wholly-owned subsidiary of Fincantieri S.p.A, announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Vard Holdings Limited ("**Vard**") for a price of S\$0.24 per share. On 13 November 2017, Fincantieri and Vard jointly announced the proposed voluntary delisting of Vard at a price of S\$0.25 per share. The market premia are calculated based on the revised offer price of S\$0.25 per share in cash. The time reference for calculation of premia is 10 November 2017, being the last trading day of the shares immediately preceding the joint announcement date of the voluntary delisting.
40. On 28 December 2017, Elidom Investment Co., Ltd. ("**Elidom**") announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of CWG International Ltd. other than those already held, directly or indirectly, by Elidom. The market premia are calculated based on the offer price of S\$0.195 per share. The time reference for calculation of premia is 28 December 2017, being the last trading day of the shares on the SGX-ST prior to the offer announcement.
41. On 9 February 2018, Mountbatten Enterprises Pte. Ltd. ("**Mountbatten**") announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of LTC Corporation Limited, other than those already owned, controlled or agreed to be acquired by Mountbatten. The market premia are calculated based on the offer price of S\$0.925 per share. The time reference for calculation of premia is 8 February 2018, being the last trading day of the shares on the SGX-ST prior to offer announcement.
42. On 13 March 2018, Fine Skill Holdings Limited and Weiye Holdings Limited ("**Weiye**") jointly announced the proposed voluntary delisting of Weiye. The market premia are calculated based on the exit offer price of S\$0.65 per share in cash. The time reference for calculation of premia is 13 March 2018, being the last day on which the shares were traded on the SGX-ST prior to the joint announcement.

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43. On 11 Jan 2018, THSC Investments Pte. Ltd. (“**THSC**”) announced that THSC intends to make a voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of Tat Hong Holdings Ltd (“**THH**”), other than those already held by THH as treasury shares and those already held directly or indirectly, by THSC. On 9 March 2018, THSC announced an offer price of S\$0.50 per share. On 26 April 2018, THSC announced a revised offer price of S\$0.55 per share. The market premia are calculated based on the revised offer price of S\$0.55 per share. The time reference for calculation of premia is 20 September 2017, being the last full market trading day prior to the announcement dated 21 September 2017 that THH had been approached by certain parties in connection with a potential transaction.
44. On 26 April 2018, BRC Asia Limited (“**BRC**”) announced a voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of Lee Metal Group Ltd, other than those already owned, controlled or agreed to be acquired by BRC and parties acting in concert with it. The market premia are calculated based on the offer price of S\$0.42 per share. The time reference for calculation of premia is 10 November 2017, being the last full market day prior to the unsolicited approach announcement.
45. On 18 May 2018, Viva Industrial Trust Management Pte. Ltd. (as manager for Viva Industrial Real Estate Investment Trust) and Viva Asset Management Pte. Ltd. (as trustee-manager of Viva Industrial Business Trust) (together, the “**VIT Managers**”), and ESR Funds Management (S) Limited (as manager for ESR-REIT), jointly announced the proposed merger of ESR-REIT and Viva Industrial Trust (“**VIT**”) to be effected through the acquisition by ESR-REIT of all the issued and paid-up stapled securities of VIT by way of a trust scheme of arrangement in compliance with the Code. The market premia are calculated based on the offer price of S\$0.96 per stapled security. The time reference for calculation of premia is 17 May 2018, being the last trading day immediately prior to the date of the joint announcement.
46. On 19 July 2018, Star Attraction Limited (“**Star Attraction**”), a wholly-owned subsidiary of Wheelock Investments Limited, announced a voluntary unconditional general offer to acquire all the issued and paid-up ordinary shares in the capital of Wheelock Properties (Singapore) Limited, other than those already owned or agreed to be acquired by Star Attraction. The market premia are calculated based on the offer price of S\$2.10 per share. The time reference for calculation of premia is 13 July 2018, being the last trading day of the shares on the SGX-ST prior to the offer announcement.
47. On 26 July 2018, BT Investment Pte. Ltd. (“**BT**”), a direct wholly-owned subsidiary of Baker Technology Limited, announced a mandatory unconditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of CH Offshore Ltd., other than those already owned, controlled or agreed to be acquired by BT. The market premia are calculated based on the offer price of S\$0.13 per share. The time reference for calculation of premia is 26 July 2018, being the date of the offer announcement.
48. On 29 October 2018, West Knighton Limited (“**WKL**”) announced a mandatory unconditional cash offer to acquire all the shares in the capital of Cityneon Holdings Limited, other than those already owned, controlled or agreed to be acquired by WKL. The market premia are calculated based on the offer price of S\$1.30 per share. The time reference for calculation of premia is 24 October 2018, being the last full market day immediately prior to the offer announcement.

Based on Chart 14, we note that:

- the implied premium of the Scheme Consideration is within the range of the Precedent Takeovers in Singapore for the premia to last transacted price (negative 39.1% to 62.5%), one-month VWAP (negative 39.1% to 67.4%), three-month VWAP (negative 37.5% to 65.0%) and six-month VWAP (negative 34.0% to 73.5%);
- the implied premia of the Scheme Consideration is above the overall median of the Precedent Takeovers in Singapore for the premia to last transacted price (23.1%), one-month VWAP (25.5%), three-month VWAP (25.2%) and six-month VWAP (26.2%); and
- the implied premia of the Scheme Consideration is above the overall mean of the Precedent Takeovers in Singapore for the premia to last transacted price (23.1%), one-month VWAP (27.8%) and three-month VWAP (29.4%) but below the overall mean of the Precedent Takeovers in Singapore for the premia to six-month VWAP (29.0%).

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The Independent Directors should note that the level of premium (if any) an acquirer would normally pay for acquiring and/or privatising a listed company (as the case may be) varies in different circumstances depending on, *inter alia*, the attractiveness of the underlying business to be acquired, the synergies (if any) to be gained by the acquirer from integrating the target company's businesses with its existing business, the possibility of significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence of competing bids for the target company, the form of consideration offered by an acquirer, the extent of control the acquirer already has in the target company and the prevailing market conditions and expectations. Consequently, each Precedent Takeover in Singapore should be judged on its own merits (or otherwise).

The list of Precedent Takeovers in Singapore indicated herein has been compiled based on publicly available information as at the Latest Practicable Date. The above table captures only the premia/discounts implied by the offer prices in respect of the Precedent Takeovers in Singapore over the aforesaid periods and does not highlight bases other than the aforesaid in determining an appropriate premium/discount for the recent Precedent Takeovers in Singapore. It should be noted that the comparison is made without taking into account the total amount of the offer value of each respective Precedent Takeover in Singapore or the relative efficiency of information or the underlying liquidity of the shares of the relevant companies or the performance of the shares of the companies or the quality of earnings prior to the relevant announcement and the market conditions or sentiments when the announcements were made or the desire or the relative need for control leading to compulsory acquisition.

The Independent Directors should also note that the comparison is made without taking into consideration the underlying liquidity of the shares of the relevant companies, the performance of the shares of the companies or the quality of earnings prior to the relevant announcement and the market conditions or sentiments when the announcements were made. Moreover, as the Company is not necessarily in the same industry and does not conduct the same businesses as the other target companies in Chart 14 (which includes, amongst others, real estate companies), it may not, therefore, be directly comparable to the target companies in terms of geographical spread of activities, composition of business activities, product lines, size of addressable market, scale of operations, asset intensity, financial leverage, risk profile, client base, accounting policies, track record, prospects and other relevant criteria. Accordingly, the Precedent Takeovers in Singapore may not provide a meaningful basis for comparison.

8.5 Broker Research Price Targets for the Shares

Based on Bloomberg, there are two brokerage houses covering the Company. We note that only one brokerage house, UOB Kay Hian, has issued a report in the last 12 months, and this has been confirmed by the Management.

We have reviewed the price target for the Shares estimated by UOB Kay Hian.

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As at the Joint Announcement Date, the last broker report published by UOB Kay Hian was on 17 September 2018 (the “**UOBKH Broker Report**”). UOB Kay Hian published a hold recommendation with a target price of S\$1.51. We note that the Scheme Consideration is 26.5% above UOB Kay Hian’s target price of \$1.51.

As at the Latest Practicable Date, UOB Kay Hian has updated the UOBKH Broker Report to include the Scheme Consideration of S\$1.91, with a recommendation to accept the Scheme offer.

We wish to highlight that the UOBKH Broker Report when written was for general circulation and was not for the purposes of the Scheme. Therefore, the UOBKH Broker Report may not be exhaustive and the estimated price target of the Shares, estimates of the Group’s NAV, recommendations and other statements and opinions contained in the UOBKH Broker Report represent the individual views of UOB Kay Hian only (and not Rothschild & Co) based on the circumstances (including, *inter alia*, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of the Company) prevailing as at the date of the UOBKH Broker Report. Shareholders should note the limitations of the information in the UOBKH Broker Report, especially since there are no other brokerage houses covering the Company. The opinions of UOB Kay Hian may change over time as a result of, among other things, changes in market conditions, the Company’s market development and the emergence of new information relevant to the Company. As such, the above estimated price target and estimated NAV in the UOBKH Broker Report may not be an accurate prediction of the future market prices of the Shares. Any opinions or estimated price targets expressed in the UOBKH Broker Report represent the individual views of UOB Kay Hian only and not of Rothschild & Co.

8.6 Sum-of-the-parts (the “SOTP”) Valuation

8.6.1 Summary

The Company is principally an investment holding and management company. Together with its subsidiaries, joint ventures and associated companies, the Company offers integrated services and solutions in two core businesses, namely Logistics and Data Centres, in Asia Pacific and Europe.

Apart from the two core businesses, the Company also holds stakes in several listed and unlisted entities not related to the Logistics and Data Centres businesses, which sit under the third business, Investments.

Given the unique profile of the Company whereby the Company is engaged in distinct business activities, we consider it appropriate to value each of the Company’s divisions to arrive at an aggregate valuation of the Company on a SOTP basis.

We note that there is a number of joint venture and associated companies within Keppel T&T whose individual financial statements have not been publicly disclosed. Some of these joint venture and associated companies may be engaged in investment holding. We have not attempted to estimate the intrinsic value for these entities or revalue any of their

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underlying assets or liabilities. Rather, we have considered the net asset value of these investments in our SOTP analysis.

In determining the SOTP valuation, we separate the Company into the following divisions:

- (i) business operations under the Company which are engaged in the provision of logistics and related services (the “**Logistics Division**”);
- (ii) business operations under the Company which are engaged in the provision of data centre and related services (the “**Data Centres Division**”);
- (iii) Keppel T&T’s minority stakes in listed entities and unlisted entities which are not engaged in the provision of logistics or data centre and its related services (the “**Investments Division**”); and
- (iv) other unallocated costs which include head office functions (“**Others**”).

Further, we have adjusted the SOTP valuation for the Keppel T&T group net debt and non-controlling interests of S\$382 million and S\$115 million respectively, based on the latest audited financials, as at 31 December 2018.

We set out below in Chart 15 a summary of the SOTP Valuation.

Chart 15. SOTP Valuation Summary^{1,2}

	Implied Value (S\$m)		Implied Value per Share (S\$)	
	<i>Lower bound</i>	<i>Upper bound</i>	<i>Lower bound</i>	<i>Upper bound</i>
Logistics Division	100	128	0.18	0.23
Data Centres Division	766	782	1.37	1.40
Investments Division	448	448	0.80	0.80
Others	(117)	(117)	(0.21)	(0.21)
Total	1,196	1,240	2.14	2.21
Group net debt	(382)	(382)	(0.68)	(0.68)
Group non-controlling interests	(115)	(115)	(0.21)	(0.21)
Equity value	699	743	1.25	1.33

Source: Company, FactSet as at the Latest Practicable Date

Notes:

1. Figures may not add due to rounding.
2. Relevant figures are converted at a foreign exchange rate of S\$1:THB23.3219 as at the Latest Practicable Date.

We have utilised a number of valuation approaches in order to attribute value to each division within Keppel T&T as set out in Chart 16.

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Chart 16. SOTP Valuation Methodology

Division/Assets	Description	Valuation methodology
Logistics Division	<ul style="list-style-type: none"> The division refers to the business operations under Keppel T&T which are engaged in the provision of logistics and related services. The Company provides logistics services through its subsidiaries, joint ventures and associated companies. The valuation of the division takes into account the operations of the Company's logistics-related subsidiaries, as well as the Company's stakes in logistics-related joint venture & associated companies. 	<ul style="list-style-type: none"> Trading comparable logistics companies Selected precedent logistics transactions Carrying values as at 31 December 2018
Data Centres Division	<ul style="list-style-type: none"> The division refers to the business operations under Keppel T&T which are engaged in the provision of data centre related services. The Company provides data centre-related services through its subsidiaries and associated companies. The valuation of the division takes into account the operations of the Company's data centre-related subsidiaries, and the Company's stakes in data centre-related associated companies. 	<ul style="list-style-type: none"> Trading comparable data centres companies Current market value as at the Latest Practicable Date Carrying values as at 31 December 2018
Investments Division	<ul style="list-style-type: none"> Keppel T&T's stakes in listed entities and unlisted associated companies which are not included within the Logistics Division or Data Centres Division. Keppel T&T holds stakes in listed entities including M1, Business Online PCL, SVOA PCL, and ARIP PCL. Keppel T&T holds stakes in unlisted entities including Computer Generated Solutions Inc, Radiance Communications Pte Ltd, Trisilco Radiance Communications Sdn Bhd and ABIKS Development Co Ltd. 	<ul style="list-style-type: none"> Current market value as at the Latest Practicable Date Carrying values as at 31 December 2018
Others	<ul style="list-style-type: none"> This includes operating costs incurred in connection with the operation expenses for the corporate headquarters, and costs of which the allocation has not been disclosed. 	<ul style="list-style-type: none"> Trading comparable logistics and data centres companies

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The Independent Directors should note that a discount may be applied on the SOTP valuation of a business with diversified operations for various reasons. In an efficient capital market, investors can generally diversify more effectively by purchasing a portfolio of stocks of focused firms as compared to purchasing stocks of a diversified business investing in a range of diverse businesses. A valuation discount may also be applied as diversified businesses are generally believed to use capital less efficiently. In arriving at the SOTP valuation above, we have not applied any discount as the quantification of such discount is highly subjective. The discount is dependent on, *inter alia*, the size and extent of such business diversification or synergies (if any) and the requirement for additional management as compared to standalone businesses.

As part of the SOTP valuation, we utilise historical share price and trading activity. We wish to highlight that a control premium may be imputed on the market valuation of Keppel T&T's businesses as a result of majority ownership. We have however not applied any control premium as the quantification of such premium is highly subjective. We note that implied EV/EBITDA multiples and market values of the listed entities are and will continue to be affected to varying extents by changes in, *inter alia*, market, economic, political, industry, monetary and other general macroeconomic conditions as well as company-specific factors. Accordingly, the historical EV/EBITDA multiples should not be relied upon as a promise of its future trading performance.

We note that in the SOTP valuation, we utilise valuation ratios of listed comparable companies. We further wish to highlight that underlying financial data used to calculate the EV/EBITDA multiples in our analysis have been extracted from the relevant companies' financials, Bloomberg and FactSet as at the Latest Practicable Date. Rothschild & Co has not independently verified (nor have we assumed responsibility or liability for independently verifying) or ascertained and makes no representations or warranties, expressed or implied, on the accuracy or completeness of such information. However, we have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, as we deemed necessary and have found no reason to doubt the accuracy or reliability of such information and representations made to us.

Similarly, we have not separately taken into account any premium that may arise from a controlling stake in Keppel T&T. In particular, for the purposes of conducting the SOTP valuation, we have relied solely upon and assumed without independent verification, *inter alia*, the accuracy, adequacy and completeness of all information that was furnished to or discussed with us by the Directors, the Management and/or the professional advisers of the Company, or which was otherwise reviewed by or for us, as at the Latest Practicable Date. As such, we have not independently verified (nor have we assumed any responsibility or liability for independently verifying such information) any such information, whether written or verbal, or its accuracy or completeness or adequacy. However, we have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, as we deemed necessary and have found no reason to doubt the accuracy or reliability of such information and representations made to us. Without prejudice to the generality of the foregoing, we do not assume any responsibility for the financial analyses, bases of the valuations and the contents of the information that was

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furnished to or discussed with us by the Directors, the Management and/or the professional advisers of the Company, or which was otherwise reviewed by or for us, or whether each of the foregoing has been prepared in accordance with all applicable legal and regulatory requirements, including Rule 26 of the Code. We have not conducted any valuation or appraisal of any assets or liabilities of the Company. In relying on the financial analyses and other estimates and forecasts provided to us by the Management, we have assumed, *inter alia*, that they have been reasonably prepared after due and careful enquiry based on the financial statements of the Company to which such information relates. We express no views as to such financial analyses or other estimates and forecasts or the assumptions on which they were based.

While the SOTP valuation is useful in providing an additional dimension to our evaluation of the financial terms of the Scheme, we would like to caution the Independent Directors against relying solely on the SOTP valuation (or any valuation method) as the only basis for assessing the Scheme Consideration in view of its various drawbacks and limitations. The preceding paragraph should, therefore, be considered in conjunction with the full text of this IFA Letter.

8.6.2 Logistics Division

Through the Logistics Division, Keppel T&T offers one-stop, integrated logistics solutions to help clients manage their entire supply chain. The Logistics Division currently operates logistics facilities with advanced IT infrastructure in Singapore, China, Hong Kong, Malaysia, Indonesia, Vietnam and Australia. Capabilities of the Logistics Division include warehouse and inventory management, multi-modal transportation, port logistics, freight management, e-services, operations of logistics parks and the provision of supply chain solutions.

We note that Keppel T&T provides its logistics services through several entities of which the Company has varying levels of control over. Correspondingly with different levels of control, the entities are accounted for based on different accounting methods.

Given the varying control that Keppel T&T has over entities within the Logistics Division, we consider it appropriate to value the division based on the parts:

- business operations of logistics-related subsidiaries within Keppel T&T (the “**Consolidated Logistics Division**”); and
- unlisted logistics-related joint venture and associated company within Keppel T&T (the “**JV and Associate of Logistics Division**”).

The valuation methodologies for each of the Logistics Division are further set out in Section 8.6.2 of this IFA Letter. We set out below a summary of our SOTP analysis of the Logistics Division.

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Chart 17. SOTP Valuation Analysis – Logistics Division¹

	Implied Value (S\$m)		Implied Value per Share (S\$)	
	<i>Lower bound</i>	<i>Upper bound</i>	<i>Lower bound</i>	<i>Upper bound</i>
Consolidated Logistics Division	81	109	0.15	0.19
JV and Associate of Logistics Division	18	18	0.03	0.03
Logistics Division	100	128	0.18	0.23

Source: Company, FactSet as at the Latest Practicable Date

Note:

1. Figures may not add due to rounding.

We have arrived at an enterprise value range for the Logistics Division of between S\$100 million and S\$128 million.

8.6.2.1 Consolidated Logistics Division

We note that for the purpose of the valuation of the Consolidated Logistics Division within Keppel T&T, we have utilised the following methodology:

- listed comparable logistics companies; and
- precedent logistics transaction analysis.

We note the following key considerations in reference to the valuation of the Consolidated Logistics Division:

- based on the 25th and 75th percentile EV/EBITDA valuation range of the Logistics Trading Comparables (as defined below), the implied enterprise valuation of the Consolidated Logistics Division ranges from approximately S\$81 million to S\$103 million; and
- based on the 25th and 75th percentile EV/EBITDA valuation range of Selected Precedent Logistics Transactions (as defined below), the implied enterprise valuation of the Consolidated Logistics Division ranges from approximately S\$99 million to S\$109 million.

In arriving at the SOTP analysis for Keppel T&T, the implied enterprise valuation of the Consolidated Logistics Division is S\$81 million to S\$109 million.

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(i) Valuation ratios of listed comparable companies

We consider the valuation ratios of selected listed companies principally engaged in the logistics businesses with significant exposure to the Southeast Asia markets, which are, in our opinion, broadly comparable to the Consolidated Logistics Division (the “**Logistics Trading Comparables**”). The companies which are selected as trading comparables in the list below are a representative sample of logistics companies that have significant geographic presence in Southeast Asia, or are based in Southeast Asia. A summary profile of the Logistics Trading Comparables is set out below.

Company	Market cap¹	General description
Kerry Logistics Network Ltd. (“ Kerry Logistics ”)	S\$4,001 million	<ul style="list-style-type: none"> • Kerry Logistics is a third-party logistics service provider which offers end-to-end supply chain solutions. • The company’s core businesses are integrated logistics, international freight forwarding and express and supply chain solutions. • The company is based in Hong Kong, and has been listed on the Hong Kong Stock Exchange since 2013.
Kintetsu World Express, Inc. (“ Kintetsu World Express ” or “ KWE ”)	S\$1,585 million	<ul style="list-style-type: none"> • Kintetsu World Express is a provider of logistics and freight forwarding services. • The company operates in Japan, Americas, Europe, Middle East, Africa, East Asia, Oceania and Southeast Asia. • On 17 February 2015, KWE announced its acquisition for Singapore-based APL Logistics Ltd., for US\$1.2 billion. • The company is based in Japan, and has been listed on the Tokyo Stock Exchange since 2000.
LBC Express Holdings, Inc. (“ LBC Express ”)	S\$585 million	<ul style="list-style-type: none"> • LBC Express is a provider of logistics and money transfer services. • The company’s logistics services include air, land, sea freight forwarding, last mile delivery, warehousing and distribution services. • The company is headquartered in the Philippines, and has been listed on the Philippine Stock Exchange since 2001.

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Company	Market cap¹	General description
Gemadep Corporation (“ Gemadep ”)	S\$476 million	<ul style="list-style-type: none"> • Gemadep engages in the provision of logistics services and port operations as core activities. • The company’s logistics business focuses on second and third-party logistics services, as well as container shipping and transshipment. • The company also develops and operates marine terminals such as container and bulk cargo ports. • The company is headquartered in Vietnam, and has been listed on the Ho Chi Minh Stock Exchange since 2002.
JWD InfoLogistics Public Company Limited (“ JWD InfoLogistics ”)	S\$356 million	<ul style="list-style-type: none"> • JWD InfoLogistics is a provider of in-land integrated logistics services which includes supply chain and warehouse management, domestic and international removal related services (moving services), information storage and other related services. • The company is headquartered in Thailand, and has been listed on the Stock Exchange of Thailand since 2015.
Tiong Nam Logistics Holdings Berhad (“ Tiong Nam ”)	S\$96 million	<ul style="list-style-type: none"> • Tiong Nam is a provider of integrated logistics services and also engages in property development. • The company has presence within and outside of Malaysia, with a trucking and warehousing network across Singapore, Thailand, Cambodia, Vietnam and China. • The company is headquartered in Malaysia, and has been listed on the Bursa Malaysia since 1992.
TASCO Bhd (“ TASCO ”)	S\$88 million	<ul style="list-style-type: none"> • TASCO is a provider of logistics solutions covering air, sea and land transportation. • The company offers truck rental, warehouse rental, freight forwarding services, in-house truck repair and maintenance and insurance agency through its subsidiaries. • The company is headquartered in Malaysia and has been listed on the Bursa Malaysia since 2007.

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Company	Market cap ¹	General description
CJ Century Logistics Holdings Bhd. (“CJ Century Logistics”)	S\$56 million	<ul style="list-style-type: none"> CJ Century Logistics is a provider of supply chain solutions with offerings including integrated logistics, oil logistics, procurement logistics, data management solutions and courier services. The company is headquartered in Malaysia and has been listed on the Bursa Malaysia since 2001.

Source: Company, FactSet

Note:

- Market capitalisation is calculated based on share price from FactSet as at the Latest Practicable Date multiplied by the total ordinary shares outstanding and foreign exchange conversion rates as at Latest Practicable Date.

We wish to highlight that the Logistics Trading Comparables are not exhaustive and they differ from the Consolidated Logistics Division in terms of, *inter alia*, market capitalisation, size of operations, composition of business activities, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. As such, any comparison made is necessary limited and merely serves only as an illustrative guide.

The valuation ratios of the Logistics Trading Comparables set out below are based on their last transacted share prices as at the Latest Practicable Date.

Chart 18. Selected Logistics Trading Comparables¹

Company	Stock Exchange	MC ¹	EV ²	EV/EBITDA (x) ^{3,4}
		(S\$m)	(S\$m)	LTM
Kerry Logistics Network	Hong Kong	4,001	5,190	10.7
Kintetsu World Express	Tokyo	1,585	2,586	6.4
LBC Express	Philippines	585	528	9.8
Gemadep	Ho Chi Minh City	476	472	9.3
JWD Infologistics	Thailand	356	419	16.4
Tiong Nam	Malaysia	96	395	12.8
TASCO	Malaysia	88	187	9.9
CJ Century Logistics	Malaysia	56	68	7.2
75th percentile				11.2
Median				9.8
Mean				10.3
25th percentile				8.8

Source: Company, FactSet as at the Latest Practicable Date

Notes:

- Market capitalisation is calculated based on share prices and exchange rates from FactSet as at the Latest Practicable Date.

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2. Enterprise value has been calculated as the sum of the market capitalisation, net debt, minority interests, less interest in joint ventures and associated companies. Enterprise value is computed based on the latest available consolidated financial results, except for market capitalisation which is at the Latest Practicable Date.
3. EBITDA excludes share of associates' and joint ventures' income.
4. EBITDA excludes non-operating income and expenses.

Based on Chart 18, we note that the 25th and 75th percentile LTM EV/EBITDA multiple of the Logistics Trading Comparables reflects a range of 8.8 times to 11.2 times.

Chart 19. Valuation of Consolidated Logistics Division based on Logistics Trading Comparables

	S\$m	<i>Lower bound</i>	<i>Upper bound</i>
EV/EBITDA (x) based on Logistics Trading Comparables		8.8x	11.2x
LTM EBITDA of Consolidated Logistics Division as at 31 Dec 2018 ¹	9.2		
EV of Consolidated Logistics Division based on Logistics Trading Comparables		81	103

Source: Company, FactSet as at the Latest Practicable Date

Note:

1. LTM EBITDA of the Consolidated Logistics Division computed based on audited FY2018's operating profit for the division, adjusted for depreciation and amortisation, and non-recurring items including S\$1.4 million of fixed assets written off and S\$0.2 million of gain on disposal of fixed assets.

Based on the LTM EV/EBITDA multiple range of the Logistics Trading Comparables, the implied enterprise valuation of the Consolidated Logistics Division is S\$81 million to S\$103 million.

As at the Latest Practicable Date, the Company holds a controlling interest in the issued capital of the Consolidated Logistics Division. We wish to highlight that a control premium may be imputed on the valuation of the Consolidated Logistics Division given the majority controlling interest in the Consolidated Logistics Division held by the Company. We have however not applied any control premium in this analysis as the quantification of such premium is highly subjective.

(ii) Valuation ratios of selected precedent logistics transactions

We have reviewed selected transactions between 1 January 2015 and the Latest Practicable Date, involving the takeovers of logistics companies with significant exposure to Southeast Asia, and for which information is publicly available (the "**Selected Precedent Logistics Transactions**").

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Chart 20. Selected Precedent Logistics Transactions¹

Ann. Date	Acquirer	Target	Stake acq. (%)	LTM EV/EBITDA (x)
Feb 2015	KWE	APL Logistics	100%	15.0
Feb 2015	Japan Post	Toll Holdings	100%	11.5
Apr 2017	HNA Belt and Road Inv.	CWT Limited	100%	10.7
Sep 2017	Respond Logistics	Poh Tiong Choon Logistics	100%	11.8
Nov 2017	COSCO Shipping	Cogent Holdings	100%	10.6
75th percentile				11.8
Median				11.5
Mean				11.9
25th percentile				10.7

Source: Company and Company filings on the SGX-ST

Notes:

1. Enterprise value is adjusted for net debt, non-controlling interests, and associates as at the latest filings on the date of the acquisition, unless otherwise stated.
2. On 17 February 2015, Neptune Orient Lines Limited (“**NOL**”) and KWE jointly announced that they have entered into a sale and purchase agreement for NOL’s logistics business, APL Logistics Ltd. (“**APL Logistics**”), for US\$1.2 billion. The LTM EV/EBITDA multiple is based on the financials for the 12 months ending 31 December 2014, as reflected in the sale presentation disclosed by NOL.
3. On 18 February 2015, Toll Holdings Limited (“**Toll Holdings**”) announced that it has entered into a scheme implementation deed with Japan Post Co. Ltd (“**Japan Post**”) under which Japan Post was proposed to acquire all of Toll Holding’s shares by way of a scheme of arrangement. On 28 May 2015, Japan Post announced the completion of the acquisition of Toll Holdings. The LTM EV/EBITDA multiple is based on the financials for the 12 months ending 31 December 2014.
4. On 9 April 2017, HNA Belt and Road Investments announced a voluntary conditional general offer to acquire all the issued and paid-up ordinary shares in the capital of CWT Limited, other than those already owned, controlled or agreed to be acquired by HNA Belt and Road Investments. On 15 December 2017, HNA Belt and Road Investments announced the completion of the compulsory acquisition for remaining shares held by shareholders who have not accepted the voluntary conditional general offer. The LTM EV/EBITDA multiple is based on the financials for the 12 months ending 30 June 2017, as reflected in the letter issued by the independent financial adviser, Ernst & Young Corporate Finance Pte Ltd, to the independent directors of CWT Limited, on 2 October 2017.
5. On 20 September 2017, Respond Logistics announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of PTCL, other than those already held by Respond Logistics. On 3 January 2018, Respond Logistics announced the completion of the compulsory acquisition for remaining shares held by shareholders who have not accepted the voluntary conditional cash offer. The LTM EV/EBITDA multiple is based on the financials for the 12 months ending 30 June 2017, as reflected in the letter issued by the independent financial adviser, Ernst & Young Corporate Finance Pte Ltd, to the independent directors of PTCL, on 20 October 2017.
6. On 3 November 2017, COSCO Shipping announced a voluntary conditional cash offer to acquire all the shares of Cogent Holdings, including shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the COSCO Shipping. On 6 March 2018, COSCO Shipping announced the completion of the compulsory acquisition for remaining shares held by shareholders who have not accepted the voluntary conditional cash offer. The LTM EV/EBITDA multiple is based on the financials for the 12 months ending 30 September 2017, as reflected in the letter issued by the independent financial adviser, CIMB Bank Berhad, to the independent directors of Cogent Holdings, on 7 December 2017.

Based on Chart 20, we note that the 25th and 75th percentile of LTM EV/EBITDA multiple of Selected Precedent Logistics Transactions reflects a range of 10.7 times to 11.8 times.

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Chart 21. Valuation of Consolidated Logistics Division based on Selected Precedent Logistics Transactions

	S\$m	<i>Lower bound</i>	<i>Upper bound</i>
EV/EBITDA (x) based on Selected Precedent Logistics Transactions		10.7x	11.8x
LTM EBITDA of Consolidated Logistics Division as at 31 Dec 2018 ¹	9.2		
EV of Consolidated Logistics Division based on Selected Precedent Logistics Transactions		99	109

Source: Company, FactSet as at the Latest Practicable Date

Note:

1. LTM EBITDA of the Consolidated Logistics Division computed based on audited FY2018's operating profit for the division, adjusted for depreciation and amortisation, and non-recurring items including S\$1.4 million of fixed assets written off and S\$0.2 million of gain on disposal of fixed assets.

Based on the LTM EV/EBITDA multiple range of Selected Precedent Logistics Transactions, the implied enterprise valuation of the Consolidated Logistics Division is S\$99 million to S\$109 million.

8.6.2.2 JV and Associate of Logistics Division

Within the Logistics Division, Keppel T&T has investments in the following joint venture and associated companies:

- PT Keppel Puninar, where Keppel T&T holds an effective 49% interest; and
- Wuhu Sanshan Port Co Ltd, where Keppel T&T holds an effective 50% interest.

We note that for the purpose of the valuation of the JV and Associate of Logistics Division within Keppel T&T, we have utilised the following methodology:

- carrying values based on the Company's latest audited financials, as at 31 December 2018.

Based on the latest audited financials, the carrying value for Keppel T&T's investment in logistics-related associated companies and joint ventures is S\$18 million, as at 31 December 2018.

8.6.3 Data Centres Division

The Data Centres Division provides colocation suites, data centre solutions and business contingency services to customers across Asia Pacific and Europe. Integrated data centre solutions provided by the Company include the development, management and operation of data centre facilities.

The business activities and operations of the Data Centres Division are conducted through subsidiaries and associated companies including KDCH, Keppel DC REIT, KDCRM and ADC Fund.

Keppel T&T is the sponsor for Keppel DC REIT, where the Company holds an effective 25% stake in Keppel DC REIT. Keppel DC REIT is a data centre real estate investment trust listed on the SGX-ST, invested in a diversified portfolio of income-producing real

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estate assets used primarily for data centre purposes, with a focus on Asia-Pacific and Europe. Keppel DC REIT is managed by KDCRM, where the Company holds an effective 50% stake in KDCRM.

ADC Fund is a collaboration between KDCH, KLL and Alpha Investment, launched to invest in quality greenfield and brownfield data centre assets across Asia-Pacific and Europe.

We note that Keppel T&T provides its data centre-related services through several entities of which the Company has varying levels of control over. Correspondingly with the different levels of control, the entities are accounted for based on different accounting methods.

Given the varying control that Keppel T&T has over entities within the Data Centres Division, and the different listing nature of the entities, we consider it appropriate to value the division based on the parts:

- business operations of data centre-related subsidiaries within Keppel T&T (the “**Consolidated Data Centres Division**”);
- Listed data centre-related associated company within Keppel T&T (the “**Listed Associate of Data Centres Division**”); and
- unlisted data centre-related associated company within Keppel T&T (the “**Unlisted Associates of Data Centres Division**”).

The valuation methodologies for each part of the Data Centres Division are further set out in Section 8.6.3 of this IFA Letter. We set out below a summary of our SOTP analysis of the Data Centres Division.

Chart 22. SOTP Valuation Analysis – Data Centres Division¹

	Implied Value (S\$m)		Implied Value per Share (S\$)	
	<i>Lower bound</i>	<i>Upper bound</i>	<i>Lower bound</i>	<i>Upper bound</i>
Consolidated Data Centres Division	40	56	0.07	0.10
Listed Associate of Data Centres Division	499	499	0.89	0.89
Unlisted Associates of Data Centres Division	227	227	0.40	0.40
EV of Data Centres Division	766	782	1.37	1.40

Source: Company, FactSet as at the Latest Practicable Date

Note:

1. Figures may not add due to rounding.

We have arrived at an enterprise value range for the Data Centres Division of between S\$766 million and S\$782 million.

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8.6.3.1 Consolidated Data Centres Division

We note that for the purpose of the valuation of the Consolidated Data Centres Division within Keppel T&T, we have utilised the following methodology:

- listed comparable data centres companies.

We note the following key considerations in reference to the valuation of the Consolidated Data Centres Division:

- based on the 25th and 75th percentile EV/EBITDA valuation range of the Data Centres Trading Comparables (as defined below), the implied enterprise valuation of the Consolidated Data Centres Division will range from approximately S\$40 million to S\$56 million.

In arriving at the SOTP analysis for Keppel T&T, the implied enterprise valuation of the Consolidated Data Centres Division is S\$40 million to S\$56 million.

(i) Valuation ratios of listed comparable companies

We consider the valuation ratios of selected listed companies principally engaged in the provision of data centres services based in Asia Pacific or Europe, which are, in our opinion, broadly comparable to Consolidated Data Centres Division (the “**Data Centres Trading Comparables**”). The companies which are selected as trading comparables in the list below are a representative sample of data centre companies that are based in Asia Pacific or Europe. A summary profile of the Data Centres Trading Comparables is set out below.

Company	Market cap ¹	General description
Interxion Holding NV (“ Interxion ”)	S\$6,343 million	<ul style="list-style-type: none"> • Interxion is a provider of carrier and cloud-neutral colocation and data centre services. • The company operates 49 data centres across Europe, and is present in 11 countries across Europe. • The company is headquartered in Netherlands, and has been listed on the New York Stock Exchange since 2011.

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Company	Market cap¹	General description
NextDC Ltd. ("NextDC")	S\$2,252 million	<ul style="list-style-type: none"> • NextDC is a provider of data centre colocation services, connectivity services and infrastructure management software. • NextDC operates 11 data centres in Brisbane, Canberra, Sydney, Melbourne and Perth. • The company also engages in data centre services through its associate, Asia Pacific Data Centres Group, where NextDC owns a 98.9% stake. • The company is headquartered in Australia, and has been listed on the Australian Stock Exchange since 2010.
SUNeVision Holdings Limited ("SUNeVision")	S\$2,081 million	<ul style="list-style-type: none"> • SUNeVision is the technology unit of Hong Kong-based Sun Hung Kai Properties. • SUNeVision's core business activities include the provision of data centre, facilities management and value added services, installation and maintenance services, and the renting of investment properties. • The company operates five data centres across Hong Kong. • The company is headquartered in Hong Kong, and has been listed on the Hong Kong Stock Exchange since 2000.
Over The Wire Ltd. ("Over The Wire")	S\$251 million	<ul style="list-style-type: none"> • Over The Wire is a telecommunications and IT solution provider specialising in voice and data networks, data centre and hosted networks. • The company provides data aggregation, voice network systems, cloud and managed services, and colocation services. • Over The Wire operates three data centres in Brisbane, Australia. • The company is headquartered in Australia, and has been listed on the Australian Stock Exchange since 2015.

Source: Company, FactSet

Note:

1. Market capitalisation is calculated based on share price from FactSet as at the Latest Practicable Date multiplied by the total ordinary shares outstanding and foreign exchange conversion rates as at Latest Practicable Date.

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We wish to highlight that the Data Centres Trading Comparables are not exhaustive and they differ from the Consolidated Data Centres Division in terms of, *inter alia*, market capitalisation, size of operations, composition of business activities, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. As such, any comparison made is necessary limited and merely serves only as an illustrative guide.

The valuation ratios of the Data Centres Trading Comparables set out below are based on their last transacted share prices as at the Latest Practicable Date.

Chart 23. Selected Data Centres Trading Comparables¹

Company	Stock Exchange	MC ¹ (S\$m)	EV ² (S\$m)	EV/EBITDA (x) ^{3,4} LTM
Interxion	NYSE	6,343	7,885	21.1
SUNeVision	Hong Kong	2,252	2,606	16.5
NEXTDC	ASX	2,081	2,386	36.1
Over The Wire	ASX	251	255	18.0
75th percentile				24.8
Median				19.6
Mean				22.9
25th percentile				17.6

Source: Company, FactSet as at the Latest Practicable Date

Notes:

1. Market capitalisation is calculated based on share prices and exchange rates from FactSet as at the Latest Practicable Date.
2. Enterprise value has been calculated as the sum of the market capitalisation, net debt, minority interests, less interest in joint ventures and associated companies. Enterprise value is computed based on the latest available consolidated financial results, except for market capitalisation which is at the Latest Practicable Date.
3. EBITDA excludes share of associates' and joint ventures' income.
4. EBITDA excludes non-operating income and expenses.

Based on Chart 23, we note that the 25th and 75th percentile of LTM EV/EBITDA multiple of the Data Centres Trading Comparables reflects a range of 17.6 times to 24.8 times.

Chart 24. Valuation of Consolidated Data Centres Division based on Data Centres Trading Comparables

	S\$m	Lower bound	Upper bound
EV/EBITDA (x) based on Data Centres Trading Comparables		17.6x	24.8x
EBITDA of Consolidated Data Centres Division as at 31 Dec 2018 ¹	2.3		
EV of Consolidated Data Centres Division based on Data Centres Trading Comparables		40	56

Source: Company, FactSet as at the Latest Practicable Date

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Note:

1. LTM EBITDA of Consolidated Data Centres Division computed based on audited FY2018's operating profit for the division, adjusted for depreciation and amortisation, and non-recurring items including (i) a S\$4.6 million fair value loss on Netherlands based data centre Almere 2; (ii) a S\$19.9 million dilution gain from Keppel DC REIT's private placement in 2Q2018; and (iii) a S\$0.2 million fair value gain on forward contracts.

Based on the LTM EV/EBITDA multiple range of the Data Centres Trading Comparables, the implied enterprise valuation of the Consolidated Data Centres Division is S\$40 million to S\$56 million.

As at the Latest Practicable Date, the Company holds a controlling interest in the issued capital of Consolidated Data Centres Division. We wish to highlight that a control premium may be imputed on the valuation of Consolidated Data Centres Division given the majority controlling interest in Consolidated Data Centres Division held by the Company. We have however not applied any control premium in this analysis as the quantification of such premium is highly subjective.

8.6.3.2 Listed Associate of Data Centres Division

Within the Data Centres Division, Keppel T&T has investment in the following listed associated company:

- Keppel DC REIT, where Keppel T&T holds a total of approximately 340 million shares through Keppel DC Investment and KDCRM, representing an effective 25% interest, as at the Latest Practicable Date.

We note that for the purpose of the valuation of the Listed Associate of Data Centres Division within Keppel T&T, we have utilised the following methodology:

- current market value as at the Latest Practicable Date.

We note the following key considerations in reference to the valuation of Keppel T&T's stake in Keppel DC REIT:

- as at the Latest Practicable Date, Keppel DC REIT has a market capitalisation of S\$1,987 million based on the last closing share price of S\$1.47 as at the Latest Practicable Date; and
- the last closing share price of Keppel DC REIT as at the Latest Practicable Date implies an equity value for Keppel T&T's 25% stake in Keppel DC REIT of approximately S\$499 million.

We have arrived at S\$499 million in the valuation of the Listed Associate of Data Centres Division for the purpose of our SOTP analysis for the Company.

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We note that the stock price is and will continue to be affected to varying extent by changes in, *inter alia*, market, economic, political, industry, monetary and other general macroeconomic conditions as well as company-specific factors. Accordingly, the historical stock price should not be relied upon as a promise of its future trading performance.

8.6.3.3 Unlisted Associates of Data Centres Division

Within the Data Centres Division, Keppel T&T has investments in the following unlisted associated companies:

- Keppel DC Singapore 3 LLP, where Keppel T&T holds an effective 7% interest through KDCH;
- Calcium, where Keppel T&T holds an effective 28% interest through KDCH;
- Thorium, where Keppel T&T holds an effective 21% interest through KDCH;
- KDCRM, where Keppel T&T holds an effective 50% interest;
- ADC Fund, where Keppel T&T holds an effective 46% interest; and
- Nautilus Data Technologies Inc., where Keppel T&T holds an effective 21% interest.

We note that for the purpose of the valuation of the Unlisted Associates of Data Centres Division within Keppel T&T, we have utilised the following methodology:

- carrying values based on the Company's latest audited financials, as at 31 December 2018

Keppel DC Singapore 3 LLP, Calcium and Thorium are the holding entities for the data centres of Keppel DC Singapore 3, Frankfurt DC and Keppel DC Singapore 4 respectively.

We note that Keppel DC Singapore 3, Frankfurt DC and Keppel DC Singapore 4 are classified as investment properties which have been fair valued as at 31 December 2018. Further, we understand from the Management that the potential tax liabilities on the revaluation surplus of investment properties would have been accounted for in Keppel T&T's FY2018 financials.

Based on discussions with the Management, as at 31 December 2018, the carrying value for Keppel T&T's investment in data centre-related associated companies is S\$227 million.

We have arrived at S\$227 million in the valuation of the Unlisted Associates of Data Centres Division for the purpose of our SOTP analysis for the Company.

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8.6.4 Investments Division

Keppel T&T holds stakes in a portfolio of companies that helps contribute to the profitability of the Company. The portfolio includes listed and unlisted companies in different geographies.

Given the different listing nature of the entities, we consider it appropriate to value the division based on the parts:

- Keppel T&T's stake in Singapore-listed investment (the "**Singapore Listed Investment**");
- Keppel T&T's stakes in Thailand-listed investments (the "**Thailand Listed Investments**"); and
- Keppel T&T's stakes in unlisted investments (the "**Unlisted Investments**").

The valuation methodologies for each of the Investments Division are further set out in Section 8.6.4 of the IFA Letter. We set out below a summary of our SOTP analysis of the Investments Division.

Chart 25. SOTP Valuation Analysis – Investments Division¹

	Implied Value (S\$m)	Implied Value per Share (S\$)
Singapore Listed Investment	368	0.66
Thailand Listed Investments	34	0.06
Unlisted Investments	45	0.08
Value of Investments Division	448	0.80

Source: Company, FactSet as at the Latest Practicable Date

Note:

1. Figures may not add due to rounding.

8.6.4.1 Singapore Listed Investment

Within the Investments Division, Keppel T&T has investment in the following Singapore-listed associated company:

- M1, where Keppel T&T holds a total of approximately 179 million ordinary shares through Keppel Telecoms Pte Ltd, representing an effective 19.31% interest, as at the Latest Practicable Date.

On 28 December 2018, a voluntary conditional general offer (the "**M1 Offer**") was announced by Konnectivity Pte. Ltd. (the "**M1 Offeror**"), for all the issued and paid-up ordinary shares in the capital of M1 (excluding treasury shares) other than those already owned, controlled or agreed to be acquired by the M1 Offeror, its related corporations, and their respective nominees, with a price consideration of S\$2.06 for each M1 share.

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On 15 February 2019, the M1 Offeror announced that it had received valid acceptances in respect of such number of M1 shares which, when taken together with the shares owned, controlled or agreed to be acquired by the M1 Offeror and parties acting in concert with it, resulted in the M1 Offeror and parties acting in concert with it holding such number of M1 shares carrying more than 50% of the maximum potential issued share capital of M1. Accordingly, the M1 Offer was declared unconditional in all respects on 15 February 2019.

On 27 February 2019, it was further announced that the M1 Offeror had received valid acceptances in respect of such number of M1 shares which, when taken together with the shares owned, controlled or agreed to be acquired by the M1 Offeror and parties acting in concert with it, resulted in the M1 Offeror and parties acting in concert with it holding such number of M1 shares which comprise more than 90% of the total number of M1 Shares.

In view of the foregoing, M1 Offer price of S\$2.06 per share reflects the last observable market share price for M1 shares.

Please further refer to Section 9.2 of this IFA Letter for further context of the M1 Offer.

We note that for the purpose of the valuation of the Singapore Listed Investment within Keppel T&T, we have utilised the following methodology:

- M1 Offer price of S\$2.06 per share.

The M1 Offer implies an equity value for Keppel T&T's 19.31% stake in M1 of approximately S\$368 million.

In arriving at our SOTP analysis for the Company, we have used the value of S\$368 million for the Singapore Listed Investment.

We note that the stock price is and will continue to be affected to varying extent by changes in, *inter alia*, market, economic, political, industry, monetary and other general macroeconomic conditions as well as company-specific factors. Accordingly, the historical stock price should not be relied upon as a promise of its future trading performance.

8.6.4.2 Thailand Listed Investments

Within the Investments Division, Keppel T&T has investments in the following Thailand-listed associated companies:

- BOPCL, where Keppel T&T holds a total of approximately 197 million ordinary shares held through KCPL, representing an effective 24% interest, at the Latest Practicable Date;
- SVOA Public Company Limited, where Keppel T&T holds a total of approximately 303 million shares (ordinary and preferred) held through Apsilon Ventures Pte Ltd and BNP Paribas Wealth Management Singapore Branch, representing an effective 32% interest, as at the Latest Practicable Date; and

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- ARIP Public Company Ltd, where Keppel T&T holds a total of approximately 93 million ordinary shares held through BNP Paribas Wealth Management Singapore Branch, representing an effective 20% interest, as at the Latest Practicable Date.

We note that for the purpose of the valuation of the Thailand Listed Investments within Keppel T&T, we have utilised the following methodology:

- current market value as at the Latest Practicable Date.

We note the following key considerations in reference to the valuation of the Thailand Listed Investments:

Business Online Public Company Limited

- As at the Latest Practicable Date, BOPCL has a market capitalisation of S\$71 million based on the last closing share price of THB2.02 and a foreign exchange rate of S\$1:THB23.3219 as at the Latest Practicable Date.
- The last closing share price of BOPCL as at the Latest Practicable Date implies an equity value for Keppel T&T's 24% stake in BOPCL of approximately S\$17 million based on a foreign exchange rate of S\$1:THB23.3219 as at the Latest Practicable Date.

SVOA Public Company Limited

- As at the Latest Practicable Date, SVOA Public Company Limited has a market capitalisation of S\$36 million based on the last closing share price of THB1.18 and a foreign exchange rate of S\$1:THB23.3219 as at the Latest Practicable Date.
- The last closing share price of SVOA Public Company Limited as at the Latest Practicable Date implies an equity value for Keppel T&T's 32% stake in SVOA Public Company Limited of approximately S\$15 million based on a foreign exchange rate of S\$1:THB23.3219 as at the Latest Practicable Date.

ARIP Public Company Ltd

- As at the Latest Practicable Date, ARIP Public Company Ltd has a market capitalisation of S\$10 million based on the last closing share price of THB0.51 and a foreign exchange rate of S\$1:THB23.3219 as at the Latest Practicable Date.
- The last closing share price of ARIP Public Company Limited as at the Latest Practicable Date implies an equity value for Keppel T&T's 20% stake in ARIP Public Company Ltd of approximately S\$2 million based on a foreign exchange rate of S\$1:THB23.3219 as at the Latest Practicable Date.

In arriving at our SOTP analysis for the Company, we have used the valuation of S\$34 million for the aggregate implied equity value of Keppel T&T's shares in the Thailand Listed Investments based on a foreign exchange rate of S\$1:THB23.3219 as at the Latest Practicable Date.

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We note that the stock price is and will continue to be affected to varying extent by changes in, *inter alia*, market, economic, political, industry, monetary and other general macroeconomic conditions as well as company-specific factors. Accordingly, the historical stock price should not be relied upon as an indication or a promise of its future trading performance.

8.6.4.3 Unlisted Investments

Within the Investments Division, Keppel T&T has unlisted investments in the following joint venture and associated companies:

- ABIKS Development Co Ltd, where Keppel T&T holds an effective 20% interest;
- Computer Generated Solutions Inc., where Keppel T&T holds an effective 21% interest;
- Radiance Communications Pte Ltd, where Keppel T&T holds an effective 50% interest; and
- Trisilco Radiance Communications Sdn Bhd, where Keppel T&T holds an effective 22% interest.

We note that for the purpose of the valuation of the Unlisted Investments within Keppel T&T, we have utilised the following methodology:

- carrying values based on the Company's latest audited financials, as at 31 December 2018.

Based on discussions with the Management, as at 31 December 2018, the carrying value of Unlisted investments is S\$45 million.

We have arrived at S\$45 million in the valuation of the Unlisted Investments for the purpose of our SOTP analysis for the Company.

8.6.5 Others

Based on discussions with the Management, we note that the Company incurs corporate overhead costs in relation to its headquarters. The corporate overhead cost below reflects an estimate of the overhead expenses incurred in LTM ending 31 December 2018, after adjusting for exceptional items.

We have assessed the capitalised value of the corporate overhead costs as set out in Chart 26.

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Chart 26. SOTP Valuation Analysis – Others

(\$m)	S\$m	Lower bound	Upper bound
EV/EBITDA (x) based on Logistics Trading Comparables		8.8x	11.2x
EV/EBITDA (x) based on Data Centres Trading Comparables		17.6x	24.8x
EV/EBITDA (x) of Logistics and Data Centres Trading Comparables		8.8x	24.8x
Lowest of the EV/EBITDA range	8.8x		
LTM Corporate overhead costs as at 31 Dec 2018 ¹	(13.3)		
Value of Others based on the lowest of the EV/EBITDA range	(117)		

Source: Company, FactSet as at the Latest Practicable Date

Note:

1. LTM Corporate overhead costs computed based on the operating loss incurred in FY2018, in relation to the corporate headquarters, adjusted for depreciation and amortisation, and non-recurring items which are not disclosed to be attributable to the Logistics division or Data Centres division. Such computation was based on audited FY2018 financials, and information gathered during the discussions with the Management.

The corporate overhead costs incurred in the LTM ending 31 December 2018 have been capitalised based on a multiple implied by the trading LTM EV/EBITDA ranges for the Logistics Trading Comparables and Data Centres Comparables.

Capitalisation of corporate overhead costs based on the Logistics Trading Comparables and Data Centres Comparables reflect the same valuation methodology as adopted in Sections 8.6.2.1 and 8.6.3.1, for the purpose of valuing the Company's core Consolidated Logistics Division and Consolidated Data Centres Division respectively.

We note that the capitalisation of such corporate overhead costs will result in a downward impact on the SOTP valuation. For the purpose of the SOTP analysis, we have assessed the minimum impact of capitalising such corporate overhead costs by applying the lowest of the LTM EV/EBITDA ranges of the Logistics Trading Comparables and Data Centres Comparables.

We have arrived at S\$(117 million) in the valuation of the Others for the purpose of our SOTP analysis for the Company.

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8.7 Summary of Analyses set out in Sections 8.2 to 8.6

We have set out in Chart 27 below a summary of how the Scheme Consideration compares to the analyses set out in Sections 8.2 to 8.6.

Chart 27. Summary of Analyses

Analysis	Max ¹	Min ¹	Mean ¹	Median ¹	Scheme Consideration	Offer relative to ²	
						Max-Min range	Mean-Median range
Historical Share Price Performance Analysis							
3 year period up to the Latest Practicable Date	1.89	1.34	1.61	1.59	1.91	Above	Above
Historical Trading Performance Analysis (x)							
Historical LTM EV/EBITDA	51.3x	22.2x	35.9x	36.7x	80.0x	Above	Above
Historical LTM P/E	23.5x	8.7x	17.0x	17.2x	16.4x	Within	Below
Historical LTM P/B	1.1x	0.9x	1.0x	1.0x	1.2x	Above	Above
Precedent Takeover Analysis (%)							
Premium to Last Trading Day	62.5%	(39.1%)	23.1%	23.1%	40.4%	Within	Above
Premium to 1-month VWAP	67.4%	(39.1%)	27.8%	25.5%	39.5%	Within	Above
Premium to 3-month VWAP	65.0%	(37.5%)	29.4%	25.2%	34.9%	Within	Above
Premium to 6-month VWAP	73.5%	(34.0%)	29.0%	26.2%	28.1%	Within	Within
Broker Research Price Targets							
Pre-Offer Ann. Date	1.51	1.51	1.51	1.51	1.91	Above	Above
Latest Practicable Date	1.91	1.91	1.91	1.91	1.91	Same	Same
SOTP Valuation							
Equity value	1.33	1.25	n.a.	n.a.	1.91	Above	n.a.

Notes:

1. Maximum, minimum, mean and median of the respective benchmark
2. Parameters implied by the Scheme Consideration relative to the minimum and maximum, mean and median range of the respective benchmarks

We note that the metrics implied by the Scheme Consideration are either above or within the maximum and minimum, mean and median range implied by all analyses set out in Chart 27, with the exception of the Historical Trading Performance Analysis, where the implied LTM P/E multiple of the Scheme Consideration is below the mean and median range.

9 OTHER CONSIDERATIONS

9.1 Transformation of the Company's Logistics Business

In 2016, Keppel T&T announced its plan to transform the business model of its logistics business to capture growth in e-commerce and urban logistics. By expanding its scope of services, the logistics business has been increasingly positioned more comprehensively as an end-to-end logistics solutions provider.

As part of the transformation of the logistics business, Keppel T&T undertook significant corporate actions including:

- strategic acquisition of Courex in 2016, expanding Keppel T&T's omnichannel capabilities;

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- rebranding of Courex as UrbanFox in 2017 to reflect the transformation of the logistics business and a future-ready blend of expertise;
- rightsizing its operations to increase its competitiveness within the 3PL logistics business;
- entered into an agreement to sell its entire stake in Asia Airfreight Terminal; and
- launched a strategic review of its China logistics portfolio.

Based on discussions with the Management, we note that the logistics business is still undergoing the transformative phase and there is no certainty on the outcome of such business transformation. In addition, the current financial performance may not be fully reflective of the logistics potential arising from such transformation.

9.2 M1 Offer

On 28 December 2018, the M1 Offeror announced a voluntary conditional general offer for all the issued and paid-up ordinary shares in the capital of M1, excluding treasury shares and those already owned, controlled or agreed to be acquired by the M1 Offeror, its related corporations, and their respective nominees. The cash consideration for each share is S\$2.06.

On 15 February 2019, the M1 Offeror announced that it had received valid acceptances in respect of such number of M1 shares which, when taken together with the shares owned, controlled or agreed to be acquired by the M1 Offeror and parties acting in concert with it, resulted in the M1 Offeror and parties acting in concert with it holding such number of M1 shares carrying more than 50% of the maximum potential issued share capital of M1. Accordingly, the M1 Offer was declared unconditional in all respects on 15 February 2019.

On 27 February 2019, it was further announced that the M1 Offeror had received valid acceptances in respect of such number of M1 shares which, when taken together with the shares owned, controlled or agreed to be acquired by the M1 Offeror and parties acting in concert with it, resulted in the M1 Offeror and parties acting in concert with it holding such number of M1 shares which comprise more than 90% of the total number of M1 Shares. The announcement further noted that the M1 Offeror will take steps to delist M1 from the SGX-ST.

9.2.1 Keppel T&T's interest in M1

Keppel T&T holds 19.31% of the M1 shares through KTPL. Each of Keppel T&T and KTPL is a related corporation of the M1 Offeror, where M1 shares owned, controlled or agreed to be acquired by Keppel T&T or KTPL are excluded from the M1 Offer pursuant to the KTPL Irrevocable Undertaking (as defined below) between KTPL and the M1 Offeror.

As at 27 September 2018, the M1 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 M1 Offeror (i) the concert party relationship between the M1 Offeror and KTPL for the purposes of the M1 Offer; (ii) not to tender any M1 shares held by it in acceptance of the M1 Offer; and (iii) not to accept (or permit the acceptance of) any competing offer.

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9.2.2 Impact of M1 Offer on Keppel T&T

The Scheme and the M1 Offer (by way of a pre-conditional offer announcement) were both announced on the same day, 27 September 2018. Given that both were announced on the same date, we note that there was no isolated observable impact of M1 Offer on the share price of the Company. From the first trading day following the Joint Announcement Date, the share price of the Company have reflected investors' expectations on the Scheme, as well as the M1 Offer.

We note the following considerations in relation to Keppel T&T's 19.31% interests in M1:

Prior to the Joint Announcement Date

- Keppel T&T has a market capitalisation of S\$760 million based on the share price of S\$1.36 per share on the Last Trading Day.
- M1 has a market capitalisation of S\$1,509 million based on the share price of S\$1.63 per share on 21 September 2018, the last full trading day for M1 shares.
- Keppel T&T's interest in M1 implies an equity value of S\$292 million (based on the share price of S\$1.63 per share), representing 38.3% of Keppel T&T's market capitalisation (based on the share price of S\$1.36 per share).

Based on the Scheme Consideration and M1 Offer price

- The Scheme Consideration implies an equity value for Keppel T&T of S\$1,068 million based on the Scheme Consideration of S\$1.91 per share.
- The M1 Offer implies an equity value for M1 of S\$1,907 million based on the M1 Offer price of S\$2.06 per share.
- Keppel T&T's interests in M1 implies an equity value of S\$368 million (based on the M1 Offer price of S\$2.06 per share), representing 34.5% of Keppel T&T's equity value as implied by the Scheme Consideration of S\$1.91.

As at the Latest Practicable Date

- Keppel T&T has a market capitalisation of S\$1,053 million based on the last closing share price of S\$1.88 per share on the Latest Practicable Date.
- M1 has a market capitalisation of S\$1,899 million based on the last closing share price of S\$2.05 per share on the Latest Practicable Date.
- Keppel T&T's interests in M1 implies an equity value of S\$367 million (based on the last closing share price of S\$2.05 per share), representing 34.8% of Keppel T&T's market capitalisation (based on the last closing share price of S\$1.88 per share).

We note that as at the Latest Practicable Date, the last closing price of the M1 shares is S\$2.05 per share, 0.5% lower than the M1 Offer price.

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We have taken into consideration two observable M1 share prices:

- M1 share price of S\$2.06 per share based on the M1 Offer price; and
- M1 share price of S\$2.05 per share based on the last closing price of M1 shares as at the Latest Practicable Date.

We note, and have factored in our SOTP analysis, that the market price of the M1 shares is trading below the M1 Offer price as at the Latest Practicable Date, and hence the M1 Offer is, at the Latest Practicable Date, the highest exit offer price for M1 shareholders.

We wish to highlight that the IFA recommendation and the supporting analyses are provided on the basis that no competing offer for the M1 shares has been publicly announced from the M1 pre-conditional offer announcement date of 27 September 2018 to the Latest Practicable Date. To the extent that there are material updates on the M1 Offer, the results of the IFA recommendation and the supporting analysis may change.

Shareholders should also note that pursuant to the KTPL Irrevocable Undertaking, KTPL shall not tender any M1 shares held by it in acceptance of the Offer, and shall not accept (or permit the acceptance of) any competing offer. In consideration of the undertaking, the observable market prices of M1 shares may not be immediately realisable for the Company.

9.3 Discounted cash flow (the “DCF”)

As part of the financial analysis of the Scheme Consideration, we have considered a DCF analysis using the set of five-year cash flow projections (the “**Cash Flow Projections**”) provided to us by the Management.

Using the Cash Flow Projections and discount rates calculated using the capital asset pricing model, we have performed the DCF analysis of the Company.

In relation to the Cash Flow Projections, we have relied upon and assumed, *inter alia*, the accuracy, adequacy and completeness of all information that was furnished to or discussed with us by the Directors, the Management and/or the professional advisers of the Company, or which was otherwise reviewed by or for us, as at the Latest Practicable Date. We have not independently verified (nor have we assumed responsibility or liability for independently verifying) any such information, whether written or verbal, or its accuracy or completeness or adequacy. We do not represent or warrant, expressly or impliedly, and do not accept or assume any responsibility for, the accuracy, completeness or adequacy of such information. However, we have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, as we deemed necessary and have found no reason to doubt the accuracy or reliability of such information and representations made to us.

Based on the Cash Flow Projections, the results from our DCF analysis supports the Scheme Consideration offered by the Offeror.

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9.4 Rationale for the Scheme

The rationale for the Scheme is set out in **Appendix 2** of the Scheme Document.

We note that the rationale for the Scheme is as follows:

- (a) the Scheme reinforces the Offeror's strategy to streamline the corporate structure of the Offeror and its subsidiaries; and with the privatisation of the Company, the Offeror will have more flexibility to allocate resources and capital in a more efficient manner;
- (b) full integration of the Company 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 centres and urban logistics businesses; and
- (c) allows Shareholders who are cautious of the prospects of M1 in the face of heightened competition to obtain a clean cash exit from the Company.

9.5 Delisting

As stated in the Scheme Document, on the date on which the Scheme becomes effective, 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 shortly thereafter.

9.6 Scheme Conditions

The Scheme is subject to certain conditions as referred to in Paragraph 6 (*Explanatory Statement*) of the Scheme Document, the excerpts of which are set out in Section 3 of this IFA Letter.

9.7 Material Litigation

It is stated in **Appendix 3** of the Scheme Document that:

As at the Latest Practicable Date:

- (a) none of the Group Companies is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Group taken as a whole; and
- (b) the Directors are not aware of any proceedings pending or threatened against any of the Group Companies or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the Group taken as a whole.

9.8 Dividend

We note that the Company has paid a dividend of 3.50 Singapore cents per Share on 9 May 2018 for the financial year ended 31 December 2017. Based on the Scheme Consideration, this implies a dividend yield of 1.8%.

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Scheme Shareholders should note that the past dividend payouts of the Company should not in any way be relied upon as an indication or a promise of its future dividend payout.

We should also note that as at the date of the Implementation Agreement up to (and including) the date on which the Scheme becomes effective in accordance with its terms, the Company does not intend to declare any distributions (in cash or in kind) to the Shareholders, but if it does so, the Offeror reserves the right to reduce the Scheme Consideration by the amount of such distribution.

9.9 No Alternative Offer

As at the Latest Practicable Date, there is no publicly available evidence of any alternative offer for the Shares.

9.10 Restrictions Following Lapse of the Scheme

Pursuant to Rule 33.1 of the Code, in the event that the Scheme does not become effective and binding in accordance with its terms, is withdrawn or lapses, neither the Offeror, any persons who acted in concert with it in the course of the Scheme nor any person who is subsequently acting in concert with any of them may within 12 months from the date on which the Scheme is withdrawn or lapses: (i) announce an offer or possible offer for the Company; or (ii) acquire any voting rights of the Company if the Offeror or any persons acting in concert with it would thereby become obliged under Rule 14 of the Code to make an offer.

10 CONCLUSION

In arriving at our opinion and our advice to the Independent Directors, we have taken into consideration and relied upon, *inter alia*, the following key considerations and factors which should be read in conjunction with, and interpreted, in the full context of this IFA Letter:

- (a) the Acquisition is by way of a Scheme, under which if effected, each of the Shareholders will be entitled to receive S\$1.91 per Scheme Share;
- (b) on the date on which the Scheme becomes effective, the Company will become a wholly-owned subsidiary of Keppel Corp, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST shortly thereafter;
- (c) the trading volume of the Shares had generally been low in the past 12 months prior to the Joint Announcement Date and ending on the Latest Practicable Date. Hence, the Scheme represents a clean cash exit opportunity for Shareholders to realise their entire investment without incurring brokerage and other trading costs, an option which may not otherwise be readily available due to the low trading liquidity of the Shares;
- (d) the closing prices of the Shares have traded between S\$1.34 and S\$1.89 in the three-year period up to the Latest Practicable Date;

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LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

- (e) the Shares have underperformed the Benchmark Index for the three-month, six-month, 12-month and 24-month periods up to the Last Trading Day; and outperformed the Benchmark Index for the three-month, six-month, 12-month and 24-month periods up to the Latest Practicable Date;
- (f) from the first trading day following the Joint Announcement Date to the Latest Practicable Date, the closing prices of the Shares have ranged between S\$1.85 and S\$1.89;
- (g) the Scheme Consideration represents a premium of approximately 40.4% over the closing price of the Shares of S\$1.36 on the Last Trading Day;
- (h) the Scheme Consideration represents premia of approximately 41.2%, 39.5%, 34.9%, 28.1% and 24.9%, respectively, over the VWAP of the Shares in the one-week, one-month, three-month, six-month and 12-month periods up to the Last Trading Day;
- (i) the LTM EV/EBITDA multiple implied by the Scheme Consideration (80.0 times) is above the range of the LTM EV/EBITDA multiples of the Company over the 12-month period prior to the Joint Announcement Date (between 22.2 times and 51.3 times);
- (j) the LTM P/E multiple implied by the Scheme Consideration (16.4 times) is within the range of the LTM P/E multiples of the Company over the 12-month period prior to the Joint Announcement Date (between 8.7 times and 23.5 times);
- (k) the P/NAV multiple implied by the Scheme Consideration (1.2 times) is above the range of the P/NAV multiples of the Company over the 12-month period prior to the Joint Announcement Date (between 0.9 times and 1.1 times);
- (l) the implied premia of the Scheme Consideration are above the median of the premia on Selected Precedent Takeovers in Singapore for last transacted price (23.1%), one-month VWAP (25.5%), three-month VWAP (25.2%) and six-month VWAP (26.2%);
- (m) the Scheme Consideration is 26.5% above the target price of the sole broker coverage in the last 12 months, UOB Kay Hian, of S\$1.51, prior to the Joint Announcement Date;
- (n) as at the Latest Practicable Date, UOB Kay Hian has updated the UOBKH Broker Report to reflect the Scheme Consideration of S\$1.91, with a recommendation to accept the Scheme offer; and
- (o) based on the SOTP analysis, the implied equity value per Share is S\$1.25 to S\$1.33 per share, where the Scheme Consideration reflects a premium of 43.9% to 52.9% above the SOTP analysis.

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LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

In rendering our opinion, we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints of any specific Scheme Shareholder and we neither assume any responsibility for, nor hold ourselves out as advisers to any person other than the Independent Directors.

Our opinion is only based on a financial analysis and does not incorporate any assessment of commercial, legal, tax, regulatory or other matters. Our opinion also does not incorporate an assessment of the price at which the Shares may trade following the success or failure of the Scheme. Such factors are beyond the ambit of our review and do not fall within our terms of reference in connection with the Scheme.

Based upon and subject to the foregoing, we are of the opinion that, as at the Latest Practicable Date, the financial terms of the Scheme are **FAIR AND REASONABLE** so far as the Scheme Shareholders are concerned. Accordingly, we advise the Independent Directors to recommend that the Scheme Shareholders **VOTE IN FAVOUR** of the Scheme at the Scheme Meeting or sell their Scheme Shares in the open market if they are able to obtain a price higher than the Scheme Consideration (after netting off the related transaction expenses).

We wish to emphasise that we have been appointed pursuant to the requirements of the Code and Rule 1309(2) of the Listing Manual to render our opinion as at the Latest Practicable Date. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Company. This IFA Letter is addressed to the Independent Directors solely for their benefit in connection with and for the purpose of their consideration of the Scheme, and should not be relied on for any other purpose. This IFA Letter does not constitute, and should not be relied on, as an opinion or a recommendation to, or confer any rights or remedies upon, any Shareholder. Nothing herein shall confer to or be deemed or is intended to confer any right or benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore shall not apply. The recommendations made by the Independent Directors to the Scheme Shareholders in relation to, respectively, the Scheme, remain the responsibility of the Independent Directors.

This IFA Letter is governed by, and construed in accordance with the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter. No other person may use, reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner except for in connection with the Scheme.

Yours faithfully,

For and on behalf of
Rothschild & Co Singapore Limited

Oliver Goetz
Managing Director

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LETTER FROM THE OFFEROR TO SCHEME SHAREHOLDERS

Keppel Corporation Limited
(Incorporated in the Republic of Singapore)
(Company Registration Number: 196800351N)

11 March 2019

To: The Shareholders of Keppel Telecommunications & Transportation Ltd

Dear Sir/Madam

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

1. INTRODUCTION

- 1.1 **Acquisition.** On 27 September 2018 (the “**Joint Announcement Date**”), Keppel Corporation Limited (the “**Offeror**”) and Keppel Telecommunications & Transportation Ltd (the “**Company**”) made a joint announcement (the “**Joint Announcement**”) in relation to the proposed acquisition (the “**Acquisition**”) by the Offeror of all the issued and paid-up ordinary shares in the capital of the Company (the “**Shares**”) (other than the Shares already held by the Offeror) (the “**Scheme Shares**”) 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 Document.** This letter from the Offeror (the “**Offeror’s Letter**”) to shareholders of the Company (“**Shareholders**”) should be read and construed together with, and in the context of, the scheme document dated 11 March 2019 (the “**Scheme Document**”) issued by the Company to the Shareholders containing, *inter alia*, details of the Scheme and the views of (i) the directors of the Company who are considered independent (the “**Independent Directors**”) for the purpose of making a recommendation to the Shareholders (other than the Offeror) (the “**Scheme Shareholders**”) in respect of the Scheme and (ii) Rothschild & Co Singapore Limited, the independent financial adviser to the Independent Directors appointed by the Company.

If you are in any doubt about this Offeror’s Letter, the Scheme or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

- 1.4 **Terms and References.** This Offeror’s Letter should be read and construed together with, and in the context of, the Scheme Document. All terms and references used in the Scheme Document and in this Offeror’s Letter and which are defined or construed in the Scheme Document but are not defined or construed in this Offeror’s Letter shall have the same meaning and construction as defined in the Scheme Document.

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2. THE SCHEME

2.1 **Terms of the Scheme.** As stated in the Scheme Document, the Acquisition will be effected by way of the Scheme pursuant to Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement. Under the Scheme:

2.1.1 all the Scheme Shares held by the Scheme Shareholders as at the Books Closure Date (“**Entitled Scheme Shareholders**”) 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 interest or any other 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 Scheme Shareholders on or after the Joint Announcement Date, the Offeror reserves the right to reduce the Scheme Consideration (as defined below) by the amount of such dividend, right or distribution; and

2.1.2 in consideration for such transfer, each Entitled Scheme Shareholder will be entitled to receive S\$1.91 in cash for each Scheme Share (the “**Scheme Consideration**”) held by such Entitled Scheme Shareholder as at the Books Closure Date.

The Scheme will also be extended to all Scheme Shares unconditionally issued on or prior to the Books Closure Date pursuant to the valid vesting of any share awards (“**Awards**”) granted under the KT&T Share Plans (as defined below).

The aggregate Scheme Consideration that is payable to any Entitled Scheme Shareholder in respect of the Scheme Shares held by such Entitled Scheme Shareholder will be rounded down to the nearest whole cent.

2.2 **Scheme Conditions.** The Scheme is conditional upon the satisfaction (or, where applicable, waiver) of all the conditions precedent in the Implementation Agreement (“**Scheme Conditions**”) by 30 April 2019 (or such other date as the Company and the Offeror may agree in writing). Additional information on the Scheme Conditions is set out in **paragraphs 6.1 to 6.3** of the Explanatory Statement in the Scheme Document. The Scheme Conditions are reproduced in **Appendix 6** to the Scheme Document.

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- 2.3 **Effect of Termination.** In the event of termination of the Implementation Agreement by either the Offeror or the Company (as the case may be) pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for Clauses 1 (Definitions and Interpretation), 4.4 (Effect of Termination), 7 (Public Announcement), 8 (Confidentiality) and 9 (Miscellaneous) of the Implementation Agreement which will survive termination of the Implementation Agreement) 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. A copy of the Implementation Agreement is available for inspection at the Offeror's registered office at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 during normal business hours from the date of this Offeror's Letter up to the Effective Date.
- 2.4 **Effect of Scheme.** If the Scheme becomes effective, it will be binding on all Scheme Shareholders, whether or not they were present in person or by proxy or voted to approve the Scheme at the meeting of Scheme Shareholders convened pursuant to the order of the Court to approve the Scheme and any adjournment thereof ("**Scheme Meeting**").
- 2.5 **Share Plans.** The Company has a restricted share plan (the "**KT&T RSP**") and a performance share plan (the "**KT&T PSP**" and together with the KT&T RSP, the "**KT&T Share Plans**"). Under the KT&T Share Plans, the Awards granted thereunder are not transferable by the holders thereof. In view of this restriction, the Scheme will not be extended to holders of the Awards.

Under the rules of the KT&T Share Plans, if the Court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies under the Companies Act, the Remuneration Committee will consider, at its discretion, whether or not to release any Award in accordance with the rules of the KT&T Share Plans. If the Remuneration Committee decides to release any Award, the Remuneration Committee will have regard to the proportion of the performance period(s) of Awards under the KT&T PSP or the proportion of the vesting period(s) of Awards under the KT&T RSP which has elapsed, and the extent to which the performance condition (if any) in relation to such Awards has been satisfied. If the Remuneration Committee so determines, the release of Awards may be satisfied in cash in accordance with the rules of the KT&T Share Plans.

The Remuneration Committee has resolved that, subject to the Scheme becoming effective and binding in accordance with its terms, all outstanding Awards granted under the KT&T RSP shall, upon vesting, be satisfied in cash on the basis of a price per Award equal to the Scheme Consideration and all Awards granted under the KT&T PSP shall, upon vesting, be satisfied in cash on the basis of a price per Award equal to S\$1.531 (being the volume-weighted average price ("**VWAP**") per Share for the 12-month period prior to and including the Last Trading Date), in each case based on the same vesting schedule or such other schedule as may be notified to the holders in accordance with the terms of the KT&T Share Plans.

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3. DELISTING

- 3.1 **Delisting of the Company.** Upon the Scheme becoming effective and binding in accordance with its terms, 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.

An application was made to seek approval-in-principle from the SGX-ST for the proposed delisting of the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 19 February 2019, advised that it has no objection to the Company's application for delisting from the Official List of the SGX-ST, subject to:

- 3.1.1 compliance with the SGX-ST's listing requirements;
- 3.1.2 approval of the Scheme by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority representing not less than three-fourths in value of the Scheme Shares voted at the Scheme Meeting;
- 3.1.3 sanction of the Scheme by the Court; and
- 3.1.4 the Scheme becoming effective and binding in accordance with its terms.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the Scheme, the proposed delisting of the Company from the Official List of the SGX-ST, the Company, its subsidiaries and/or their securities.

SCHEME SHAREHOLDERS SHOULD NOTE THAT THE SHARES WILL BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.

- 3.2 **Continued Listing of the Senior Notes.** As at the Latest Practicable Date, the Company has issued S\$100,000,000 fixed rate notes due 2024 (the "**Senior Notes**") pursuant to its S\$500,000,000 Multicurrency Medium Term Note Programme which are outstanding and listed on the SGX-ST.

An application was also made to seek confirmation from the SGX-ST that the proposed delisting of the Company from the SGX-ST will not affect the listing of the Senior Notes and the Senior Notes will remain listed on the SGX-ST. The SGX-ST has, on 8 February 2019, provided such confirmation.

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4. RATIONALE FOR THE ACQUISITION AND FUTURE PLANS FOR THE COMPANY

4.1 More Efficient Allocation of Resources and Capital Across the Offeror Group (as defined below)

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 without the reporting requirements and compliance costs associated with the maintenance of the Company's listed status.

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

The privatisation of the Company allows for the full integration of the Company as a wholly-owned subsidiary of the Offeror Group. This will provide the Offeror with greater control and flexibility 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.

4.3 Opportunity for Shareholders to Exit their Investments in the Company

Shareholders will be aware that on 28 December 2018, a voluntary conditional general offer ("**Offer**") was announced by Connectivity Pte. Ltd. ("**KPL**") for all the issued and paid-up ordinary shares in the capital of M1 Limited ("**M1**") (excluding treasury shares) ("**M1 Shares**") at the price of S\$2.06 in cash per M1 Share ("**Offer Price**"), 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**"). KPL has also announced, on 22 January 2019, that it does not intend to increase the Offer Price under any circumstances whatsoever and has further declared, on 15 February 2019, that the Offer is unconditional in all respects.

Shareholders will also be aware that the Company has an interest in 178,864,000 M1 Shares (representing approximately 19.31 per cent. of M1 Shares)¹, which is held through Keppel Telecoms Pte. Ltd. (its wholly-owned subsidiary) ("**KTPL**"). For the avoidance of doubt, the Offer is not extended to the M1 Shares held by KPL, its related corporations and their respective nominees. As KTPL is a related corporation of KPL, the Offer is not extended to KTPL and in any event, KTPL has, on 27 September 2018, undertaken, *inter alia*, not to tender its M1 Shares in acceptance of the Offer.

The Scheme 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 the Scheme Shareholders and becomes effective. For completeness, the Offer does not affect the terms of the Scheme and the Scheme is not conditional upon the outcome of the Offer.

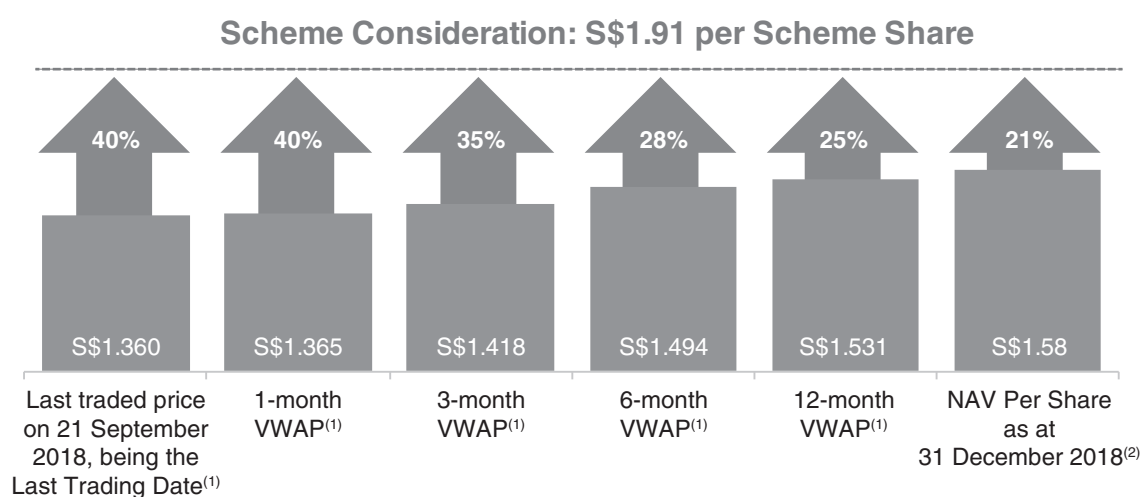
The Scheme Shareholders may wish to refer to the Offer Announcement for M1 on www.sgx.com.

¹ The percentage is calculated based on 926,409,782 ordinary M1 Shares in issue (excluding treasury shares), based on M1's business profile extracted from ACRA dated 1 March 2019.

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

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



Notes:

- (1) Figures in the above graph are calculated based on data extracted from Bloomberg L.P. as at 21 September 2018, being the last trading date prior to the Joint Announcement (the “**Last Trading Date**”), and rounded to the nearest three (3) decimal places. Premia rounded to the nearest one (1) per cent..
- (2) Net asset value per Share as at 31 December 2018, based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2018 released on SGXNET on 8 March 2019 (“**FY2018 Audited Financial Statements**”).

4.4 **Future Plans.** The Offeror intends to work with the Company’s management team to identify, develop and execute appropriate transformation strategies which, if successfully implemented, may enable the Company to better utilise its resources in achieving a different growth trajectory and profit performance.

Until such time when a decision is made to implement such transformation strategies and the relevant approvals (where necessary) are obtained, the Offeror has no intention to (i) introduce any major changes to the business of the Company or the operations of any Group Company; (ii) re-deploy the Company’s fixed assets; or (iii) discontinue the employment of any of the existing employees of any of the Group Companies, other than in the ordinary course of business. However, the Offeror retains the flexibility to consider, at any time, any options in relation to any Group Company which may present themselves and which it may regard to be in the interest of the Offeror.

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5. FINANCIAL EVALUATION OF THE SCHEME CONSIDERATION

5.1 The Scheme Consideration 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 21 September 2018, being the date on which the Shares were last traded on the SGX-ST prior to the 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%
VWAP per Share for the 12-month period prior to and including the Last Trading Date	1.531	25%

Notes:

- (1) Figures are based on data extracted from Bloomberg L.P. and are rounded to the nearest three (3) decimal places.
- (2) Premia rounded to the nearest one (1) per cent..

5.2 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 21 per cent. premium over the net asset value per Share as at 31 December 2018 (being the end of the Company's latest financial year).



Note: Figures in the above graph are extracted from Bloomberg L.P. as at 21 September 2018, being the Last Trading Date.

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LETTER FROM THE OFFEROR TO SCHEME SHAREHOLDERS

6. GENERAL AND FINANCIAL INFORMATION RELATING TO THE COMPANY

- 6.1 **Material Changes in the Financial Position of the Company.** As at the Latest Practicable Date, save for the costs and expenses incurred or to be incurred in connection with the Scheme and save as disclosed in the Scheme Document, the annual report of the Group for FY2017, the FY2018 Audited Financial Statements and any other information on the Group which is publicly available (including, without limitation, the announcements released by the Company on the SGXNET), there has not been, to the knowledge of the Offeror, any material change to the financial position or prospects of the Company since 31 December 2017, being the date of the last balance sheet laid before the Company in a general meeting.
- 6.2 **Transfer Restriction.** The Constitution of the Company does not contain any restrictions on the right to transfer the Scheme Shares in connection with the Acquisition or the Scheme.
- 6.3 **Additional Information.** Additional information relating to the Company is set out in **Appendix 3** to the Scheme Document.

7. GENERAL AND FINANCIAL INFORMATION RELATING TO THE OFFEROR

- 7.1 **Holdings in the Company.** As at the Latest Practicable Date, the Offeror is the holding company of the Company and holds 442,935,526 Shares, representing approximately 79.09 per cent. of the total number of Shares in issue.
- 7.2 **Additional Information. Schedule A** of this Offeror's Letter sets out certain additional information on the Offeror.

8. SPECIAL ARRANGEMENTS

- 8.1 **No Agreement having any Connection with or Dependence upon the Scheme.** As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Offeror's Letter), there is no agreement, arrangement or understanding between (i) the Offeror or any party acting in concert with it and (ii) any of the current or recent directors of the Company or any of the current or recent Shareholders or any other person that has any connection with, or is dependent on or is conditional upon, the Scheme or its outcome.
- 8.2 **Transfer of Scheme Shares.** As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Offeror's Letter), there is no agreement, arrangement or understanding whereby any of the Scheme Shares acquired by the Offeror pursuant to the Scheme will be transferred to any other person. However, the Offeror reserves the right to direct or transfer any of the Scheme Shares to any of its related corporations (within the meaning of Section 6 of the Companies Act) or for the purpose of granting security in favour of financial institutions which have extended or may extend credit facilities to it.
- 8.3 **No Payment or Benefit to Directors of the Company.** As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Offeror's Letter), there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of the Company or of any of its related corporations (within the meaning of Section 6 of the Companies Act) as compensation for loss of office or otherwise in connection with the Scheme.

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8.4 **No Agreement Conditional upon Outcome of the Scheme.** As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Offeror's Letter), there is no agreement, arrangement or understanding between the Offeror and any director of the Company or any other person in connection with or conditional upon the outcome of the Scheme or otherwise connected with the Scheme.

9. DISCLOSURE OF INTERESTS

9.1 **Holdings of and Dealings in Company Securities.** As at the Latest Practicable Date, save as disclosed in the Scheme Document (including **paragraph 7.1** and **Schedule B** of this Offeror's Letter):

9.1.1 none of the Offeror, its directors or parties acting in concert with it owns, controls or has agreed (other than pursuant to the Implementation Agreement) to acquire any (i) Shares; (ii) securities which carry voting rights in the Company; and (iii) convertible securities, warrants, options and derivatives in respect of (i) or (ii) (collectively, the "**Company Securities**"); and

9.1.2 none of the Offeror, its directors, or parties acting in concert with it has, to the knowledge of the Offeror after making reasonable enquiries, dealt for value in the Company Securities during the period commencing on 24 June 2018 (i.e. three (3) months prior to 24 September 2018 (the "**Holding Announcement Date**")), being the date on which the Offeror released an announcement in relation to, *inter alia*, consideration by the Offeror of a transaction involving its interest in the Company) and ending on the Latest Practicable Date.

Upon the Scheme becoming effective and binding in accordance with its terms, the Offeror will hold and control all the voting rights in the Company.

9.2 **Other Arrangements.** As at the Latest Practicable Date, save as disclosed in the Scheme Document:

9.2.1 no person has given any irrevocable undertaking to the Offeror or its concert parties to vote in favour of the Scheme at the Scheme Meeting;

9.2.2 neither the Offeror nor any party acting in concert with it has any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Company Securities which may be an inducement to deal or refrain from dealing in the Company Securities; and

9.2.3 neither the Offeror nor any party acting in concert with it has (i) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise; (ii) borrowed from another person any Company Securities (excluding borrowed securities which have been on-lent or sold); or (iii) lent to another person any Company Securities.

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10. CONFIRMATION OF FINANCIAL RESOURCES

DBS Bank Ltd. (the “**Offeror’s Financial Adviser**”), 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 Scheme Shares to be acquired by the Offeror pursuant to the Scheme.

11. SETTLEMENT

Paragraphs 10 and **12** of the Explanatory Statement of the Scheme Document set out details of the procedures for the implementation of the Scheme and the settlement and registration procedures.

12. OVERSEAS SHAREHOLDERS

12.1 Overseas Shareholders

The applicability of the Scheme to Scheme Shareholders whose addresses are outside Singapore (as shown in the Register of Members of the Company, or as the case may be, in the records of The Central Depository (Pte) Limited) (collectively, the “**Overseas Shareholders**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should keep themselves informed of, and observe, any applicable legal requirements, restrictions or prohibitions in their own jurisdictions.

Where there are potential restrictions on sending the Scheme Document (including this Offeror’s Letter) to any overseas jurisdiction, the Offeror and the Company reserve 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 Scheme 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.

12.2 Scheme Document

Scheme Shareholders (including Overseas Shareholders) may obtain copies of the Scheme Document (including this Offeror’s Letter) and any related documents during normal business hours and up to the date of the Scheme Meeting from the Share Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Shareholder may write in to the Share Registrar at the same address to request for the Scheme Document (including this Offeror’s Letter) and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three (3) Market Days prior to the date of the Scheme Meeting.

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LETTER FROM THE OFFEROR TO SCHEME SHAREHOLDERS

It is the responsibility of any Overseas Shareholder who wishes to request for this Scheme Document (including this Offeror's Letter) and any related documents to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with all necessary formalities or legal requirements. In requesting for the Scheme Document (including this Offeror's Letter) and any related documents, the Overseas Shareholder represents and warrants to the Offeror and the Company that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

If any Overseas Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

13. GENERAL INFORMATION

Schedule C to this Offeror's Letter sets out certain additional general information relating to the Scheme.

14. RESPONSIBILITY STATEMENT

The directors of the Offeror (including any who may have delegated detailed supervision of the preparation of this Offeror's Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Offeror's Letter (excluding information relating to the Company or any opinion expressed by the Company or Rothschild & Co Singapore Limited) are fair and accurate and that, where appropriate, no material facts in relation thereto have been omitted from this Offeror's Letter, and the directors of the Offeror 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 that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offeror's Letter. The directors of the Offeror do not accept any responsibility for any information relating to or any opinion expressed by the Company or Rothschild & Co Singapore Limited.

Yours faithfully
For and on behalf of
KEPPEL CORPORATION LIMITED

Lamy Sebastien Francois
Authorised Signatory

APPENDIX 2
LETTER FROM THE OFFEROR TO SCHEME SHAREHOLDERS

SCHEDULE A
ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS OF THE OFFEROR

The names, addresses and descriptions of the directors of the Offeror as at the Latest Practicable Date is set out below:

Name	Address	Designation
Lee Boon Yang	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Non-Executive and Independent Chairman
Loh Chin Hua	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Chief Executive Officer and Executive Director
Tow Heng Tan	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Non-Executive and Non-Independent Director
Yeo Khirn Hai Alvin	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Non-Executive and Independent Director
Tan Ek Kia	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Non-Executive and Independent Director
Danny Teoh Leong Kay	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Non-Executive and Independent Director
Tan Puay Chiang	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Non-Executive and Independent Director
Till Bernhard Vestring	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Non-Executive and Independent Director
Veronica Eng Siang Yang	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Non-Executive and Independent Director
Jean-François Manzoni	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Non-Executive and Independent Director

APPENDIX 2

LETTER FROM THE OFFEROR TO SCHEME SHAREHOLDERS

2. PRINCIPAL ACTIVITY AND SHARE CAPITAL

- 2.1 **Place of Incorporation and Listing.** The Offeror was incorporated in Singapore and listed on the Mainboard of the SGX-ST.
- 2.2 **Business.** The Offeror is a multi-business company providing robust solutions for sustainable urbanisation to meet the growing need for energy, infrastructure, clean environments, high quality homes and offices and connectivity.
- 2.3 **Principal Activity.** The principal activity of the Offeror is that of an investment holding and management company. The principal activities of the companies in the Offeror 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..
- 2.4 **Share Capital of the Offeror.** As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$1,291,720,897.98, comprising 1,817,009,407 ordinary shares (excluding 1,384,773 treasury shares).

3. FINANCIAL SUMMARY

Set out below is a summary of certain financial information extracted from the audited consolidated financial statements of the Offeror Group for FY2016, FY2017 and FY2018. The audited consolidated financial statements of the Offeror Group for FY2016 and FY2017 were reported under the Singapore Financial Reporting Standards (“SFRS”) and the audited consolidated financial statements of the Offeror Group for FY2018 released on SGXNET on 8 March 2019 (“FY2018 Offeror Audited Financial Statements”) was reported under the new financial reporting framework, being the Singapore Financial Reporting Standards (International) (“SFRS(I)"). For comparative purposes, certain financial information of the Offeror Group for FY2017 as adjusted under SFRS(I) in the FY2018 Offeror Audited Financial Statements have also been included below.

The summarised financial information of the Offeror Group in this **paragraph 3** is extracted from, and should be read together with, the annual reports of the Offeror Group for FY2016 and FY2017 and the audited consolidated financial statements of the Offeror Group for FY2016, FY2017 and FY2018 and the notes related thereto.

Copies of the annual reports of the Offeror Group for FY2016 and FY2017 and the FY2018 Offeror Audited Financial Statements are available on the SGXNET at www.sgx.com or available for inspection at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 during normal business hours from the date of this Offeror’s Letter up to the Effective Date.

APPENDIX 2 LETTER FROM THE OFFEROR TO SCHEME SHAREHOLDERS

3.1 Consolidated Profit and Loss Account

	Financial year ended 31 December			
	Reported under SFRS(I) ⁽¹⁾		Reported under SFRS	
	2018 S\$'000 (Audited)	2017 S\$'000 (Audited)	2017 S\$'000 (Audited)	2016 S\$'000 (Audited)
Revenue	5,964,781	5,963,773	5,963,773	6,767,264
Exceptional Items	–	–	–	–
Profit before tax	1,239,892	441,429 ⁽³⁾	515,567 ⁽³⁾	1,054,922
Profit after tax	956,145	197,380 ⁽³⁾	217,179 ⁽³⁾	821,775
<u>Attributable to:</u>				
Shareholders of the Offeror	943,829	196,025 ⁽³⁾	216,668 ⁽³⁾	783,928
Non-controlling interests	12,316	1,355	511	37,847
<u>Earnings per share (in cents)⁽²⁾</u>				
Basic	52.0	10.8 ⁽³⁾	11.9 ⁽³⁾	43.2
Diluted	51.7	10.7 ⁽³⁾	11.8 ⁽³⁾	42.9
Dividends declared per share (in cents) ⁽²⁾	30.0 ⁽⁴⁾	22.0	22.0	20.0

Notes:

- (1) Please refer to **paragraph 6** of this **Schedule A** for the adoption of the new financial reporting framework.
- (2) Rounded to the nearest one (1) decimal place.
- (3) This figure takes into account the one-off financial penalty arising from the global resolution of Keppel Offshore and Marine Ltd with criminal authorities in the United States, Brazil and Singapore and related legal, accounting and forensics costs.
- (4) Comprising a proposed final dividend of 15.0 cents per share, an interim dividend of 10.0 cents per share and a special dividend of 5.0 cents per share.

APPENDIX 2
LETTER FROM THE OFFEROR TO SCHEME SHAREHOLDERS

3.2 **Consolidated Balance Sheet as at FY2017 and FY2018**

	Financial year ended 31 December		
	Reported under SFRS(I) ⁽¹⁾		Reported under SFRS
	2018 S\$'000 (Audited)	2017 S\$'000 (Audited)	2017 S\$'000 (Audited)
Share capital	1,291,722	1,291,310	1,291,310
Treasury shares	(45,073)	(74)	(74)
Reserves	<u>10,031,561</u>	<u>10,151,498</u>	<u>10,141,452</u>
Share capital & reserves	11,278,210	11,442,734	11,432,688
Non-controlling interests	<u>308,930</u>	<u>530,225</u>	<u>527,746</u>
Total equity	<u>11,587,140</u>	<u>11,972,959</u>	<u>11,960,434</u>
Represented by:			
Fixed assets	2,372,560	2,432,963	2,432,963
Investment properties	2,851,380	3,460,608	3,460,608
Associated companies	6,239,685	5,913,777	5,901,252
Investments	449,515	458,638	458,638
Long term assets	679,464	774,316	774,316
Intangibles	<u>129,007</u>	<u>132,594</u>	<u>132,594</u>
	<u>12,721,611</u>	<u>13,172,896</u>	<u>13,160,371</u>
Current assets			
Stocks & work-in-progress in excess of related billings	–	–	8,782,251
Stocks	5,514,006	5,780,042	–
Contract assets	3,212,712	3,643,495	–
Amounts due from associated companies	291,729	342,960	342,960
Debtors	2,702,300	3,088,417	3,169,417
Derivative assets	45,976	181,226	181,226
Short term investments	136,587	202,776	202,776
Bank balances, deposits & cash	<u>1,981,406</u>	<u>2,273,788</u>	<u>2,273,788</u>
	<u>13,884,716</u>	<u>15,512,704</u>	<u>14,952,418</u>

APPENDIX 2
LETTER FROM THE OFFEROR TO SCHEME SHAREHOLDERS

	Financial year ended 31 December		
	Reported under SFRS(I) ⁽¹⁾		Reported under SFRS
	2018 S\$'000 (Audited)	2017 S\$'000 (Audited)	2017 S\$'000 (Audited)
Current liabilities			
Creditors	4,391,023	5,720,165	5,371,618
Derivative liabilities	119,405	37,969	37,969
Billings on work-in-progress in excess of related costs	–	–	1,764,874
Contract liabilities	1,918,547	1,950,151	–
Provisions for warranties	69,614	115,972	115,972
Amounts due to associated companies	115,824	253,331	253,331
Term loans	1,480,757	1,714,084	1,714,084
Taxation	297,922	220,761	194,299
	<u>8,393,092</u>	<u>10,012,433</u>	<u>9,452,147</u>
Net current assets	<u>5,491,624</u>	<u>5,500,271</u>	<u>5,500,271</u>
Non-current liabilities			
Term loans	6,067,752	6,078,919	6,078,919
Deferred taxation	196,626	334,674	334,674
Other non-current liabilities	361,717	286,615	286,615
	<u>6,626,095</u>	<u>6,700,208</u>	<u>6,700,208</u>
Net assets	<u>11,587,140</u>	<u>11,972,959</u>	<u>11,960,434</u>

Note:

(1) Please refer to **paragraph 6** of this **Schedule A** for the adoption of the new financial reporting framework.

4. MATERIAL CHANGES IN THE FINANCIAL POSITION OF THE OFFEROR

As at the Latest Practicable Date, save as disclosed in this Offeror's Letter, the annual reports of the Offeror Group for FY2016 and FY2017, the FY2018 Offeror Audited Financial Statements and any other information on the Offeror Group which is publicly available (including, without limitation, the announcements released by the Offeror on the SGXNET) and for the costs and expenses incurred or to be incurred in connection with the Scheme and the Offer, there have been no material changes to the financial position of the Offeror since 31 December 2018, being the date of the last published audited consolidated financial statements of the Offeror.

APPENDIX 2

LETTER FROM THE OFFEROR TO SCHEME SHAREHOLDERS

5. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Offeror Group are disclosed in Note 2 of the FY2018 Offeror Audited Financial Statements.

6. CHANGES IN ACCOUNTING POLICIES

On 1 January 2018, the Offeror Group adopted a new financial reporting framework, SFRS(I), which comprise standards and interpretations that are equivalent to International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board. An entity that complies with SFRS(I) can elect to simultaneously include an explicit and unreserved statement of compliance with IFRS. The Offeror Group has elected to assert dual compliance with both SFRS(I) and IFRS with effect from annual periods beginning on or after 1 January 2018. All references to SFRS(I) and IFRS are referred to collectively as SFRS(I) in this Offeror’s Letter, unless specified otherwise. The financial statements of the Offeror Group for FY2018 are the first set of annual financial statements the Offeror Group has prepared in accordance with SFRS(I). The Offeror Group has previously issued financial statements for periods up to and including the financial year ended 31 December 2017 which were prepared in accordance with SFRS.

In adopting SFRS(I), the Offeror Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* (“**SFRS(I) 1**”). Under SFRS(I) 1, the financial statements of the Offeror Group for FY2018 are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 December 2018. The same accounting policies are applied throughout all periods presented in the financial statements of the Offeror Group for FY2018, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Offeror Group’s opening balance sheet under SFRS(I) has been prepared as at 1 January 2017, which is the Offeror Group’s date of transition to SFRS(I).

The effects of adoption of SFRS(I) are disclosed in Note 2.2 of the FY2018 Offeror Audited Financial Statements.

Save as disclosed in this Offeror’s Letter, the FY2018 Offeror Audited Financial Statements and in publicly available information on the Offeror Group as at the Latest Practicable Date, there are no changes in the accounting policies of the Offeror Group which will cause the financial information of the Offeror Group disclosed in this Offeror’s Letter to not be comparable to a material extent.

7. REGISTERED AND PRINCIPAL OFFICE

The registered office of the Offeror is at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632.

APPENDIX 2 LETTER FROM THE OFFEROR TO SCHEME SHAREHOLDERS

SCHEDULE B DISCLOSURES

1. HOLDINGS

Save as disclosed in the Scheme Document and in this **paragraph 1** of this **Schedule B**, as at the Latest Practicable Date, none of the Offeror, its directors or parties acting in concert with the Offeror owns, controls or has agreed to acquire any Company Securities.

1.1 Shares

Name	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	%
Keppel Corporation Limited	442,935,526	79.09	–	–
Thomas Pang Thieng Hwi ⁽²⁾	402,708	0.07	–	–

Notes:

- (1) Calculated based on 560,031,980 Shares and rounded to the nearest two (2) decimal places.
- (2) Mr. Thomas Pang Thieng Hwi is a director of certain related corporations of the Offeror and is therefore a concert party of the Offeror.

1.2 Awards under the KT&T Share Plans

Mr. Thomas Pang Thieng Hwi⁽¹⁾ has the following interests under the KT&T Share Plans:

KT&T PSP Awards ⁽²⁾	Vesting Date	Contingent Awards of KT&T PSP Shares ⁽³⁾	Number of KT&T PSP Shares Vested	KT&T RSP Awards ⁽⁴⁾	Vesting Date	Contingent Awards of KT&T RSP Shares	Number of KT&T RSP Shares Vested
2017 Awards	28 Feb 2020	100,000	–	–	–	–	–
2018 Awards	26 Feb 2021	120,000	–	2018 Awards ⁽⁵⁾	28 Feb 2018	284,564	94,854
					28 Feb 2019		94,854
					28 Feb 2020		–

Notes:

- (1) Mr. Thomas Pang Thieng Hwi is a director of certain related corporations of the Offeror and is therefore a concert party of the Offeror.
- (2) The release of Shares under the KT&T PSP Awards is subject to the achievement of certain pre-determined performance conditions as determined by the Remuneration Committee or otherwise in accordance with the rules of the KT&T PSP.
- (3) The total number of Shares to be issued and/or transferred to the holder of KT&T PSP Awards upon vesting will range from 0% to 150% of the contingent awards granted, depending on the achievement of certain pre-determined targets. If such pre-determined targets are achieved, KT&T PSP Awards will vest at the end of the three (3) year performance subject to fulfilment of service requirements. The number of Shares shown in this column of the table assumes vesting of 100% of the contingent awards granted.

APPENDIX 2

LETTER FROM THE OFFEROR TO SCHEME SHAREHOLDERS

- (4) The release of Shares under the KT&T RSP Awards is subject to the achievement of certain pre-determined performance conditions and time conditions as determined by the Remuneration Committee or otherwise in accordance with the rules of the KT&T RSP.
- (5) The total number of Shares to be issued and/or transferred to the holder of KT&T RSP 2018 Awards upon vesting will be 100% of the Awards granted. The KT&T RSP 2018 Awards will vest equally over three (3) years subject to fulfilment of service requirements.

2. DEALINGS

Save as disclosed in the Scheme Document and in this **paragraph 2** of this **Schedule B**, as at the Latest Practicable Date, none of the Offeror, its directors, or parties acting in concert with it has dealt for value in the Company Securities during the period commencing on 24 June 2018 (i.e. three (3) months prior to the Holding Announcement Date) and ending on the Latest Practicable Date.

On 28 February 2019, the following Shares vested pursuant to the release of Awards granted to Mr. Thomas Pang Thieng Hwi⁽¹⁾ under the KT&T Share Plans:

Director	KT&T Share Plans	Number of Shares Vested
Thomas Pang Thieng Hwi	KT&T PSP	73,000 ⁽²⁾
	KT&T RSP	118,254 ⁽³⁾

Notes:

- (1) Mr. Thomas Pang Thieng Hwi is a director of certain related corporations of the Offeror and is therefore a concert party of the Offeror.
- (2) Vesting pursuant to the release of awards granted under the KT&T PSP 2016 Awards which has been fully vested as at 28 February 2019.
- (3) Vesting pursuant to the release of awards granted under (i) the KT&T RSP 2018 Awards set out in **paragraph 5.3(b)** of **Appendix 3** to the Scheme Document; and (ii) the KT&T RSP 2016 Awards which has been fully vested as at 28 February 2019.

APPENDIX 2
LETTER FROM THE OFFEROR TO SCHEME SHAREHOLDERS

SCHEDULE C
GENERAL INFORMATION

1. MARKET QUOTATIONS

- 1.1 **Closing Prices.** The following table sets out the closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) (i) on the Latest Practicable Date; (ii) on the Last Trading Date; and (iii) on the last Market Day on each of the six calendar months preceding the Joint Announcement Date, and the corresponding premia based on the Scheme Consideration of S\$1.91:

Date	Closing Price (S\$) ⁽¹⁾	Premium based on the Scheme Consideration of S\$1.91 ⁽²⁾
Latest Practicable Date	1.880	2%
21 September 2018 (being the Last Trading Date)	1.360	40%
31 August 2018	1.380	38%
31 July 2018	1.440	33%
29 June 2018	1.460	31%
31 May 2018	1.570	22%
30 April 2018	1.520	26%
29 March 2018	1.530	25%

Notes:

- (1) Figures are based on data extracted from Bloomberg L.P. and are rounded to the nearest three (3) decimal places.
- (2) Premia rounded to the nearest one (1) per cent..

APPENDIX 2 LETTER FROM THE OFFEROR TO SCHEME SHAREHOLDERS

- 1.2 **Highest and Lowest Prices.** The highest and lowest closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) between 24 March 2018 and the Latest Practicable Date and the corresponding premia based on the Scheme Consideration of S\$1.91 are as follows:

	Price (S\$) ⁽¹⁾	Date	Premium based on the Scheme Consideration of S\$1.91 ⁽²⁾
Highest Closing Price	1.890	18 February 2019, 20 February 2019, 22 February 2019, 27 February 2019 and 28 February 2019	1%
Lowest Closing Price	1.340	11 September 2018, 13 September 2018, 14 September 2018 and 20 September 2018	43%

Notes:

- (1) Figures are based on data extracted from Bloomberg L.P. and are rounded to the nearest three (3) decimal places.
- (2) Premia rounded to the nearest one (1) per cent..

2. CONSENT

The Offeror's Financial Adviser has given and has not withdrawn its written consent to the issue of this Offeror's Letter with the inclusion herein of its name and all references to its name in the form and context in which it appears in this Offeror's Letter.

3. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Offeror's registered office at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 during normal business hours from the date of this Offeror's Letter up to the Effective Date:

- (i) the annual reports of the Offeror Group for FY2016 and FY2017;
- (ii) the FY2018 Offeror Audited Financial Statements;
- (iii) the Implementation Agreement; and
- (iv) the letter of consent referred to in **paragraph 2** of this **Schedule C**.

APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Designation
Loh Chin Hua	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Non-Independent and Non-Executive Chairman
Thomas Pang Thieng Hwi	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Non-Independent and Executive Director and Chief Executive Officer
Karmjit Singh	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Independent Director
Neo Boon Siong	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Independent Director
Khor Poh Hwa	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Independent Director
Lim Chin Leong	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Independent Director
Lee Ai Ming	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Independent Director
Chan Hon Chew	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632	Non-Independent and Non-Executive Director

2. PRINCIPAL ACTIVITIES

The Company was incorporated in Singapore on 27 May 1965 and listed on the Mainboard of the SGX-ST.

The principal activity of the Company is that of an investment holding and management company. The Group offers integrated services and solutions in two core businesses: logistics and data centres. The logistics business helps clients of the Group to manage their entire supply chain, while the data centre business develops, acquires, owns and operates high-availability data centre facilities.

3. SHARE CAPITAL

3.1 Shares

As at the Latest Practicable Date, there is only one (1) class of shares in the capital of the Company, comprising ordinary shares.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$84,277,343.78 comprising 560,031,980 Shares. The Company has no treasury shares.

APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

3.2 Rights of the Shareholders in respect of Capital, Dividends and Voting

Selected texts of the Constitution relating to the rights of the Shareholders in respect of capital, dividends and voting have been extracted and reproduced in **Appendix 4** to this Scheme Document.

3.3 Issue of Shares

Since 31 December 2018, being the end of the last financial year of the Company, 919,320 new Shares have been issued by the Company.

3.4 Convertible Instruments & KT&T Share Plans

Saved as disclosed below, as at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, Shares or securities which carry voting rights affecting the Shares.

As at the Latest Practicable Date, the Company has:

- (a) 413,083 Awards released but not vested under the KT&T RSP; and
- (b) 560,000 contingent Awards granted and not released under the KT&T PSP. Based on the achievement factor, the actual release of the Awards could range from zero to a maximum of 840,000 Shares.

The details of the Awards are as follows:

(i) Performance Share Plan

KT&T PSP Awards ⁽¹⁾	Vesting Date	Contingent Awards of Shares under KT&T PSP	Number of Shares under KT&T PSP Released	Number of Shares under KT&T PSP Vested	Number of Shares under KT&T PSP Cancelled/ Adjusted	Outstanding Awards under KT&T PSP as at Latest Practicable Date ⁽²⁾
2017 Awards	28 Feb 2020	230,000	0	0	0	230,000
2018 Awards	26 Feb 2021	330,000	0	0	0	330,000

Notes:

- (1) The release of Shares under the KT&T PSP Awards is subject to the achievement of certain pre-determined performance conditions as determined by the Remuneration Committee or otherwise in accordance with the rules of the KT&T PSP.
- (2) The total number of Shares to be issued and/or transferred to the holder of KT&T PSP Awards upon vesting will range from 0% to 150% of the contingent awards granted, depending on the achievement of certain pre-determined targets. If such pre-determined targets are achieved, KT&T PSP Awards will vest at the end of the three (3) year performance subject to fulfilment of service requirements. The figures shown in the last column of the table assumes vesting of 100% of the contingent awards granted.

APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

(ii) Restricted Share Plan

KT&T RSP Awards ⁽¹⁾	Vesting Date	Contingent Awards of Shares under KT&T RSP	Number of Shares under KT&T RSP Released	Number of Shares under KT&T RSP Vested	Number of Shares under KT&T RSP Cancelled	Outstanding Awards under KT&T RSP as at Latest Practicable Date
2018 Awards ⁽²⁾	28 Feb 2018	1,337,715	1,337,715	445,877	4,568	413,083
	28 Feb 2019			413,005	61,182	
	28 Feb 2020			–	–	

Notes:

- (1) The release of Shares under the KT&T RSP Awards is subject to the achievement of certain pre-determined performance conditions and time conditions as determined by the Remuneration Committee or otherwise in accordance with the rules of the KT&T RSP.
- (2) The total number of Shares to be issued and/or transferred to the holder of KT&T RSP 2018 Awards upon vesting will be 100% of the Awards granted. The KT&T RSP 2018 Awards will vest equally over three (3) years subject to fulfilment of service requirements.

Under the rules of the KT&T Share Plans, if the Court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies under the Companies Act, the Remuneration Committee will consider, at its discretion, whether or not to release any Award in accordance with the rules of the KT&T Share Plans. If the Remuneration Committee decides to release any Award, the Remuneration Committee will have regard to the proportion of the performance period(s) of Awards under the KT&T PSP or the proportion of the vesting period(s) of Awards under the KT&T RSP which has elapsed, and the extent to which the performance condition (if any) in relation to such Awards has been satisfied. If the Remuneration Committee so determines, the release of Awards may be satisfied in cash in accordance with the rules of the KT&T Share Plans.

The Remuneration Committee has resolved that, subject to the Scheme becoming effective and binding in accordance with its terms, all outstanding Awards granted under the KT&T RSP shall, upon vesting, be satisfied in cash on the basis of a price per Award equal to the Scheme Consideration and all Awards granted under the KT&T PSP shall, upon vesting, be satisfied in cash on the basis of a price per Award equal to S\$1.531 (being the VWAP per Share for the 12-month period prior to and including the Last Trading Date), in each case based on the same vesting schedule or such other schedule as may be notified to the holders in accordance with the terms of the KT&T Share Plans.

APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

4. FINANCIAL INFORMATION

4.1 Financial Information of the Group

Set out below is a summary of certain financial information extracted from the audited consolidated financial statements of the Group for FY2016, FY2017 and FY2018. The audited consolidated financial statements of the Group for FY2016 and FY2017 were reported under the Singapore Financial Reporting Standards (“SFRS”) and the FY2018 Audited Financial Statements was reported under the new financial reporting framework, being the Singapore Financial Reporting Standards (International) (“SFRS(I)”). For comparative purposes, certain financial information of the Group for FY2017 as adjusted under SFRS(I) in the FY2018 Audited Financial Statements have also been included below.

The summarised financial information of the Group in this **paragraph 4.1** is extracted from, and should be read together with, the annual reports of the Group for FY2016 and FY2017 and the audited consolidated financial statements of the Group for FY2016, FY2017 and FY2018 and notes related thereto.

Copies of the annual reports of the Group for FY2016 and FY2017 and the FY2018 Audited Financial Statements are available on the SGXNET at www.sgx.com or available for inspection at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 during normal business hours from the date of this Scheme Document up to the Effective Date.

Consolidated Profit and Loss Account

	Financial year ended 31 December			
	Reported under SFRS(I) ⁽¹⁾		Reported under SFRS	
	2018 S\$'000 (Audited)	2017 S\$'000 (Audited)	2017 S\$'000 (Audited)	2016 S\$'000 (Audited)
Revenue	183,223	176,988	176,988	194,622
Exceptional Items	–	–	–	–
Profit before taxation	72,730	65,009	71,845	130,283
Profit for the year	69,236	60,184	55,917	113,323
<u>Attributable to:</u>				
Shareholders of the Company	65,450	56,051	51,784	105,080
Non-controlling interests	3,786	4,133	4,133	8,243
<u>Earnings per share (in cents)⁽²⁾</u>				
Basic	11.7	10.0	9.3	18.9
Diluted	11.7	10.0	9.3	18.8
Dividends declared per share (in cents)	–	3.5	3.5	4.5

Notes:

(1) Please refer to **paragraph 4.4** of this **Appendix 3** for the adoption of the new financial reporting framework.

(2) Rounded to the nearest one (1) decimal place.

**APPENDIX 3
GENERAL INFORMATION RELATING TO THE COMPANY**

Consolidated Balance Sheet as at FY2017 and FY2018

	Financial year ended 31 December		
	Reported under SFRS(I) ⁽¹⁾		Reported under SFRS
	2018 S\$'000 (Audited)	2017 S\$'000 (Audited)	2017 S\$'000 (Audited)
Share capital	83,101	81,489	81,489
Reserves	802,686	765,742	753,217
Share capital and reserves	885,787	847,231	834,706
Non-controlling interests	115,160	113,499	113,499
Total equity	1,000,947	960,730	948,205
Represented by:			
Non-current assets			
Fixed assets	358,492	373,283	373,283
Investment properties	67,719	74,586	74,586
Investments			
Associated companies and joint ventures	902,462	820,823	808,298
Others	29,991	6,252	6,252
Intangibles	1,502	1,964	1,964
	1,360,166	1,276,908	1,264,383
Current assets			
Stocks	584	680	680
Debtors	112,638	70,127	70,127
Amounts owing by holding and related companies	836	725	725
Amounts owing by associated companies	32,245	62,006	62,006
Bank balances, deposits and cash	136,527	96,028	96,028
	282,830	229,566	229,566
Assets classified as held for sale	43,800	43,250	43,250
	326,630	272,816	272,816

**APPENDIX 3
GENERAL INFORMATION RELATING TO THE COMPANY**

	Financial year ended 31 December		
	Reported under SFRS(I) ⁽¹⁾		Reported under SFRS
	2018 S\$'000 (Audited)	2017 S\$'000 (Audited)	2017 S\$'000 (Audited)
Current liabilities			
Creditors	106,194	88,895	88,895
Amounts owing to holding and related companies	4,003	683	683
Amounts owing to associated companies	28,749	13,416	13,416
Short-term borrowings	51,493	115,423	115,423
Taxation	4,480	4,568	4,568
	194,919	222,985	222,985
Net current assets	131,711	49,831	49,831
Non-current liabilities			
Long-term borrowings	466,666	341,964	341,964
Deferred taxation	10,381	11,642	11,642
Other non-current liabilities	13,883	12,403	12,403
	490,930	366,009	366,009
Net assets	1,000,947	960,730	948,205

Note:

(1) Please refer to **paragraph 4.4** of this **Appendix 3** for the adoption of the new financial framework.

4.2 Material Changes in Financial Position

Save as disclosed in this Scheme Document, the annual reports of the Group for FY2016 and FY2017, the FY2018 Audited Financial Statements and any other information on the Group which is publicly available (including without limitation, the announcements released by the Company on the SGXNET) and for the costs and expenses incurred or to be incurred in connection with the Scheme, as at the Latest Practicable Date, there have been no material changes to the financial position of the Company since 31 December 2018, being the date of the last published audited consolidated financial statements of the Group.

4.3 Significant Accounting Policies

The significant accounting policies of the Group are disclosed in Note 2 of the FY2018 Audited Financial Statements.

APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

4.4 Changes in Accounting Policies

On 1 January 2018, the Group adopted a new financial reporting framework, SFRS(I), which comprise standards and interpretations that are equivalent to International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board. An entity that complies with SFRS(I) can elect to simultaneously include an explicit and unreserved statement of compliance with IFRS. The Group has elected to assert dual compliance with both SFRS(I) and IFRS with effect from annual periods beginning on or after 1 January 2018. All references to SFRS(I) and IFRS are referred to collectively as SFRS(I) in **paragraph 4** of this **Appendix 3**, unless specified otherwise. The financial statements of the Group for FY2018 are the first set of annual financial statements the Group has prepared in accordance with SFRS(I). The Group has previously issued financial statements for periods up to and including the financial year ended 31 December 2017 which were prepared in accordance with SFRS.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* (“**SFRS(I) 1**”). Under SFRS(I) 1, the financial statements of the Group for FY2018 are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 December 2018. The same accounting policies are applied throughout all periods presented in the financial statements of the Group for FY2018, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group’s opening balance sheet under SFRS(I) has been prepared as at 1 January 2017, which is the Group’s date of transition to SFRS(I).

The effects of adoption of SFRS(I) 1 are disclosed in Note 2.2 of the FY2018 Audited Financial Statements.

As at the Latest Practicable Date, save as disclosed in this Scheme Document, the FY2018 Audited Financial Statements and in publicly available information on the Group, there are no changes in the accounting policies of the Group which will cause the financial information of the Group disclosed in this **paragraph 4** of this **Appendix 3** to not be comparable to a material extent.

5. **DISCLOSURE OF INTERESTS**

5.1 Holdings of Offeror Securities by the Company

As at the Latest Practicable Date, none of the Group Companies owns, controls or has agreed to acquire any Offeror Securities.

APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

5.2 Interests of Directors in Offeror Securities

As at the Latest Practicable Date, save as disclosed in this **paragraph 5.2** and this Scheme Document, none of the Directors owns, controls or has agreed to acquire, or has any interest, direct or indirect, in the Offeror Securities:

(a) *Offeror Shares*

Directors	Direct Interest		Deemed Interest	
	No. of Offeror Shares	% ⁽¹⁾⁽²⁾	No. of Offeror Shares	% ⁽¹⁾⁽²⁾
Loh Chin Hua	1,310,592	0.0721	38,500 ⁽³⁾	0.0021
Thomas Pang Thieng Hwi	185,737	0.0102	–	–
Karmjit Singh	–	–	–	–
Neo Boon Siong	–	–	–	–
Khor Poh Hwa	–	–	–	–
Lim Chin Leong	13,200	0.0007	–	–
Lee Ai Ming	10,000	0.0006	–	–
Chan Hon Chew	370,433	0.0204	7,770 ⁽⁴⁾	0.0004

Notes:

- (1) All references to percentage shareholding of the issued share capital of the Offeror are calculated based on 1,817,009,407 total issued Offeror Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Rounded to the nearest four (4) decimal places.
- (3) Mr. Loh Chin Hua is deemed interested in the Offeror Shares held by an investment holding company jointly owned by him and his spouse.
- (4) Mr. Chan Hon Chew is deemed interested in the Offeror Shares held by his spouse.

**APPENDIX 3
GENERAL INFORMATION RELATING TO THE COMPANY**

(b) *Awards under the KCL Share Plans*

KCL PSP Awards ⁽¹⁾	Vesting Date	Contingent Awards of Offeror Shares under KCL PSP ⁽²⁾	Number of Offeror Shares under KCL PSP Vested	KCL RSP Awards ⁽³⁾	Vesting Date	Contingent Awards of Offeror Shares under KCL RSP	Number of Offeror Shares under KCL RSP Vested
Loh Chin Hua							
2016 Awards	28 Feb 2022	750,000 ⁽⁴⁾	–	–	–	–	–
2017 Awards	28 Feb 2020	330,000	–	–	–	–	–
2018 Awards	26 Feb 2021	320,000	–	2018 Awards ⁽⁵⁾	28 Feb 2018	272,352	90,784
					28 Feb 2019		90,784
					28 Feb 2020		–
–	–	–	–	2019 Awards ⁽⁵⁾	28 Feb 2019	262,403	87,467
					28 Feb 2020		–
					26 Feb 2021		–
Thomas Pang Thieng Hwi							
2016 Awards	28 Feb 2022	175,000 ⁽⁴⁾	–	–	–	–	–
2017 Awards	28 Feb 2022	25,000 ⁽⁴⁾	–	–	–	–	–
Chan Hon Chew							
2016 Awards	28 Feb 2022	350,000 ⁽⁴⁾	–	–	–	–	–
2017 Awards	28 Feb 2020	150,000	–	–	–	–	–
2018 Awards	26 Feb 2021	140,000	–	2018 Awards ⁽⁵⁾	28 Feb 2018	120,400	40,133
					28 Feb 2019		40,133
					28 Feb 2020		–
–	–	–	–	2019 Awards ⁽⁵⁾	28 Feb 2019	122,031	40,677
					28 Feb 2020		–
					26 Feb 2021		–

Notes:

- (1) The release of Offeror Shares under the KCL PSP awards is subject to the achievement of certain pre-determined performance conditions as determined by the Offeror's remuneration committee or otherwise in accordance with the rules of the KCL PSP.

APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

- (2) The total number of Offeror Shares to be issued and/or transferred to the holder of KCL PSP awards upon vesting will range from 0% to 150% of the contingent awards granted, depending on the achievement of certain pre-determined targets. If such pre-determined targets are achieved, KCL PSP awards will vest at the end of the three (3) year performance subject to fulfilment of service requirements. The number of Offeror Shares shown in this column of the table assumes vesting of 100% of the contingent awards granted.
- (3) The release of Offeror Shares under the KCL RSP awards is subject to the achievement of certain pre-determined performance conditions and/or time conditions as determined by the Offeror's remuneration committee or otherwise in accordance with the rules of the KCL RSP.
- (4) This refers to one-time contingent Offeror Shares awarded under the KCL PSP – TIP.
- (5) The total number of Offeror Shares to be issued and/or transferred to the holder of KCL RSP 2018 and 2019 awards upon vesting will be 100% of the awards granted. The KCL RSP 2018 and 2019 awards will vest equally over three (3) years subject to fulfilment of service requirements.

(c) *Options under the KCL SOS*

Mr. Thomas Pang Thieng Hwi has the following options under the KCL SOS:

Date of Grant	No. of Options	Expiry Date	Exercise Price per Offeror Share (S\$)
9 February 2010	49,500	8 February 2020	6.8900

5.3 Interests of Directors in Company Securities

As at the Latest Practicable Date, save as disclosed in this **paragraph 5.3** and this Scheme Document, none of the Directors owns, controls or has agreed to acquire, or has any interest, direct or indirect, in the Company Securities.

(a) *Shares*

Directors	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾⁽²⁾	No. of Shares	%
Loh Chin Hua	–	–	–	–
Thomas Pang Thieng Hwi	402,708	0.072	–	–
Karmjit Singh	15,000	0.003	–	–
Neo Boon Siong	14,000	0.002	–	–
Lim Chin Leong	16,000	0.003	–	–
Khor Poh Hwa	13,000	0.002	–	–
Lee Ai Ming	13,000	0.002	–	–
Chan Hon Chew	–	–	–	–

Notes:

- (1) All references to percentage shareholding of the issued share capital of the Company are calculated based on 560,031,980 Shares in issue as at the Latest Practicable Date.
- (2) Rounded to the nearest three (3) decimal places.

APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

(b) *Awards under the KT&T Share Plans*

Mr. Thomas Pang Thieng Hwi has the following interests under the KT&T Share Plans:

KT&T PSP Awards ⁽¹⁾	Vesting Date	Contingent Awards of KT&T PSP Shares ⁽²⁾	Number of KT&T PSP Shares Vested	KT&T RSP Awards ⁽³⁾	Vesting Date	Contingent Awards of KT&T RSP Shares	Number of KT&T RSP Shares Vested
2017 Awards	28 Feb 2020	100,000	–	–	–	–	–
2018 Awards	26 Feb 2021	120,000	–	2018 Awards ⁽⁴⁾	28 Feb 2018	284,564	94,854
					28 Feb 2019		94,854
					28 Feb 2020		–

Notes:

- (1) The release of Shares under the KT&T PSP Awards is subject to the achievement of certain pre-determined performance conditions as determined by the Remuneration Committee or otherwise in accordance with the rules of the KT&T PSP.
- (2) The total number of Shares to be issued and/or transferred to the holder of KT&T PSP Awards upon vesting will range from 0% to 150% of the contingent awards granted, depending on the achievement of certain pre-determined targets. If such pre-determined targets are achieved, KT&T PSP Awards will vest at the end of the three (3) year performance subject to fulfilment of service requirements. The number of Shares shown in this column of the table assumes vesting of 100% of the contingent awards granted.
- (3) The release of Shares under the KT&T RSP Awards is subject to the achievement of certain pre-determined performance conditions and time conditions as determined by the Remuneration Committee or otherwise in accordance with the rules of the KT&T RSP.
- (4) The total number of Shares to be issued and/or transferred to the holder of KT&T RSP 2018 Awards upon vesting will be 100% of the Awards granted. The KT&T RSP 2018 Awards will vest equally over three (3) years subject to fulfilment of service requirements.

5.4 Interests of Substantial Shareholders in Shares

- (a) As at the Latest Practicable Date, based on the Register of Substantial Shareholders maintained by the Company, the interests of the Substantial Shareholders of the Company in the Shares are as follows:

Substantial Shareholder	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾⁽²⁾	No. of Shares	% ⁽¹⁾⁽²⁾	No. of Shares	% ⁽¹⁾⁽²⁾
Keppel Corporation Limited	442,935,526	79.09	–	–	442,935,526	79.09
Temasek Holdings (Private) Limited ⁽³⁾	–	–	442,935,526	79.09	442,935,526	79.09
Agus Anwar ⁽⁴⁾⁽⁵⁾	4,328,000	0.77	29,217,000	5.22	33,545,000	5.99
Investoasia Pte. Ltd. ⁽⁶⁾⁽⁷⁾	–	–	33,545,000	5.99	33,545,000	5.99
Tjia Marcel Han Liong ⁽⁴⁾	–	–	33,545,000	5.99	33,545,000	5.99

APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

Notes:

- (1) All references to percentage shareholding of the issued share capital of the Company are calculated based on 560,031,980 Shares in issue as at the Latest Practicable Date.
 - (2) Rounded to the nearest two (2) decimal places.
 - (3) The deemed interest of Temasek Holdings (Private) Limited arises from its shareholdings in the Offeror.
 - (4) The interests of Agus Anwar and Tjia Marcel Han Liong arise from their controlling interests in Investoasia Pte. Ltd. and Kapital Asia Company Limited.
 - (5) Please see elaboration in **paragraph 5.4(b)** in this **Appendix 3**.
 - (6) Includes interests held by Kapital Asia Company Limited and Agus Anwar.
 - (7) Please see elaboration in **paragraph 5.4(c)** in this **Appendix 3**.
- (b) In the annual report of the Company for FY2017, based on information and confirmation previously provided by Mr. Agus Anwar and his representatives, it was disclosed that Mr. Agus Anwar is a Substantial Shareholder of the Company with combined direct and deemed interests of 33,545,000 Shares, representing approximately 5.99% of the Shares in issue of the Company as at the Latest Practicable Date. The Company received a letter dated 6 December 2018 from the Official Assignee appointed by the Court notifying the Company that Mr. Agus Anwar had been adjudicated as a bankrupt in Singapore. The Company has obtained legal advice and has been advised that under the laws of Singapore, the property of a bankrupt person shall vest in the Official Assignee, including the capacity to exercise voting rights under any Company Securities held by the bankrupt person, and the bankrupt person shall not be able to exercise any voting rights under any such Company Security. Based on the individual insolvency searches conducted on Mr. Agus Anwar on the Latest Practicable Date, Mr. Agus Anwar remains as an undischarged bankrupt. As at the Latest Practicable Date, the Company has not received any notification from Mr. Agus Anwar regarding any change of his interest in the Shares as recorded in the Register of Substantial Shareholders maintained by the Company.
- (c) Based on information and confirmation previously provided by Mr. Agus Anwar and his representatives, it was also disclosed in the annual report of the Company for FY2017 that Investoasia Pte. Ltd. is a Substantial Shareholder of the Company and the interests of Mr. Agus Anwar and Mr. Tjia Marcel Han Liong arise from their controlling interests in Investoasia Pte. Ltd. and Kapital Asia Company Limited. The business profile of Investoasia Pte. Ltd. extracted from ACRA on 14 December 2018 reflects that Investoasia Pte. Ltd. was struck off as a company on 4 June 2018. The Company has obtained legal advice and has been advised that under the laws of Singapore, the property of a Singapore incorporated company struck off by the Registrar of Companies would vest in the Official Receiver. Based on the business profile of Investoasia Pte. Ltd. extracted from ACRA on the Latest Practicable Date, Investoasia Pte. Ltd. remains as a struck-off company and has not been restored to the Register of Companies maintained by the Registrar of Companies. As at the Latest Practicable Date, the Company has not received any notification from Investoasia Pte. Ltd. regarding any change of its interest in the Shares as recorded in the Register of Substantial Shareholders maintained by the Company.

APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

6. DEALINGS DISCLOSURE

6.1 Dealings in Offeror Securities by the Company

None of the Group Companies has dealt for value in the Offeror Securities during the period commencing on 24 June 2018 (i.e. three (3) months prior to the Holding Announcement Date) and ending on the Latest Practicable Date.

6.2 Dealings in Offeror Securities by the Directors

(a) Save as disclosed in this **paragraph 6.2**, none of the Directors has dealt for value in the Offeror Securities during the period commencing on 24 June 2018 (i.e. three (3) months prior to the Holding Announcement Date) and ending on the Latest Practicable Date.

(b) On 15 February 2019, the Offeror granted 384,434 awards under the KCL RSP to the Directors, details of which are set out below:

Director	Contingent Awards of Offeror Shares under KCL RSP	Vesting Date	Number of Offeror Shares under KCL RSP Vested
Loh Chin Hua	262,403	28 Feb 2019	87,467
		28 Feb 2020	–
		26 Feb 2021	–
Chan Hon Chew	122,031	28 Feb 2019	40,677
		28 Feb 2020	–
		26 Feb 2021	–

(c) On 28 February 2019, the following Offeror Shares vested pursuant to the release of awards granted to the following Directors under the KCL Share Plans:

Director	KCL Share Plans	Number of Offeror Shares Vested
Loh Chin Hua	KCL PSP	177,000 ⁽¹⁾
	KCL RSP	238,251 ⁽²⁾
Chan Hon Chew	KCL PSP	59,000 ⁽¹⁾
	KCL RSP	109,210 ⁽²⁾

Notes:

- (1) Vesting pursuant to the release of awards granted under the KCL PSP 2016 awards which has been fully vested as at 28 February 2019.
- (2) Vesting pursuant to the release of awards granted under (i) the KCL RSP 2018 and 2019 awards set out in **paragraph 5.2(b)** of this **Appendix 3**; and (ii) the KCL RSP 2016 awards which has been fully vested as at 28 February 2019.

APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

6.3 Dealings in Company Securities by the Directors

Save as disclosed in this **paragraph 6.3**, none of the Directors has dealt for value in any Company Securities during the period commencing on 24 June 2018 (i.e. three (3) months prior to the Holding Announcement Date) and ending on the Latest Practicable Date.

On 28 February 2019, the following Shares vested pursuant to the release of Awards granted to Mr. Thomas Pang Thieng Hwi under the KT&T Share Plans:

Director	KT&T Share Plans	Number of Shares Vested
Thomas Pang Thieng Hwi	KT&T PSP	73,000 ⁽¹⁾
	KT&T RSP	118,254 ⁽²⁾

Notes:

- (1) Vesting pursuant to the release of awards granted under the KT&T PSP 2016 Awards which has been fully vested as at 28 February 2019.
- (2) Vesting pursuant to the release of awards granted under (i) the KT&T RSP 2018 Awards set out in **paragraph 5.3(b)** of this **Appendix 3**; and (ii) the KT&T RSP 2016 Awards which has been fully vested as at 28 February 2019.

7. INTERESTS OF THE INDEPENDENT FINANCIAL ADVISER

7.1 Interests of the IFA in Company Securities

As at the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, owns or controls any Company Securities.

7.2 Dealings in Company Securities by the IFA

None of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis has dealt for value in the Company Securities during the period commencing on 24 June 2018 (i.e. three (3) months prior to the Holding Announcement Date) and ending on the Latest Practicable Date.

8. ARRANGEMENTS AFFECTING DIRECTORS

8.1 No Payment or Benefit to Directors

As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director or to any director of any other corporation which, by virtue of Section 6 of the Companies Act, is deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Scheme.

8.2 No Agreement Conditional upon Outcome of the Scheme

As at the Latest Practicable Date, there is no agreement, arrangement or understanding made between any of the Directors and any other person in connection with or conditional upon the outcome of the Scheme.

APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

8.3 No Material Interest in Material Contracts

As at the Latest Practicable Date, there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

9. MATERIAL LITIGATION

As at the Latest Practicable Date:

- (a) none of the Group Companies is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Group taken as a whole; and
- (b) the Directors are not aware of any proceedings pending or threatened against any of the Group Companies or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the Group taken as a whole.

10. GENERAL DISCLOSURE

10.1 Financial Statements for FY2017 and FY2018

The audited consolidated financial statements of the Group for FY2017 are set out in the annual report of the Company for FY2017. The annual report of the Company for FY2017 and the FY2018 Audited Financial Statements are available on the SGXNET at www.sgx.com.

10.2 Directors' Service Contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors with any Group Companies which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Holding Announcement Date and ending on the Latest Practicable Date.

10.3 Material Contracts with Interested Persons

As at the Latest Practicable Date, save for the entry into the Implementation Agreement by the Company and save as disclosed in the annual reports of the Company for FY2016 and FY2017, the FY2018 Audited Financial Statements and any other information on the Group which is publicly available (including without limitation, the announcements released by the Company on the SGXNET), none of the Group Companies has entered into any material contracts (not being contracts entered into in the ordinary course of business) with any interested person (as defined in Note 1 of Rule 23.12 of the Code) during the period beginning three (3) years before the Holding Announcement Date and ending on the Latest Practicable Date.

APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

10.4 Costs and Expenses

In the event that the Scheme does not become effective for any reason, the expenses and costs incurred by the Company in connection with the Scheme will be borne by the Company.

10.5 Directors' Intentions with respect to their Scheme Shares

- (a) It is intended that all the Relevant Directors will abstain from voting at the Scheme Meeting to the extent that they hold Scheme Shares.
- (b) All of the Directors who hold Scheme Shares as at the Latest Practicable Date (save for the Relevant Directors), as set out in **paragraph 5.3** of this **Appendix 3**, have informed the Company that they will **VOTE IN FAVOUR** of the Scheme in respect of all such Scheme Shares.

11. VALUATION

The Company has commissioned independent valuations of the Subject Properties (the "**Valuation Reports**"). Extracts of the Valuation Reports are set out in **Appendix 5** to this Scheme Document.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of the valuation. Based on the Valuation Reports, the potential tax liabilities that may be incurred by the Group on the hypothetical disposal of the Subject Properties on an "as is" basis is approximately S\$2.8 million. The Company expects the aforesaid tax liabilities to crystallise as and when the Group disposes of its interests in the Subject Properties.

12. CONSENTS

12.1 General

WongPartnership LLP and the Share Registrar have each given and have not withdrawn their respective written consents to the issue of this Scheme Document with the inclusion herein of their names and all references to their names in the form and context in which they respectively appear in this Scheme Document.

12.2 IFA

The IFA has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name, the IFA Letter as set out in **Appendix 1** to this Scheme Document, and all references thereto in the form and context in which they appear in this Scheme Document.

12.3 Valuers

Each of the Valuers has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name, the extracts of the Valuation Reports as set out in **Appendix 5** to this Scheme Document and all references to its name in the form and context in which it appears in this Scheme Document.

APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 during normal business hours from the date of this Scheme Document up to the Effective Date:

- (a) the Constitution;
- (b) the annual reports of the Company for FY2016 and FY2017;
- (c) the FY2018 Audited Financial Statements;
- (d) the Implementation Agreement;
- (e) the Valuation Reports; and
- (f) the letters of consent referred to in **paragraph 12** of this **Appendix 3**.

APPENDIX 4 EXTRACTS FROM THE COMPANY'S CONSTITUTION

The rights of Scheme Shareholders in respect of capital, dividends and voting as extracted and reproduced from the Constitution are set out below:

All capitalised terms used in the following extracts shall have the same meanings given to them in the Constitution, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.

1. THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL

SHARES

5. (a) Subject to and in accordance with the Act and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and to Regulation 52, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any such shares may be issued with such preferred, deferred, qualified or other special rights, privileges, qualifications, conditions or other restrictions, whether in regard to dividend, return of capital, redemption or otherwise, as the Directors may determine;

PROVIDED ALWAYS THAT the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same.

- (b) Subject to Regulation 5(c), the Company has the power to issue different classes of shares.
- (c) The rights attaching to shares of a class other than ordinary shares shall be clearly defined in this Constitution.
6. If at any time the share capital is divided into different classes of shares, subject to the provisions of the Act, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied (whether or not the Company is being wound up), and preference capital (other than redeemable preference capital) may be repaid, with the consent in writing of holders who represent at least three-fourths of the total voting rights of all the shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of these Regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of total voting rights of all the shares of that class and that any holder of shares of the class present in person or by proxy may demand a poll PROVIDED ALWAYS THAT where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders who represent at least three-fourths of the total voting rights of all the shares of that class concerned within two months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.

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7. The rights conferred upon the holders of the shares of any class issued with preferred, deferred, qualified or other special rights, privileges, qualifications, conditions or other restrictions shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking equally with, or in priority to such shares.
8.
 - (a) Preference shares may be issued subject to such limitation thereof as may be prescribed by the Exchange.
 - (b) Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets, and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital, or winding up, or sanctioning a sale of the undertaking, or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares is in arrears for more than six months.
 - (c) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.
9.
 - (a) The Company may, subject to and in accordance with the Act, purchase or otherwise acquire issued shares on such terms and in such manner as the Company may from time to time think fit and in the manner prescribed by the Statutes. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held as a treasury share in accordance with the Statutes, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share (including treasury shares) which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. Where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.
 - (b) Shares that the Company purchases or otherwise acquires may be held as treasury shares and dealt with by the Company in accordance with the provisions of these presents and the Act.
 - (c) Where the shares purchased or otherwise acquired are held as treasury shares by the Company, the Company shall be entered in the Register of Members as the member holding the treasury shares.
 - (d) The Company shall not exercise any right in respect of the treasury shares other than as provided by the Act.
10. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much of such share capital (except treasury shares) as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in the Act and may charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant.

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11. The Company may exercise the powers of paying commission or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commission or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.
12. Save as herein otherwise provided the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and a depositor as the absolute owner of the number of shares which are entered against his name in the Depository Register, and accordingly shall not be bound (except as ordered by a Court of competent jurisdiction or as by the Act required) to recognise even when having notice thereof any equitable or other claim to or interest in any such share on the part of any person.

SHARE CERTIFICATES

13. Subject to the listing rules of the Exchange, every registered holder shall be entitled to receive, and the Company shall allot and despatch to the Depository for the account of every depositor who is a member, within 10 Market Days (or such other period as may be approved by the Exchange) of the closing date for the subscription of securities or, where applicable, within 10 Market Days (or such other period as may be approved by the Exchange) after the day of lodgement of a registered transfer (other than such transfer as the Company is for any reason entitled to refuse to register and does not register), one certificate in respect of each class of shares held by him or registered in the name of the Depository, as the case may be, for all his shares registered in the name of the Depository, as the case may be, of that class or several certificates in reasonable denominations each for one or more of his shares or shares registered in the name of the Depository, as the case may be, of that class, in the case of the registered holder, upon payment of \$2.00 (or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Exchange) and in the case of a depositor, the Directors shall waive all payments for every certificate after the first certificate PROVIDED THAT:
 - (a) the Company shall not be bound to issue more than one certificate in respect of a share held jointly by several persons (including depositors); and
 - (b) where a registered holder or the Depository or its nominee (as the case may be) has transferred part of his shares or shares registered in the name of the Depository or its nominee, as the case may be, comprised in a share certificate, the Company shall without charge and within 10 Market Days (or such other period as may be approved by the Exchange) after the lodgement of the registered transfer despatch to the registered holder or the Depository, as the case may be, a certificate in respect of the shares not transferred.
14. Every certificate of title to shares shall be issued under the seal in such form as the Directors shall from time to time prescribe, shall bear the autographic or facsimile signatures of one Director and the Secretary or a second Director or some other person appointed by the Directors and shall specify such information as required in the Act. No certificate shall be issued representing more than one class of shares. The facsimile signatures may be reproduced by mechanical, electronic or such other method as may be approved by the Directors.

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15. Subject to the provisions of the Act, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser or member company of the Exchange or on behalf of its client, as the Directors shall require, and (in case of defacement or wearing out) on delivery of the old certificate and in any case on payment of such sum not exceeding \$2.00 as the Directors may from time to time require, having regard to any limitation thereof as may be prescribed by the Exchange. In the case of the certificate being destroyed, lost or stolen, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

JOINT HOLDERS OF SHARES

16. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:
- (a) the Company shall not be bound to register more than three persons as the joint holders of any share, except in the case of executors or trustees of a deceased shareholder;
 - (b) the joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share;
 - (c) on the death of any one of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they may deem fit;
 - (d) any one of such joint holders may give effectual receipts for any dividend payable to such joint holders; and
 - (e) only the person whose name stands first in the Register of Members or (as the case may be) the Depository Register as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.

CONVERSION OF SHARES INTO STOCK

47. The Company may by ordinary resolution passed at a general meeting convert any paid-up shares into stock and reconvert any stock into paid-up shares.
48. The holders of stock may transfer the stock or any part thereof in the same manner and subject to the same Regulations by which the shares from which the stock arose might, prior to conversion, have been transferred or as near thereto as circumstances admit; but the Directors may from time to time fix the minimum number of stock units transferable and restrict or forbid the transfer of fractions of that minimum.

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49. The holders of stock shall according to the number of the stock units held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any number of stock units which would not if existing in shares have conferred that privilege or advantage.

ALTERATION OF CAPITAL

51. The Company may from time to time by ordinary resolution, subject to the provisions of this Constitution and the Act:
- (a) consolidate and divide all or any of its shares;
 - (b) subdivide its shares or any of them in accordance with the Statutes and the bye-laws or listing rules of the Exchange; so however that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (c) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled; and
 - (d) convert its share capital or any class of shares from one currency to another currency.
52. (a) Subject to any direction to the contrary that may be given by the Company in general meeting, or except as permitted under the listing rules of the Exchange, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered in accordance with this Regulation.
- (b) Notwithstanding Regulation 52(a), the Company may by ordinary resolution in general meeting give the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution, to:
- (i) (1) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
 - (2) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other Instruments convertible into shares; and

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- (ii) (notwithstanding that the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force,

PROVIDED THAT:

- (A) the aggregate number of shares to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution and any adjustments effected under any relevant Instrument), shall be subject to such limits and manner of calculation as may be specified by the Exchange;
- (B) in exercising the power to make or grant Instruments (including the making of any adjustments under any relevant Instrument), the Company shall comply with the listing rules of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and these Regulations; and
- (C) (unless revoked or varied by the Company in general meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the annual general meeting of the Company following the passing of the ordinary resolution, or the date by which such annual general meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).

- 53. The Company may by special resolution, subject to and in accordance with the Act:
 - (a) reduce its share capital or any undistributable reserve in any manner and with, and subject to, any incident authorised, and consent required by law; and
 - (b) convert any class of shares into any other class of shares.

2. THE RIGHTS OF SHAREHOLDERS IN RESPECT OF VOTING

GENERAL MEETINGS

- 54. Save as otherwise permitted under the Statutes, an annual general meeting of the Company shall be held once in every year and not more than 15 months after the holding of the last annual general meeting. All general meetings other than the annual general meetings shall be called extraordinary general meetings.
- 55. Any Director may whenever he thinks fit convene an extraordinary general meeting, and extraordinary general meetings shall be convened on such requisition or in default may be convened by such requisitionists as provided by the Act.

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NOTICE OF GENERAL MEETINGS

57. (a) Subject to the provisions of the Act as to special resolutions, special notice and agreement for shorter notice, any general meeting at which it is proposed to pass a special resolution shall be called by 21 days' notice in writing at the least. An annual general meeting and any other extraordinary general meeting shall be called by 14 days' notice in writing at the least. At least 14 days' notice of such meeting shall be given by advertisement in a daily English newspaper circulating generally in Singapore and in writing to the Exchange.

PROCEEDINGS AT GENERAL MEETING

60. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two members shall form a quorum. For the purposes of this Regulation, "member" includes a person attending as a proxy or attorney or as representing a corporation which is a member PROVIDED THAT where a member is represented by more than one proxy, such proxies shall count as only one member for the purpose of determining the quorum.
61. If within half an hour from the time appointed for the general meeting a quorum is not present, the general meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine.
62. The Chairman, if any, of the board of Directors shall preside as chairman at every general meeting of the Company, or if there is no such Chairman, or if he is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, the Directors present shall elect one of their number to be chairman of the meeting. If the Directors who are present are unable to do so, the members present shall elect a Director present to be chairman of the meeting, or, if no Director is present or if all Directors be unwilling to act, the members present shall elect one of their number to be chairman of the meeting.
63. The chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a general meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or *sine die*, notice of the adjourned meeting shall be given as in the case of the original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
64. (a) If required by the listing rules of the Exchange, all resolutions at general meetings shall be voted by poll unless such requirement is waived by the Exchange.
- (b) Subject to Regulation 64(a), at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands a poll is demanded:
- (i) by the chairman of the meeting;

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- (ii) by at least two members present in person or by proxy;
- (iii) by any member or members present in person or by proxy and representing not less than five per cent. of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members holding shares in the Company conferring a right to vote at the meeting holding or representing not less than five per cent. of the total sum paid up on all the shares of the Company conferring that right (excluding treasury shares).

Unless a poll is so demanded (and the demand not be withdrawn), a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. The demand for a poll may be withdrawn.

- 65. If a poll is duly demanded (and the demand has not been withdrawn) it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairman of the meeting directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded, but a poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith.
- 66. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
- 67. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- 68. (a) If at any general meeting any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, and be of sufficient magnitude to vitiate the result of the voting.

(b) To the extent permitted by the Act, any other applicable laws or regulations, where a member is required by the listing rules of the Exchange or a court order to abstain from voting on a resolution at a general meeting, such member shall not be entitled to vote on the relevant resolution and shall be required to abstain from voting his shares (including by proxy or by attorney) in respect of such resolution, and if the member casts any votes in contravention of this Regulation, or if the listing rules of the Exchange requires the Company to do so, the Company shall be entitled to disregard such votes.
- 69. Any resolution signed in writing by all members for the time being of the Company entitled to attend and vote at general meetings of the Company shall be as valid as if it had been passed at a general meeting of the Company duly convened and held and may consist of several documents in the like form each signed by one or more of such members.

APPENDIX 4 EXTRACTS FROM THE COMPANY'S CONSTITUTION

VOTES OF MEMBERS

70. Every member holding shares in the Company conferring a right to vote shall be entitled to be present and to vote at any general meeting either personally or by proxy in respect of any shares upon which all calls due to the Company have been paid.
71. (a) Subject to and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company each member entitled to vote may vote in person or by proxy or attorney.
- (b) Save as otherwise provided in the Act, on a show of hands every member who is present in person or by proxy shall have one vote PROVIDED THAT:
- (i) in the case of a member who is not a relevant intermediary, where such member is represented by two proxies, only the first named proxy specified in the relevant instrument of proxy shall be deemed to be authorised to vote on a show of hands and the second named proxy shall not be entitled to vote unless the first named proxy is not present, or fails to cast a vote; and
 - (ii) in the case of a member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands and shall have one vote each.
- (c) Save as otherwise provided by the Act, on a poll, every member who is present in person or by proxy or attorney shall have one vote for each share in respect of which he is a member or which such proxy or attorney represents and upon which all calls or other sums due thereon to the Company have been paid.
- (d) For the purpose of determining the number of votes which a member, being a depositor, or his proxy or attorney may cast at a general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant general meeting (or such other time specified in Section 81SJ of the Securities and Futures Act) as certified by the Depository to the Company.
- (e) Save as otherwise provided in the Act:
- (i) a member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same general meeting; and
 - (ii) a member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

In each case, where the instrument of proxy appoints more than one proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument of proxy.

APPENDIX 4 EXTRACTS FROM THE COMPANY'S CONSTITUTION

- (f) Where a member is a depositor, the Company shall be entitled and bound:
- (i) to reject any instrument of proxy lodged if the depositor is not shown to have any shares entered against his name in the Depository Register as at 72 hours (or such other time specified in Section 81SJ of the Securities and Futures Act) before the time of the relevant general meeting as certified by the Depository to the Company; and
 - (ii) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that depositor in the Depository Register as at 72 hours before the time for the relevant general meeting (or such other time specified in Section 81SJ of the Securities and Futures Act) as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that depositor.
- (g) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out by the Company in the instrument of proxy.
- (h) In any case where an instrument of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
72. In the case of joint holders, any one of such persons may vote, but if more than one of such persons shall be present at a meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share. Several executors or administrators of a deceased member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof.
73. Any corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation would exercise if it were an individual member and such corporation shall for the purpose of these Regulations (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorised is present thereat.
74. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

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75. (a) The instrument appointing a proxy shall be in the usual or common form or in any form which the Directors may approve in writing, if the appointor is an individual, under the hand of the appointor or, if the appointor is a corporation, under seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.
- (b) The signatures on the instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor or by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- (c) A proxy need not be a member of the Company.
- (d) An instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.
- (e) Notwithstanding Regulations 75(a) and 75(b), the Directors may, in their absolute discretion, approve any other or additional method or manner for an instrument appointing a proxy to be authorised by an appointor, or deposited with or received by the Company, as well as any authentication procedure for authentication of such instrument, in each case, including via electronic means.
76. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority, shall be:
- (a) deposited at the registered office of the Company, or at such other place in Singapore as is specified for that purpose in the notice convening the meeting; or
- (b) (where the instructions given by or the notes set out by the Company in the relevant instrument of proxy so provide) submitted to the Company in accordance with such electronic means as are specified for that purpose in the said notice or instrument,
- in each case, not less than 72 hours before the time for holding the meeting or adjourned meeting, as the case may be, at which the person named in the instrument proposes to vote, and in default of such deposit or submission, the instrument shall not be treated as valid.
77. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the instrument or of the authority under which the instrument was executed, or the transfer of the share in respect of which the instrument is given, if no intimation in writing of such death, mental disorder, revocation, or transfer as aforesaid has been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used.
78. Subject to these presents and any applicable legislation, the board of Directors may, at its sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

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3. THE RIGHTS OF SHAREHOLDERS IN RESPECT OF DIVIDENDS

DIVIDENDS AND RESERVES

130. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors. No dividends may be paid, unless otherwise provided in the Act, to the Company in respect of treasury shares.
131. The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.
132. No dividend shall be paid otherwise than out of profits or shall bear interest against the Company.
133. The dividends, interest and bonuses and any other benefits and advantages in the nature of income receivable in respect of the Company's investments, and any commissions, trusteeship, agency, transfer and other fees and current receipts of the Company shall, subject to the payment thereof of the expenses of management, interest upon borrowed money and other expenses which in the opinion of the Directors are of a revenue nature, constitute the profits of the Company available for dividend. Appreciations of capital assets and realised profits resulting on a sale of capital assets (except so far as representing interest or dividend accrued and unpaid) shall not be treated as profits available for dividend, but shall either be carried to the credit of capital reserve or shall be applied in providing for depreciation or contingencies or for writing down the value of the assets. It is expressly declared that, in ascertaining the profits of the Company available for dividend, it shall not be necessary to make good any losses or depreciation in value of any of the Company's investments or any other assets of the Company except circulating capital.
134. The Directors may establish a capital reserve. Any capital appreciation realised upon the sale of the Company's investments shall be applied to capital purposes only, and unless appropriated to meet losses or to write down investments (either individually or in the aggregate) or debts due to the Company shall be carried direct to the capital reserve account. The Directors may apply all sums so set aside to the capital reserve account to meet depreciation or contingencies, or for repairing, improving or maintaining any property of the Company or (subject as hereinafter provided) for such other purposes of the Company as the Directors in their absolute discretion may deem expedient PROVIDED THAT the capital reserve account shall not be available for dividend, but may be distributed among the holders of the Company's ordinary shares as a capital bonus.
135. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending any such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

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136. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, and except as otherwise permitted under the Statutes:

- (a) all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
- (b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which dividend is paid.

For the purposes of this Regulation, no amount paid on a share in advance of calls shall be treated as paid on the share.

137. The Directors may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

138. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets *in specie* and in particular of paid-up shares, debentures or debenture stock of any other Company or in any one or more of such ways and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

139. Any dividend or other moneys payable in cash or in respect of a share may be paid by direct credit into the bank account of a holder as the holder may direct or by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or a person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Regulation, the payment by the Company to the Depository of any dividend payable to a depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the depositor in respect of that payment. If the Depository returns any such dividend or moneys to the Company, the relevant depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date on which such other moneys are first payable.

APPENDIX 4 EXTRACTS FROM THE COMPANY'S CONSTITUTION

140. A transfer of a share shall not pass the right to any dividend declared in respect thereof before the transfer has been registered.

CAPITALISATION OF PROFITS

141. The Company in general meeting may upon the recommendation of the Directors by ordinary resolution (including any resolution passed pursuant to Regulation 52(b)) resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted, distributed and credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.

142. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

143. In addition and without prejudice to the power to issue shares for which no consideration is payable and/or capitalise profits and other moneys provided for by Regulation 141, the Directors shall have power to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full unissued shares on terms that such shares shall, upon issue:

- (a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in general meeting in such manner and on such terms as the Directors think fit; or
- (b) be held by or for the benefit of non-executive Directors as part of their remuneration under Regulations 82 or 84 approved by shareholders in general meeting in such manner and on such terms as the Directors think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

APPENDIX 5 VALUATION REPORTS

This **Appendix 5** sets out the extracts of the Valuation Reports in respect of the Subject Properties as set out in the list below. The full Valuation Reports of the respective Subject Properties are available for inspection at the Company's registered office at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 during normal business hours from the date of this Scheme Document up to the Effective Date.

List of Subject Properties

	Subject Properties	Country	Valuers
1.	Almere 2 Data Centre	The Netherlands	CBRE Limited
2.	Keppel DC Frankfurt 1	Germany	CBRE Limited
3.	Keppel DC Singapore 3	Singapore	Cushman & Wakefield VHS Pte. Ltd.
4.	Keppel DC Singapore 4	Singapore	Edmund Tie & Company (SEA) Pte Ltd

APPENDIX 5 VALUATION REPORTS

PROPERTY SUMMARY

Almere 2 Data Centre
Rondebeltweg 62
Almere
The Netherlands

Keppel Telecommunications & Transportation Ltd

Valuation Date: 31 December 2018

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**APPENDIX 5
VALUATION REPORTS**

ALMERE 2 DATA CENTRE, RONDEBELTWEG 62, ALMERE

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VALUATION REPORT

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CBRE

CBRE Limited
Henrietta House
Henrietta Place
London W1G 0NB

Switchboard +44 (0)20 7182 2000
Fax + 44 (0)20 7182 2001

VALUATION REPORT

Report Date	6 March 2019.
Addressee	Keppel Telecommunications & Transportation Ltd 1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
The Property	Almere 2 Data Centre Rondebeltweg 62 Almere The Netherlands
Property Description	Data Centre.
Ownership Purpose	Investment.
Instruction	To value the unencumbered freehold interest in the property on the basis of Market Value as at the valuation date in accordance with the terms of engagement entered into between CBRE and the addressee dated 19 December 2018.
Valuation Date	31 December 2018.
Capacity of Valuer	External Valuer, as defined in the RICS Valuation – Global Standards 2017.
Purpose	The Valuation has been prepared for a Regulated Purpose as

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APPENDIX 5 VALUATION REPORTS

ALMERE 2 DATA CENTRE, RONDEBELTWEG 62, ALMERE

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defined in the RICS Valuation Global Standards (2017) ("Red Book"). We understand that our valuation report and the Appendices to it (together the "Valuation Report") is required for inclusion in a Circular (the "Circular") which is to be published by Keppel Telecommunications & Transportation Ltd pursuant to the proposed takeover of Keppel Telecommunications & Transportation Ltd by Keppel Corporation Limited, as a result of which Keppel Telecommunications & Transportation Ltd will be delisted from the Singapore Stock Exchange.

The effective date of valuation is 31 December 2018.

In accordance with the RICS Valuation Global Standards (2017) ("Red Book") we have made certain disclosures in connection with this valuation instruction and our relationship with Keppel Telecommunications & Transportation Ltd.

Market Value on the Special Assumption that agreements exist and remain in place to allow for the sharing of critical infrastructure with Almere 1 Data Centre

€43,300,000 (FORTY THREE MILLION THREE HUNDRED THOUSAND EUROS) excluding VAT.

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm's length terms.

Special Assumptions and Departures

Special Assumptions have been applied. As a result of the property in effect forming part of a larger scheme including the adjoining property Almere 1 Data Centre, with which the subject property shares power supply and some critical infrastructure, we will carry out our valuation on the Special Assumption that agreements exist and remain in place to allow the sharing of critical infrastructure.

For clarity, the Market Value of the subject property if it is not able to share power supply and some critical infrastructure with Almere 1, would be significantly less than the reported Market Value. This relates to the fact that capital expenditure would be required to install the requisite power supply and infrastructure to enable the subject property to be self-contained.

Material Change

We hereby confirm that as at the date of this report:

- (i) We have not become aware (after having made enquiry of Keppel Telecommunications & Transportation Ltd) of any material change since 31

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December 2018 in any matter relating to any property covered by our Valuation Report which in our opinion would have a material effect on the value as at today's date, and;

- (ii) In relation to market conditions and movements in property market in which the property covered by our Valuation Report is located, based on observed transactions involving comparable properties which have occurred and independent data published, in each case, since 31 December 2018, we do not consider that the movement in respect of the subject properties constitutes material change.

Report Format

This Property Summary consists of a total of 21 pages, including the title page. This should be viewed in conjunction with the full valuation report.

Full Valuation Reports

This is a condensed valuation report prepared for inclusion in the Circular which does not include all the data, supporting information and details of our valuations which appear in our full valuation reports.

For further information, reference should be made to our full valuation reports which are available for inspection at the address nominated by Keppel Telecommunications and Transportation Ltd. Before making a decision on the proposed takeover and delisting, shareholders should review the full valuation reports to understand the complexity of the markets, properties, methodology and the many variable involved.

Our full valuation reports contain detailed information for the property including:

- Full details of due diligence findings and recommendations (depending on receipt of such information).
- Comprehensive occupational and investment market commentaries.
- Schedules of investment comparable evidence.
- An explanation of our valuation approach together with comments on the key factors affecting value and a SWOT analysis.
- Valuation calculations.
- Photographs and location/ site plans.

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Compliance with Valuation Standards

The valuation has been prepared in accordance with the RICS Valuation – Global Standards 2017 including the International Valuation Standards and the RICS Valuation – Professional Standards UK January 2014 (revised April 2015) (“the Red Book”).

We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the valuation competently.

Where the knowledge and skill requirements of The Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of The Red Book.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with the Valuer’s independent professional opinion of the value of the subject property as at the valuation date.

Assumptions

The property details on which each valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

Variation from Standard Assumptions

None.

Valuation Inputs and Market Commentary

The valuations, the valuation inputs and market information are not guarantees or predictions. CBRE has not independently verified all information provided by Keppel Telecommunications & Transportation Ltd nor reports provided by Keppel Telecommunications & Transportation Ltd’s other professional advisors, nor data from third party sources. CBRE’s valuation

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calculations are based on assumptions as to future results and are not predictions. The resulting values are not to be construed as predictions or guarantees and are dependent on the assumptions as to income, expenses and market conditions.

Valuer

The Property has been valued by a valuer who is qualified for the purpose of the valuation in accordance with the Red Book.

For the avoidance of doubt, the valuers have undertaken and (where applicable) signed this valuation for and on behalf of CBRE Ltd and not in a personal or other capacity.

Independence

The total fees, including the fee for this assignment, earned by CBRE Ltd (or other companies forming part of the same group of companies within the UK) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total UK revenues.

It is not anticipated this situation will vary in the financial year to 31 December 2019.

Neither our engagement nor our fees are contingent upon the reporting of a predetermined result or direction in value that favours the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event (such as a lending proposal or sale negotiation).

We confirm that neither CBRE nor the valuers involved have any material interest in Keppel Telecommunications & Transportation Ltd, Keppel Corporation Limited or the Property.

Previous involvement and Conflicts of Interest

We confirm that we have had no previous material involvement with the property other than a desktop valuation on your behalf at the time of your acquisition of the asset in 2014 and the valuation for financial reporting purposes in December 2015, December 2016 and December 2017.

Copies of our conflict of interest checks have been retained within the working papers.

We do not consider that any conflict of interest arises in us preparing this Valuation Report and Keppel Telecommunications & Transportation Ltd have confirmed to us that it also considers this to be the case.

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Disclosure

In accordance with the Red Book we make the following disclosures:

The principal signatory of this report has not continuously been the signatory of valuations for the same addressee and valuation purpose as this report.

CBRE Ltd has continuously been carrying out valuation instructions for the addressee of this report since October 2014.

CBRE Ltd has carried out Valuation and Agency services on behalf of the addressee for under 5 years.

Responsibility

We are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import.

Reliance

This Valuation Report will be relied on by Keppel Telecommunications & Transportation Ltd and Keppel Telecommunications & Transportation Ltd's shareholders in connection with the proposed takeover.

No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose of Valuation.

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Before this Valuation Report, or any part thereof, is disclosed orally or otherwise to a third party, CBRE's written approval of the form and context of such publication or disclosure must first be obtained.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Royal Institution of Chartered Surveyors Valuation – Professional Standards or the incorporation of the special assumptions referred to herein.

For the avoidance of doubt, such approval is required whether or

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not CBRE is referred to by name and whether or not the contents of our Valuation Report are combined with others.

Disclaimer

None of the information in this Valuation Report constitutes advice as to the merits of entering into any form of transaction including the proposed takeover.

None of the information in this Valuation Report constitutes financial product advice.

This Valuation Report is strictly limited to the matters contained within those documents and is not to be read as extending, by implication or otherwise, to any other matter in the Circular.

CBRE specifically disclaims any liability to any person in the event of any omission or false or misleading statement included in the Circular other than in respect of this Valuation Report. CBRE does not give any warranty or representation as to the accuracy of the information in any other part of the Circular.

Yours faithfully



Kris Engley MRICS

Director

RICS Registered Valuer

For and on behalf of

CBRE Ltd

T: 020 7182 2910

E: Kris.engley@cbre.com

CBRE – Valuation & Advisory Services

T: 020 7182 2000

W: www.cbre.co.uk

Yours faithfully



Jennifer Bourne MRICS

Associate Director

RICS Registered Valuer

For and on behalf of

CBRE Ltd

T: 020 7182 2735

E: Jennifer.bourne@cbre.com

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SCOPE OF WORK & SOURCES OF INFORMATION

Sources of Information

We have carried out our work based upon information supplied to us by Keppel Data Centres, which we have assumed to be correct and comprehensive. We have been provided with the following information:

- Building drawings dated 1 October 2015.
- Cadastral information (Dutch and English translations) and associated plan dated 3 February 2015.
- 'Final_lease_30 December 2014_English'
- 'Lease Agreement_final in Dutch 21Jan2015_BW'
- Capital expenditure information provided by Keppel Data Centres.
- Tax and insurance information provided by Keppel Data Centres.
- Technical specification provided by Keppel Data Centres.

The Property

Our report contains a brief summary of the property details on which our valuations have been based.

Inspection

We inspected the Property internally on 7 January 2019.

The inspection was undertaken by Jennifer Bourne MRICS and Vinnie Vermeulen.

Areas

We have not measured the properties but have relied upon the floor areas provided to us by you, as set out in this report, which we have assumed to be correct and comprehensive. You have provided the areas on the basis of the Net Technical Area.

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Environmental Matters

We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the properties and which may draw attention to any contamination or the possibility of any such contamination.

We have not carried out any investigation into the past or present uses of the Property, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.

Services and Amenities

We understand that all main services including water, drainage, electricity and telephone are available to the properties.

None of the services has been tested by us.

Repair and Condition

We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Property. We are unable, therefore, to give any assurance that the Property is free from defect.

Town Planning

We have not undertaken planning enquiries.

Titles, Tenures and Lettings

Details of title/tenure under which the Property is held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

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VALUATION ASSUMPTIONS

Introduction

An Assumption is defined in the Red Book Glossary and Appendix 3 to be a "supposition taken to be true" (an "Assumption").

Assumptions are facts, conditions or situation affecting the subject of, or approach to, a valuation that it has been agreed need not be verified by the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer to accept that something is true without the need for specific investigation.

Keppel Telecommunications & Transportation Ltd has confirmed and we confirm that our Assumptions are correct as far as Keppel Telecommunications & Transportation Ltd and we, respectively, are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The principal Assumptions which we have made are stated within this Valuation Report.

For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Market Value under the Red Book.

Capital Values

The valuation has been prepared on the basis of "Market Value, which is defined as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The valuation represents the figure that would appear in a hypothetical contract of sale at the valuation date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges.

No account has been taken of the availability or otherwise of capital based Government or European Community grants.

Taxation, Costs and Realisation Costs

As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal.

Our valuations reflect purchasers' statutory and other normal acquisition costs.

VAT

We have not been advised whether the property is elected for VAT. All rents and capital values stated in this report are exclusive of VAT.

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Passing Rent	Passing rents quoted in this report are the rents which are currently payable under the terms of the lease. Passing rents exclude service charges and VAT and are prior to deduction of any non-recoverable costs. Passing rents exclude turnover rents, temporary incomes and other miscellaneous incomes.
Net Annual Rent	<p>Net annual rent is defined for the purposes of this transaction as “the current income or income estimated by the valuer:</p> <ul style="list-style-type: none">(i) Ignoring any special receipts or deduction arising from the property;(ii) Excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and(iii) After making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent”.
Rental Values	Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes nor do they necessarily accord with the definition of Market Rent.
Lease Expiries	Fixed-term leases frequently incorporate either tenants’ options to extend or tenants’ break clauses; other leases are rolling to indeterminate, subject to stated notice periods. For the purposes of our valuations, we have made assumptions as to appropriate presumed expiry dates.
The Property	<p>Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.</p> <p>Landlord’s fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations.</p> <p>Process plant and machinery, tenants’ fixtures and specialist trade fittings have been excluded from our valuations.</p> <p>All measurements, areas and ages quoted in our report are approximate.</p>
Environmental Matters	<p>In the absence of any information to the contrary, we have assumed that:</p> <ul style="list-style-type: none">(a) the Property is not contaminated and is not adversely affected by

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any existing or proposed environmental law;

(b) any processes which are carried out on the Property which are regulated by environmental legislation are properly licensed by the appropriate authorities.

(c) the Property possesses or will possess a current Energy Performance Certificate as required under Government Directives.

(d) the properties are either not subject to flooding risk or, if they are, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value.

(e) invasive species such as Japanese Knotweed are not present on the Property.

High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the property. Our valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

Repair and Condition

In the absence of any information to the contrary, we have assumed that:

(a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the property;

(b) the Property is free from rot, infestation, structural or latent defect;

(c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, have been used in the construction of, or subsequent alterations or additions to, the Property; and

(d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Property. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

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Title, Tenure, Lettings, Planning, Taxation and Statutory & Local Authority requirements

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

(a) the Property possesses a good and marketable title free from any onerous or hampering restrictions or conditions;

(b) all buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;

(c) the Property is not adversely affected by town planning or road proposals;

(d) all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations, and that a fire risk assessment and emergency plan are in place;

(e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of each Property to comply with the provisions of the relevant disability discrimination legislation;

(f) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;

(g) tenants will meet their obligations under their leases;

(h) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;

(i) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; and

(j) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.

(k) real estate transfer tax will apply at the rate applicable as at the valuation date.

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VALUATION REPORTS**

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**PROPERTY
SUMMARY**

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PROPERTY SUMMARY



Property Type

Data Centre.

The Property

Almere 2 Data Centre, Rondebeltweg 62, Almere, The Netherlands.

Client Name

Keppel Telecommunications & Transportation Ltd.

Basis of Valuation

Market Value on the Special Assumption that agreements exist and remain in place to allow for the sharing of critical infrastructure with Almere 1 Data Centre.

Special Assumptions have been applied. As a result of the property in effect forming part of a larger scheme including the adjoining property Almere 1 Data Centre, with which the subject property shares power supply and some critical infrastructure, we will carry out our valuation on the Special Assumption that agreements exist and remain in place to allow the sharing of critical infrastructure.

For clarity, the Market Value of the subject property if it is not able to share power supply and some critical infrastructure with Almere 1, would be significantly less than the reported Market Value. This relates to the fact that capital expenditure would be required to install the requisite power supply and infrastructure to enable the subject property to be self-contained.

Inspection Date

7 January 2019.

Valuation Date

31 December 2018.

Purpose of Valuation

The Valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation Global Standards (2017) ("Red Book"). We understand that our valuation report and the Appendices to it (together the "Valuation Report") is required for inclusion in a Circular (the "Circular") which is to be published by Keppel Telecommunications & Transportation Ltd pursuant to the proposed takeover of

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Keppel Telecommunications & Transportation Ltd by Keppel Corporation Limited, as a result of which Keppel Telecommunications & Transportation Ltd will be delisted from the Singapore Stock Exchange.

Interest to be valued

100% share of interest in the Property.

Brief Description of Property

The property is a modern, three storey, semi-detached building. The property is configured in three separate areas on each floor, with office and other tenant ancillary space in the southern part to the front of the building, the electrical plant located to the rear and the data halls centrally located in the building.

The property was constructed to shell and core in 2008 and was partially fitted out for the incoming tenant.

The subject property is one of two existing data centres which comprises the Almere Data Centre development. The adjacent property, known as Almere 1, has a common party wall with the subject property. Currently, the existing Almere 1 infrastructure is being used to partly support the data centre operations in Almere 2.

As at the date of the valuation, the property is in partial occupation by a tenant who occupies 2,000 sq m over ground and first floor. The remainder is in shell and core condition awaiting future fit out.

We understand that the property is designed to ensure that the power and cooling infrastructure is sufficient to provide an IT load density of 1.5 KW per sq m at a resilience of N + 1 on all major components. We understand that the total design I.T. load is therefore circa 9 MW on a Net Technical Area (NTA) of circa 6,000 sq m.

Tenure of property

Freehold.

Tenancy

The property is partially let to the tenant who occupies 2,000 sq m (NTA) of the total 6,000 sq m (NTA available). We understand that the property is let for 15 years from 1st September 2015 until 31st August 2030 and currently has an unexpired term as at our valuation date of 11 years and 8 months.

Income

Gross rent: €2,241,447 per annum.

Net rent: €2,181,447 per annum.

Valuation Approach

The property in effect forms part of a larger scheme including the adjoining property (Almere 1), with which the subject property shares power supply and some critical infrastructure. As agreed with Keppel Telecommunications & Transportation Ltd we have carried out our valuation on the Special Assumption that agreements exist and remain in place that allow for the sharing of critical infrastructure. While we do not report here on the value of Almere 1, our conclusions on Almere 2 must be taken in the context of being able to benefit from the infrastructure sharing and consequent capex savings as a result of the benefits of Almere 1.

We have used an explicit discounted cashflow methodology to appraise Almere 2. This approach takes into account the existing contracted income and thereafter models future assumed income over a set

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period, while also deducting any opex and capex considered likely to be required over that time period. The various elements of the cashflow, as well as an assumed exit value are then discounted to a present value at a set discount rate, which reflects the combined risks and opportunities of the asset. We set out below the various inputs adopted in our cashflow.

Hold period	4 years.
Income assumptions	<p>Gross current income of €2,241,447 per annum attributed solely to the lease in place to the current tenant. For the purpose of our valuation we have allowed for a long run average inflation of 1.5% for the duration of the contract up until expiry.</p> <p>From the gross income we have deducted insurance and tax on the tenant lease at €60,000 per annum grown over the cashflow at 1.5% per annum. The current net income therefore equates to €2,181,447.</p> <p>For the vacant space we have adopted an ERV of €1,098 per sq m.</p> <p>The total amount of power that the subject property can provide is assumed to be circa 9 MW based on a 1.5kW / sq m IT load density, resulting in a total ERV of €6,588,000 per annum.</p>
Leasing Up assumptions	4,000 sq m is currently vacant equating to approximately 6 MW of power at an average density of 1.5 kW per sq m. We have assumed that the take up of vacant space would be at a steady rate over a 3.5 year period at a rate of approximately 1.7 MW per annum.
Capex	We have been provided with capex fit out costs of €28 million for the remaining phases. We have phased the initial €18 million for the first 3,000 sq m (€6,000 per sq m/€4 million per MW) over the first two years and the final €10 million for the last 1,000 sq m (€10,000 per sq m/€6.67 million per kW) over the third year of the cashflow. We understand that the first phase can be supported by the Almere 1 infrastructure and the final phase will require new infrastructure to support I.T. operations, hence the difference in cost per MW.
Exit Yield	7.00%
Discount Rate (Un-g geared IRR)	We have adopted a blended IRR of 11.75% which is a 25 bps margin over our 2017 rate and reflects the lack of progression with the pipeline deals in the facility.
Transaction Fees	We have assumed transaction fees will be incurred by a purchaser and have adopted combined legal and agency

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costs at 1.0% and transfer tax costs at 6.00%.

On exit we have adopted 1.0% vendor's fees and 7.0% purchaser's fees (6.0% transfer tax and 1.0% combined legal and agency fees).

Market Value on the Special Assumption that agreements exist and remain in place to allow for the sharing of critical infrastructure with Almere 1 Data Centre

€43,300,000 (FORTY THREE MILLION THREE HUNDRED THOUSAND EUROS)

Comments

This Property Summary is a summary of the full report that CBRE Ltd have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report. This summary should be read in conjunction with the full report.

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PROPERTY SUMMARY

Frankfurt Data Centre
Heinrich-Lanz-Allee 47
Kalbach 60437
Frankfurt
Germany

Keppel Telecommunications & Transportation Ltd

Valuation Date: 31 December 2018

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VALUATION REPORT

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CBRE

CBRE Limited
Henrietta House
Henrietta Place
London W1G 0NB

Switchboard +44 (0)20 7182 2000
Fax + 44 (0)20 7182 2001

VALUATION REPORT

Report Date	6 March 2019.
Addressee	Keppel Telecommunications & Transportation Ltd 1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
The Property	Frankfurt Data Centre Heinrich-Lanz-Allee 47 Kalbach 60437 Frankfurt Germany
Property Description	Data Centre.
Ownership Purpose	Investment.
Instruction	To value the unencumbered freehold interest in the property on the basis of Market Value as at the valuation date in accordance with the terms of engagement entered into between CBRE and the addressee dated 4 January 2019.
Valuation Date	31 December 2018.
Capacity of Valuer	External Valuer, as defined in the RICS Valuation – Global Standards 2017.

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FRANKFURT DATA CENTRE, HEINRICH-LANZ-ALLEE 47, FRANKFURT

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Purpose

The Valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation Global Standards (2017) ("Red Book"). We understand that our valuation report and the Appendices to it (together the "Valuation Report") is required for inclusion in a Circular (the "Circular") which is to be published by Keppel Telecommunications & Transportation Ltd

pursuant to the proposed takeover of Keppel Telecommunications & Transportation Ltd by Keppel Corporation Limited, as a result of which Keppel Telecommunications & Transportation Ltd will be delisted from the Singapore Stock Exchange.

The effective date of valuation is 31 December 2018.

In accordance with the RICS Valuation Global Standards (2017) ("Red Book") we have made certain disclosures in connection with this valuation instruction and our relationship with Keppel Telecommunications & Transportation Ltd.

Market Value

€65,900,000 (SIXTY FIVE MILLION NINE HUNDRED THOUSAND EUROS) exclusive of VAT.

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm's length terms.

Special Assumptions and Departures

Special Assumptions have not been applied.

Material Change

We hereby confirm that as at the date of this report:

- (i) We have not become aware (after having made enquiry of Keppel Telecommunications & Transportation Ltd) of any material change since 31 December 2018 in any matter relating to any property covered by our Valuation Report which in our opinion would have a material effect on the value as at today's date, and;
- (ii) In relation to market conditions and movements in property market in which the property covered by our Valuation Report is located, based on observed transactions involving comparable properties which have occurred and independent data published, in each case, since 31 December 2018, we do not consider that the movement in respect of the subject properties constitutes material change.

Report Format

This Property Summary consists of a total of 21 pages, including the title page. This should be viewed in conjunction with the full valuation report.

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Full Valuation Reports This is a condensed valuation report prepared for inclusion in the Circular which does not include all the data, supporting information and details of our valuations which appear in our full valuation reports.

For further information, reference should be made to our full valuation reports which are available for inspection at the address nominated by Keppel Telecommunications and Transportation Ltd. Before making a decision on the proposed takeover and delisting, shareholders should review the full valuation reports to understand the complexity of the markets, properties, methodology and the many variable involved.

Our full valuation reports contain detailed information for the property including:

- Full details of due diligence findings and recommendations (depending on receipt of such information).
- Comprehensive occupational and investment market commentaries.
- Schedules of investment comparable evidence.
- An explanation of our valuation approach together with comments on the key factors affecting value and a SWOT analysis.
- Valuation calculations.
- Photographs and location/ site plans.

Compliance with Valuation Standards

The valuation has been prepared in accordance with the RICS Valuation – Global Standards 2017 including the International Valuation Standards and the RICS Valuation – Professional Standards UK January 2014 (revised April 2015) (“the Red Book”).

We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the valuation competently.

Where the knowledge and skill requirements of The Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of The Red Book.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach

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different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject property as at the valuation date.

Assumptions

The property details on which each valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

Variation from Standard Assumptions

None.

Valuation Inputs and Market Commentary

The valuations, the valuation inputs and market information are not guarantees or predictions. CBRE has not independently verified all information provided by Keppel Telecommunications & Transportation Ltd nor reports provided by Keppel Telecommunications & Transportation Ltd's other professional advisors, nor data from third party sources. CBRE's valuation calculations are based on assumptions as to future results and are not predictions. The resulting values are not to be construed as predictions or guarantees and are dependent on the assumptions as to income, expenses and market conditions.

Valuer

The Property has been valued by a valuer who is qualified for the purpose of the valuation in accordance with the Red Book.

For the avoidance of doubt, the valuers have undertaken and (where applicable) signed this valuation for and on behalf of CBRE Ltd and not in a personal or other capacity.

Independence

The total fees, including the fee for this assignment, earned by CBRE Ltd (or other companies forming part of the same group of companies within the UK) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total UK revenues.

It is not anticipated this situation will vary in the financial year to 31 December 2019.

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	<p>Neither our engagement nor our fees are contingent upon the reporting of a predetermined result or direction in value that favours the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event (such as a lending proposal or sale negotiation).</p> <p>We confirm that neither CBRE nor the valuers involved have any material interest in Keppel Telecommunications & Transportation Ltd, Keppel Corporation Limited or the Property.</p>
Previous Involvement and Conflicts of Interest	<p>We confirm that we have had no previous material involvement with any of the properties, and that copies of our conflict of interest checks have been retained within the working papers.</p> <p>We confirm that the CBRE Data Centre Solutions team acted for current tenant on behalf of their sale of the asset in December 2016.</p> <p>We do not consider that any conflict of interest arises in us preparing this Valuation Report and Keppel Telecommunications & Transportation Ltd have confirmed to us that it also considers this to be the case.</p>
Responsibility	<p>We are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import.</p>
Reliance	<p>This Valuation Report will be relied on by Keppel Telecommunications & Transportation Ltd and Keppel Telecommunications & Transportation Ltd's shareholders in connection with the proposed takeover.</p> <p>No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose of Valuation.</p>
Publication	<p>Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.</p> <p>Before this Valuation Report, or any part thereof, is disclosed orally or otherwise to a third party, CBRE's written approval of the form and context of such publication or disclosure must first be obtained.</p>

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Disclaimer

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Royal Institution of Chartered Surveyors Valuation – Professional Standards or the incorporation of the special assumptions referred to herein.

For the avoidance of doubt, such approval is required whether or not CBRE is referred to by name and whether or not the contents of our Valuation Report are combined with others.

None of the information in this Valuation Report constitutes advice as to the merits of entering into any form of transaction including the proposed takeover.

None of the information in this Valuation Report constitutes financial product advice.

This Valuation Report is strictly limited to the matters contained within those documents and is not to be read as extending, by implication or otherwise, to any other matter in the Circular.

CBRE specifically disclaims any liability to any person in the event of any omission or false or misleading statement included in the Circular other than in respect of this Valuation Report. CBRE does not give any warranty or representation as to the accuracy of the information in any other part of the Circular.

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FRANKFURT DATA CENTRE, HEINRICH-LANZ-ALLEE 47, FRANKFURT

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Yours faithfully



Kris Engley MRICS

Director

RICS Registered Valuer

For and on behalf of

CBRE Ltd

T: 020 7182 2910

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Yours faithfully



Jennifer Bourne MRICS

Associate Director

RICS Registered Valuer

For and on behalf of

CBRE Ltd

T: 020 7182 2735

E: Jennifer.bourne@cbre.com

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SCOPE OF WORK & SOURCES OF INFORMATION

Sources of Information

We have carried out our work based upon information supplied to us by Graphite (DC) B.V., which we have assumed to be correct and comprehensive.

- Tenant Service Agreement
- Graphite Property Tax 2017 – 2018
- Keppel FDC Due D Report 1.2 part 2,3,4
- Keppel Leasing Pipeline
- FDC Valuation Info file
- Legal Due Diligence Report dated 8 November 2018

The Property

Our report contains a brief summary of the property details on which our valuation has been based.

Inspection

We have inspected the property on 28 November 2018.

The inspection was undertaken by Kris Engley MRICS, and Wolfram Persch MRICS.

Areas

We have not measured the properties but have relied upon the floor areas provided to us by you, as set out in this report, which we have assumed to be correct and comprehensive. You have provided the areas on the basis of the Net Technical Area.

Environmental Matters

We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Property and which may draw attention to any contamination or the possibility of any such contamination.

We have not carried out any investigations into the past or present uses of the Property, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.

Services and Amenities

We understand that all main services including water, drainage, electricity and telephone are available to the properties.

None of the services has been tested by us.

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Repair and Condition We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Property. We are unable, therefore, to give any assurance that the Property is free from defect.

Town Planning We have not undertaken planning enquiries.

Titles, Tenures and Lettings Details of title/tenure under which the Property is held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

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VALUATION ASSUMPTIONS

Introduction

An Assumption is defined in the Red Book Glossary and Appendix 3 to be a "supposition taken to be true" (an "Assumption").

Assumptions are facts, conditions or situation affecting the subject of, or approach to, a valuation that it has been agreed need not be verified by the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer to accept that something is true without the need for specific investigation.

Keppel Telecommunications & Transportation Ltd has confirmed and we confirm that our Assumptions are correct as far as Keppel Telecommunications & Transportation Ltd and we, respectively, are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The principal Assumptions which we have made are stated within this Valuation Report.

For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Market Value under the Red Book.

Capital Values

The valuation has been prepared on the basis of "Market Value" which is defined as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The valuation represents the figure that would appear in a hypothetical contract of sale at the valuation date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges.

No account has been taken of the availability or otherwise of capital based Government or European Community grants.

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Taxation, Costs and Realisation Costs

As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal.

Our valuations reflect purchasers' statutory and other normal acquisition costs.

VAT

We have not been advised whether the property is elected for VAT.

All rents and capital values stated in this report are exclusive of VAT.

Passing Rent

Passing rents quoted in this report are the rents which are currently payable under the terms of the lease. Passing rents exclude service charges and VAT and are prior to deduction of any non-recoverable costs. Passing rents exclude turnover rents, temporary incomes and other miscellaneous incomes.

Net Annual Rent

Net annual rent is defined for the purposes of this transaction as "the current income or income estimated by the valuer:

- (i) Ignoring any special receipts or deduction arising from the property;
- (ii) Excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and
- (iii) After making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent".

Rental Values

Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes nor do they necessarily accord with the definition of Market Rent.

Lease Expiries

Fixed-term leases frequently incorporate either tenants' options to extend or tenants' break clauses; other leases are rolling to indeterminate, subject to stated notice periods. For the purposes of our valuations, we have made assumptions as to appropriate presumed expiry dates.

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The Property

Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations.

Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations.

All measurements, areas and ages quoted in our report are approximate.

Environmental Matters

In the absence of any information to the contrary, we have assumed that:

(a) the Property is not contaminated and is not adversely affected by any existing or proposed environmental law;

(b) any processes which are carried out on the Property which are regulated by environmental legislation are properly licensed by the appropriate authorities.

(c) the Property possesses or will possess a current Energy Performance Certificate as required under Government Directives.

(d) the properties are either not subject to flooding risk or, if they are, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value.

(e) invasive species such as Japanese Knotweed are not present on the Property.

High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the property. Our valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

Repair and Condition

In the absence of any information to the contrary, we have assumed that:

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FRANKFURT DATA CENTRE, HEINRICH-LANZ-ALLEE 47, FRANKFURT

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(a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the property;

(b) the Property is free from rot, infestation, structural or latent defect;

(c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, have been used in the construction of, or subsequent alterations or additions to, the Property; and

(d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Property. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

Title, Tenure, Lettings, Planning, Taxation, and Statutory & Local Authority requirements

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

(a) the Property possesses a good and marketable title free from any onerous or hampering restrictions or conditions;

(b) all buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;

(c) the Property is not adversely affected by town planning or road proposals;

(d) all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations, and that a fire risk assessment and emergency plan are in place;

(e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of each Property to comply with the provisions of the relevant disability discrimination legislation;

(f) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;

(g) tenants will meet their obligations under their leases;

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- (h) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;
- (i) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; and
- (j) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.
- (k) real estate transfer tax will apply at the rate applicable as at the valuation date.

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VALUATION REPORTS**

FRANKFURT DATA CENTRE, HEINRICH-LANZ-ALLEE 47, FRANKFURT

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**PROPERTY
SUMMARY**

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FRANKFURT DATA CENTRE, HEINRICH-LANZ-ALLEE 47, FRANKFURT

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PROPERTY SUMMARY



Property Type

Data Centre.

The Property

Frankfurt Data Centre, Heinrich-Lanz-Allee 47, Kalbach 60437, Frankfurt, Germany.

Client Name

Keppel Telecommunications & Transportation Ltd.

Basis of Valuation

Market Value.

Inspection Date

28 November 2018.

Valuation Date

31 December 2018.

Purpose of Valuation

The Valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation Global Standards (2017) ("Red Book"). We understand that our valuation report and the Appendices to it (together the "Valuation Report") is required for inclusion in a Circular (the "Circular") which is to be published by Keppel Telecommunications & Transportation Ltd pursuant to the proposed takeover of Keppel Telecommunications & Transportation Ltd by Keppel Corporation Limited, as a result of which Keppel Telecommunications & Transportation Ltd will be delisted from the Singapore Stock Exchange.

Interest to be valued

100% share of interest in the Property.

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FRANKFURT DATA CENTRE, HEINRICH-LANZ-ALLEE 47, FRANKFURT

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Brief Description of Property

The subject property is located in Frankfurt am Main within the Kalbach-Riedberg district, approximately 13.0 km north of Frankfurt Central Business District (CBD). The district is predominately commercial in nature with a mix of car dealerships, wholesale warehouses and logistics companies. The area is bounded by an agricultural land strip and the A5 motorway to the west and north, commercial areas to the east and a public green space to the south. The property lies on Heinrich-Lanz-Allee, connecting the property with the slip road to motorway A661 around 1.5 km to the east.

The property comprises a purpose built data centre which was completed in 2009 and was built to an investment banking specification for the incumbent tenant who leased back 2.1 MW of capacity on the first floor from 1 November 2016 for a term of 10 years. The property is arranged over two floors across 4 equally sized data halls and has a total potential capacity of 10.6 MW. The site is carrier neutral with power and fibre diversity and has an incoming power supply of 24 MVA (contracted).

Tenure of property

Freehold.

Tenancy

The property is predominantly vacant however, part of the first floor (Data Hall 1B) is let to the tenant for 10 years from 1 November 2016 and currently has an unexpired term as at our valuation date of 7.8 years. We consider that the lease provides a secure income stream to a strong covenant, however, the lease only accounts for a total of circa 20% of the entire IT capacity at the building.

Income

Gross rent: €3,286,499 per annum

Net rent: €456,504 per annum

Valuation Approach

In assessing the Market Value of the property we have adopted a discounted cash flow (DCF) approach which is the principal method for valuing data centres. We set out below our assumptions we have used when arriving at our opinion of Market Value.

Hold Period 5 years.

Income assumptions

Income Summary	Day 1 (annualised)	Year 1
Gross Rent	€3,286,499	€3,429,436
Net Rent	€456,504	€827,662
Stabilised NOI (Year 5)	€9,939,156	€9,788,891

Opex

We have reviewed the operating cost forecast information provided including the YE 2017 actual recorded budget as well as forecasts. In relation to the First Floor we have adopted the actual costs provided and have increased these by a factor of €15 kW/month in line with the additional leased volume of kW. We set out a summary below:

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Suite	Annual Cost
First Floor A & B	€ 2,830,000
Ground Floor A	€ 540,000
Ground Floor B	€444,600
Total Annual Cost (on OPEX start)*	€ 3,814,600

*The stabilised OPEX reflects 2.0% per annum indexation and therefore is higher than the sum of the Day 1 amounts

The stabilised OPEX reflects a monthly rate of circa €32.51/kW/month which we consider to be at the upper end the typical range for a co-location facility and this upper point in the range is reflective of the age of the building and SLA's required to service the tenant's lease.

Capex

Due to the newly fitted out nature of the First Floor data hall as well as the shell nature of the ground floor we have not incorporated any life-cycle capex into our cashflow over and above the amounts covered by the provided OPEX estimates. We have, however, adopted the following fit-out CAPEX amounts which we have been provided with:

Timing	Estimated Life-cycle Capex
Ground Floor Hall A	€ 20,210,000
Ground Floor Hall B	€ 20,000,000

These amounts have been phased in line with our assumed take-up profile.

Exit Yield 7.00%

Discount Rate (Un-gearred IRR) 10.00%

Transaction Fees Purchaser's costs of 7.50% (property transfer tax at 6%, legal fees at 1.0%, agent fees at 0.5%).

Market Value

€65,900,000 (SIXTY FIVE MILLION NINE HUNDRED THOUSAND EUROS)

Comments


This Property Summary is a summary of the full report that CBRE Ltd have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report. This summary should be read in conjunction with the full report.

APPENDIX 5 VALUATION REPORTS



Valuation of 27 Tampines Street 92, Singapore 528878

VALUATION CERTIFICATE

Date of Valuation:	31 December 2018	
Property:	27 Tampines Street 92, Singapore 28878	
Name of Client:	Keppel Data Centres Pte. Ltd.	
Purpose of Valuation:	For the proposed acquisition by Keppel Corporation Limited of all the issued ordinary shares in the capital of Keppel Telecommunications & Transportation Ltd.	
Interest to be valued:	10% share of interest in the Property	
Basis of Valuation:	Market Value of the Property taking into account the Lease Agreement	
Registered Owner:	Keppel DC Singapore 3 LLP	
Legal Description:	Lot 4778X of Mukim 28	
Tenure of Property:	Leasehold for 30 years commencing from 1 February 1992 with a further term of 30 years (balance lease term of about 33.1 years)	
Master Plan Zoning:	Business 2 with plot ratio 2.5	
Brief Description of Property:	A 5-storey data centre development with ancillary offices. The Certificate of Statutory Completion (CSC) was granted on 24 July 2015.	
Lease Agreement:	According to information provided, Keppel DC Singapore 3 Pte. Ltd. ¹ (the "Landlord") has entered into a lease agreement with Keppel DCS3 Services Pte. Ltd. (the "Tenant") for a term of 10 years commencing from 20 January 2017, with an option to renew for another 5 years (also referred to as the "Lease Agreement"). Due to the pass-through nature of the lease, the Landlord will substantially enjoy the benefits and assume the liabilities of the colocation arrangements entered into by Keppel DCS3 Services Pte. Ltd. and the underlying clients.	
Land Area:	4,999.60 square metres or 53,815 square feet	
Gross Floor Area (GFA):	12,437.70 square metres or 133,878 square feet	
Lettable Area (LFA):	5,102.70 square metres or 54,925 square feet	

¹ Keppel DC Singapore 3 Pte. Ltd. has since converted to a limited liability partnership known as Keppel DC Singapore 3 LLP.

APPENDIX 5 VALUATION REPORTS



Valuation of 27 Tampines Street 92, Singapore 528878

Valuation Approaches:	Discounted Cash Flow Analysis and Capitalization Approach as primary methods, with Direct Comparison Method as check method.
Market Value, subject to Lease Agreement and assuming free from encumbrances:	SGD257,000,000/- (100% interest) (Singapore Dollars Two Hundred and Fifty-Seven Million only)
	SGD25,700,000/- (10% interest) (Singapore Dollars Twenty-Five Million and Seven Hundred Thousand only)
Value Per Square Foot of GFA:	S\$1,920 psf
Valuation Approaches:	Discounted Cash Flow Analysis and Capitalization Approach as primary methods, with Direct Comparison Method as check method.
Remarks:	This Valuation Certificate is a summary of the full report that Cushman & Wakefield have carried out and it does not contain all the necessary information, assumptions and limiting conditions that are included in the report. Further reference may be made to the report, copies of which are held by Keppel Data Centres Pte. Ltd.

Yours faithfully
For and on behalf of
CUSHMAN & WAKEFIELD VHS PTE. LTD.

A handwritten signature in black ink, appearing to read "Chew May Yen", written over a horizontal line.

Chew May Yen
Executive Director - Valuation & Advisory,
MSISV
Licensed Appraiser No AD41-2004419H

APPENDIX 5 VALUATION REPORTS



VALUATION CERTIFICATE

Address	20 Tampines Street 92, T20, Singapore 528875
Client:	Keppel Data Centres Pte Ltd.
Purpose of Valuation:	To determine the market value on an "as is" basis of the subject property for the proposed acquisition of Keppel Telecommunications & Transportation Ltd by Keppel Corporation Limited, as at 31 December 2018.
Registered Lessor:	Housing and Development Board (HDB).
Registered Lessee:	Keppel DC Singapore 4 Pte. Ltd.
Tenure:	30 + 30 years commencing from 1 July 1990.
Master Plan Zoning: (2014 Edition)	Business 2 at gross plot ratio of 2.5.
Brief Description:	<p>T20 is located along Tampines Street 92, approximately 15 km from the city centre at Raffles Place. The immediate locality is predominantly mixed in nature comprising industrial developments, schools and HDB flats. Prominent developments in the vicinity include Tampines 9 Building, Tampines Biz-hub, H C Design Centre, SAFRA Clubhouse (Tampines) and Middleton International School amongst others.</p> <p>The subject property comprises a 5-storey data centre building completed in 2017. We were informed that the 4th and 5th storeys of the subject property are undergoing fitting-out works as at 31 December 2018.</p>
Site Area:	6,804.9 sq m.
Gross Floor Area (GFA):	16,916.97 sq m.
Net Lettable Area (NLA):	7,369.35 sq m.
Valuation Methodologies:	Capitalisation Approach and Discounted Cash Flow Analysis
Tenancy Details:	Based on the tenancy information provided, we note that the subject property is multi-tenanted with an occupancy of approximately 55% based on the net lettable floor area. The current monthly gross rent is approximately S\$1,788,393.

APPENDIX 5 VALUATION REPORTS



VALUATION CERTIFICATE – cont'd

Valuation Date: 31 December 2018

Market Value on an “as is” basis as at 31 December 2018: **S\$280,000,000/-**
(Singapore Dollars Two Hundred And Eighty Million)



Nicholas Cheng Chee Keen
Executive Director
Valuation Advisory
BSc. (Est. Man) MSISV
(Appraiser's Licence No. AD041-2004055B)

IMPORTANT NOTE: All data provided in this summary is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation.

APPENDIX 6 SCHEME CONDITIONS

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

The Acquisition is conditional upon the satisfaction (or, where applicable, the waiver) of 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 Relevant Date:
 - (a) confirmation from the SIC that Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 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;
 - (b) confirmation from the SIC that it has no objections to the Scheme Conditions in this **Appendix 6**; and
 - (c) 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 Scheme 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:
 - (a) are qualified as to materiality being true and correct; and

APPENDIX 6 SCHEME CONDITIONS

(b) 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:

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

(b) 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).

APPENDIX 7 PRESCRIBED OCCURRENCES

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

For the purpose of the Implementation Agreement and in this Scheme Document, a “**Prescribed Occurrence**”, 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).

APPENDIX 8 OFFEROR'S WARRANTIES

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

The Offeror represents and warrants to the Company that:

1. Incorporation

The Offeror is a company duly incorporated and validly existing under the laws of Singapore.

2. Power

The Offeror has the legal right and full power and authority to enter into and perform its obligations under the Implementation Agreement.

3. Authority

The Offeror has taken all necessary corporate action to authorise its execution and delivery of, and the performance of its obligations under the Implementation Agreement.

4. Authorisations and Consents

All authorisations from, and notices or filings with, any Governmental Agency or other authority that are necessary to enable it to execute, deliver and perform its obligations under the Implementation Agreement have been obtained or made (as the case may be) and are in full force and effect and all conditions of each such authorisation have been complied with.

5. Binding Obligation

The Offeror's obligations under the Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.

6. No Breach

Neither the execution, delivery nor performance by the Offeror of the Implementation Agreement nor any transaction contemplated under the Implementation Agreement will result in a breach of any provision of its constitution, any order, judgment or decree of any Governmental Agency applicable to the Offeror or its assets, or any agreement or instrument to which the Offeror is a party or by which the Offeror or any of its assets are bound.

7. Sufficiency of Financial Resources

The Offeror has sufficient financial resources to undertake and complete the Acquisition and implement the Scheme, and shall procure that a cash confirmation is furnished by an appropriate third party in compliance with the Code.

APPENDIX 9 COMPANY'S WARRANTIES

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

The Company represents and warrants that:

1. Group Companies

1.1 Incorporation

Each Group Company is a company duly incorporated and validly existing under its laws of incorporation. The Company is the legal and beneficial owner of the equity interest (as such percentage equity interests are disclosed in the latest annual report of the Company for FY2017) of the Group Companies (other than the Company) and holds such equity interest free from any Encumbrances.

1.2 The Company's Shares

All the Shares have been duly authorised and validly allotted and issued, are fully paid-up and rank *pari passu* in all respects with each other. The Company is not subject to any actual or contingent obligation to issue or convert securities except as required or contemplated by the Implementation Agreement or in accordance with the terms of the KT&T Share Plans.

As at the date of the Implementation Agreement, the Company has:

- (a) 559,112,660 Shares in issue and no treasury shares;
- (b) 1,228,719 awards released under the KT&T RSP;
- (c) 830,000 contingent awards of Shares granted and not released under the KT&T PSP. Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 1,245,000 Shares; and
- (d) S\$100,000,000 fixed rate notes issued under the S\$500,000,000 Multicurrency Medium Term Note Programme.

2. Accuracy of Information

All information contained in the Implementation Agreement and all other information which has been given in writing by or on behalf of the Group to the Offeror or its agents, directors, officers, representatives and advisers prior to entering into the Implementation Agreement in the course of the negotiations leading to the Implementation Agreement was when given true, accurate and not misleading in all material respects and as at the date of the Implementation Agreement, so far as the Company is aware, there is no fact, matter or circumstance in existence which renders or will render any such document and/or information untrue, inaccurate or misleading in any material respect.

APPENDIX 9 COMPANY'S WARRANTIES

3. Accounts

3.1 Accounts

- (a) The Audited FY2017 Financial Statements have been properly drawn up in accordance with the Companies Act and SFRS. The Audited FY2017 Financial Statements give a true and fair view of the state of affairs of the Group as at 31 December 2017, and the results of operations, changes in equity and the cash flow of the Group for FY2017.
- (b) The unaudited consolidated financial statements of the Group for the six month period ended 30 June 2018 have been prepared in accordance with the accounting principles, policies, bases, practices and estimation techniques used in preparing the Audited FY2017 Financial Statements applied on a consistent basis.

3.2 Changes since 31 December 2017

There have been no material adverse changes in the financial position of the Group taken as a whole since 31 December 2017 and, in particular:

- (a) its business has been carried on solely in the ordinary and usual course, without any material interruption or alteration in its nature, scope or manner, and so as to maintain the same as a going concern, save and except for events that may occur as a result of an act of God;
- (b) it has not entered into any material transaction or assumed or incurred any material liabilities (including contingent liabilities) or made any material payment or given any guarantee, indemnity or suretyship not provided for in the Audited FY2017 Financial Statements otherwise than in the ordinary and usual course of carrying on its business;
- (c) its profits have not been affected to a material extent by changes or inconsistencies in accounting treatment, by any non-recurring items of income or expenditure, by transactions of an abnormal or unusual nature or entered into otherwise than on normal commercial terms;
- (d) it has not entered into any unusual, long term and onerous commitments and contracts that would have a material adverse effect on the business, operations, assets and/or financial condition of the Group taken as a whole; and
- (e) none of the Group Companies have entered into or proposed to enter into any capital commitments other than in the ordinary course of business.

3.3 Absence of Undisclosed Liabilities

So far as the Company is aware, there are no material liabilities (including contingent liabilities) of any of the Group Companies which are outstanding on the part of each Group Company, other than (i) liabilities disclosed and to the extent provided for in the Audited FY2017 Financial Statements and the unaudited consolidated financial statements of the Group for the six month period ended 30 June 2018; (ii) liabilities disclosed elsewhere in the Implementation Agreement; or (iii) liabilities incurred in the ordinary course of business since 31 December 2017.

APPENDIX 9 COMPANY'S WARRANTIES

3.4 Inventory

The inventory and work in progress are included in the Audited FY2017 Financial Statements at figures not exceeding the amounts which could, in the circumstances existing at the date of the Audited FY2017 Financial Statements, reasonably be expected to be realised in the normal course of carrying on the business of the Group.

4. Legal Matters

4.1 Compliance with Laws

Each of the Group Companies has carried on and is carrying on its business and operations so that there have been no breaches in any material respect of applicable laws, regulations and bye-laws in each country in which they are carried on, and so far as the Company is aware, no written complaints have been received from any third party with regard to any breach of such laws, regulations and bye-laws by any Group Company, except that where any breach arises by reason only of any law, regulation and/or bye-law having been enacted between the date of the Implementation Agreement and the Relevant Date with retrospective effect dating from a date prior to the date of the Implementation Agreement, such Group Company shall not be regarded as in breach of this **paragraph 4.1** to the extent that such Group Company (i) takes all reasonable steps to comply with, and/or (ii) seeks a waiver from having to comply with, such law, regulation and/or bye-law.

There have not been and there are no breaches by any Group Company of its constitutional documents.

4.2 Licences and Consents

All statutory, municipal and other licences, consents, authorisations, orders, warrants, confirmations, permissions, certificates, approvals and authorities (the "**Company's Licences**" and each a "**Company's Licence**") necessary for the carrying on of the businesses and operations of each of the Group Companies have been obtained, are in full force and effect and all conditions applicable to any such licence have been and are being complied with in all material respects, unless the failure to obtain any such Company's Licence does not have a material adverse effect upon the assets or business of the Group taken as a whole.

4.3 Litigation, Arbitration or Investigations

As of the date of the Implementation Agreement, no litigation, arbitration or administrative proceeding is current or pending to restrain the entry into, the exercise of the Company's rights under and/or performance or enforcement of or compliance with its obligations under the Implementation Agreement.

As of the date of the Implementation Agreement, no litigation, arbitration or administrative proceeding is current or pending against any Group Company which has or could have a material adverse effect on the Group taken as a whole.

As of the date of the Implementation Agreement, the Company is not aware of any investigation or enquiry by, any court, tribunal, arbitrator, Governmental Agency or regulatory

APPENDIX 9 COMPANY'S WARRANTIES

body outstanding or anticipated against any Group Company which has or could have a material adverse effect on the Group taken as a whole.

4.4 Insolvency

- (a) No order has been made, petition presented, resolution passed or meeting convened for the winding up of any Relevant Group Company, nor, so far as the Company is aware, are there any grounds on which any person would be entitled to have any Relevant Group Company wound-up, nor, so far as the Company is aware, has any person threatened to present such a petition or convened or threatened to convene a meeting of any Relevant Group Company to consider a resolution to wind up such Relevant Group Company.
- (b) No petition has been presented or other proceedings have been commenced for an administration or judicial management order to be made in relation to any Relevant Group Company, nor has any such order been made. So far as the Company is aware, there are no grounds on which any person would be entitled to have any Relevant Group Company placed in administration or judicial management, nor, so far as the Company is aware, has any person threatened to present such a petition.
- (c) No receiver (including an administrative receiver), liquidator, judicial manager, trustee, administrator, custodian or similar official has been appointed, nor any resolution passed by any Relevant Group Company for such appointment, in any jurisdiction in respect of the whole or any part of the business or assets of any Relevant Group Company.

4.5 Power

The Company has the legal right and full power and authority to enter into and perform its obligations under the Implementation Agreement.

4.6 Authority

The Company has taken all necessary corporate action to authorise its execution and delivery of, and the performance of its obligations under the Implementation Agreement.

4.7 Binding obligation

The Company's obligations under the Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.

5. Contractual Arrangements

5.1 Effect of the Acquisition

The execution and delivery of, and the performance by the Company of its obligations under the Implementation Agreement and the transactions contemplated hereunder:

- (a) do not and will not result in a breach of any provision of the constitution of the Company; and

APPENDIX 9 COMPANY'S WARRANTIES

- (b) do not and will not conflict with or result in the breach of or constitute a default under any agreement or instrument to which any Group Company is a party, or any loan to or mortgage created by any Group Company, or relieve any other party to a contract with any Group Company of its obligations under such contract, or entitle such party to terminate or modify such contract, whether summarily or by notice, or result in the creation of any Encumbrance under any agreement, licence or other instrument, or result in a breach of any order, judgment or decree of any court, Governmental Agency or regulatory body to which any Group Company is a party or by which any Group Company or any of their respective assets is bound, unless such conflict, breach or default does not result in a material adverse effect upon the assets or business of the Group taken as a whole.

5.2 Contracts

- (a) Save for contracts with its professional advisers, no Group Company is, or has been, a party to any contract or transaction with a third party which is outside the ordinary and usual course of business or is not wholly on an arm's length basis, that would have a material adverse effect on the business, operations, assets and/or the financial condition of the Group taken as a whole.
- (b) Except in the ordinary and usual course of business and save for any intra-Group contracts, none of the Group Companies (i) are, or have agreed to become, a party to any agency, distributorship, marketing, purchasing, manufacturing or licencing agreement which restricts its freedom to carry on its business in any part of the world in such manner as it thinks fit; (ii) are, or have agreed to become, a member of any joint venture, consortium, partnership or other unincorporated association; or (iii) are, or have agreed to become, a party to any agreement or arrangement for participating with others in any business, sharing commissions or other income, in each case which would have a material adverse effect on the Group taken as a whole.

5.3 Compliance with Agreements

All the contracts and all leases, tenancies, licences, concessions and agreements (breach of which will have a material adverse effect on the Group taken as a whole) to which any of the Group Companies is a party are valid, binding and enforceable obligations of the relevant Group Company, and the terms thereof have been complied with in all material respects by the relevant Group Company. As of the date of the Implementation Agreement, so far as the Company is aware, there are no circumstances that give rise to any breach of such contracts, leases, tenancies, licences, concessions or agreements and no notice of termination has been received in respect of any thereof.

6. Taxation Matters

6.1 Returns, Information and Clearances

- (a) All returns, accounts, computations, notices and information which are or have been required to be made, given or delivered by any Group Company for any Taxation purpose (i) have been made, given or delivered within the requisite periods or within permitted extensions of such periods and (ii) are up-to-date, complete and accurate in all material respects and made on a proper basis.

APPENDIX 9 COMPANY'S WARRANTIES

- (b) All Taxes assessed or imposed by any Taxation authority which have been assessed upon the Group Companies which are due and payable on or before the Relevant Date have been paid and were paid on or before the relevant due date for payment or will be paid before the relevant due date for payment or within permitted extensions.

6.2 Tax Incentives

No relief (whether by way of deduction, reduction, set-off, exemption, postponement, roll-over, repayment or allowance or otherwise) from, against or in respect of any Taxation has been claimed and/or given to the Company which could be effectively withdrawn, postponed, restricted, clawed back or otherwise lost as a result of any act, or omission by the Company.

7. Assets (including properties)

- (a) All assets (including real properties) which are included in the Audited FY2017 Financial Statements are the absolute property of such Group Company and all such assets and properties and all debts which have subsequently been acquired or arisen are the absolute property of such Group Company.
- (b) Each Group Company has good title to all assets (including real properties) free from Encumbrances, save for Encumbrances in the ordinary and usual course of carrying on its business.
- (c) All such assets (including real properties) are, where capable of possession, in the possession of or under the control of the relevant Group Company, or the relevant Group Company is entitled to take possession or control of such assets provided that in the case of assets which have been leased by the Group Company to third parties, such possession or control on the part of the Group Company is subject to the terms and conditions of the relevant lease agreements, contracts or arrangements relating thereto.
- (d) Any of the real properties which is held under lease by a Group Company, is held under a valid, subsisting and enforceable lease/tenancy agreement with such exceptions as do not materially interfere with the use or proposed use of such property and buildings.

8. Insurance

- (a) All the material assets of each of the Group Companies which are capable of being insured have at all material times been adequately insured against fire, business interruption and other risks normally insured against by companies carrying on similar businesses or owning assets of a similar nature.
- (b) Each of the current insurance and indemnity policies in respect of which any of the Group Companies has an interest ("**Policies**") is valid and enforceable and (as far as the Company is aware) is not void or voidable.
- (c) In respect of all the Policies, all premiums have been duly paid to date.

APPENDIX 9 COMPANY'S WARRANTIES

- (d) Save for claims under S\$2,500,000, no claims have been made or are outstanding in respect of any of the Policies.

9. Employment

- (a) Each Group Company has in relation to each of its employees (and so far as relevant to each of its former employees) complied in all material respects with:
 - (i) all obligations imposed on it by all statutes, regulations and codes of conduct and practice relevant to the relations between it and its employees or any trade union, including without limitation, making deductions and payments in respect of contributions (including employer's contributions) to any relevant competent authority;
 - (ii) all collective agreements and customs and practices for the time being dealing with such relations or the conditions of service of its employees; and
 - (iii) all relevant orders and awards made under any relevant statute, regulation or code of conduct and practice affecting the conditions of service of its employees.
- (b) No proposal has been announced to establish any retirement, death or disability benefit schemes for directors other than the benefit schemes already in existence as at the date of the Implementation Agreement. Except as required under any applicable labour or employment laws and regulations, there are no obligations to or in respect of present or former directors with regard to retirement, death or disability, pursuant to which any Group Company is or may become liable to make payments of a material nature and no pension or retirement or sickness gratuity of a material nature is currently being paid or has been promised by any Group Company to or in respect of any former director.

10. Intellectual Property Rights

So far as the Company is aware, none of the activities of the Group Companies (excluding the use of components, parts, products or equipment supplied by third parties for the purpose of the work to be done by the Group Companies) infringes any patent or other intellectual property of any kind whatsoever of any other person or gives rise to an obligation to pay any sum in the nature of a royalty.

APPENDIX 10 OBLIGATIONS OF THE COMPANY IN RELATION TO THE SCHEME

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

1. **Joint Announcement:** the Company shall release the 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 Scheme 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:
 - (a) declare or pay any dividend or make any distribution (in cash or in kind) to the Shareholders; or
 - (b) (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 KT&T Share Plans;

APPENDIX 10

OBLIGATIONS OF THE COMPANY IN RELATION TO THE SCHEME

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):
- (a) 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;
 - (b) 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;
 - (c) 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;
 - (d) 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;
 - (e) 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;
 - (f) 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;
 - (g) 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
 - (h) save for any issue of shares in accordance with the terms of the KT&T Share Plans, alter its share capital in any way, including (i) issuing, or granting a right or option to subscribe for, any new shares or new class of shares and (ii) 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 that such requests for assistance or co-operation are reasonable), for the implementation of the Scheme;

APPENDIX 10 OBLIGATIONS OF THE COMPANY IN RELATION TO THE SCHEME

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

- (a) 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:
 - (i) 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:
 - (A) 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
 - (B) all the shares in the Company; or
 - (ii) 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);
 - (iii) any other arrangement having an effect similar to any of **paragraphs 11(a)(i) or 11(a)(ii)**, including a merger or amalgamation proposal; or
 - (iv) any other transaction which would preclude, interfere with or prejudice the Acquisition and/or the Scheme; and
- (b) 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:

- (i) 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;

APPENDIX 10 OBLIGATIONS OF THE COMPANY IN RELATION TO THE SCHEME

- (ii) to enter into discussions or negotiations or otherwise entertain such expressions of interest, offers or proposals;
- (iii) to make any recommendation or to refrain from making any recommendation to the Scheme Shareholders as the directors of the Company may deem fit in respect of such expression of interest, offer or proposal; and
- (iv) generally to perform all such acts as may be necessary for the directors of the Group 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.

APPENDIX 11

OBLIGATIONS OF THE OFFEROR IN RELATION TO THE SCHEME

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

1. **Joint Announcement:** the Offeror shall release the Joint Announcement jointly with the Company on the SGX-ST on the Joint Announcement Date;
2. **Provision of Information:** from the date of the Implementation Agreement until the Effective Date, the Offeror shall furnish to the Company and its advisers such information (including the information concerning the Offeror or its affiliates provided by or on behalf of the Offeror to the Company for inclusion in this Scheme Document) relating to the Offeror and its affiliates as the Company and its advisers may reasonably request for the purpose of the preparation of the Scheme Document in accordance with the Implementation Agreement and implementation of the Acquisition and the Scheme;
3. **Offeror's Letter to Shareholders:** the Offeror shall prepare the Offeror's Letter in compliance with all applicable laws and regulations, including the Code, for inclusion as part of the Scheme Document;
4. **Representation:** ensure that the Offeror, through its legal counsel, is represented at Court hearings convened for the purpose of Section 210 of the Companies Act at which, if requested by the Court, the Offeror shall do all things and take all steps as are reasonably possible to ensure the fulfilment of its obligations under the Implementation Agreement and the Scheme;
5. **Satisfaction of Consideration:** subject to the fulfilment or waiver of the Scheme Conditions, and the Scheme becoming effective, the Offeror shall be bound by the Scheme, and shall pay the Scheme Consideration pursuant to the Scheme and on the terms set out in the Implementation Agreement and the Scheme Document;
6. **Directors' Responsibility:** the Offeror shall, and shall ensure that its directors shall, take responsibility for the information relating to the Offeror and its affiliates for inclusion in the Scheme Document as required by applicable laws and regulations, including the Code;
7. **No Action:** the Offeror shall not take any action which may be prejudicial to the successful completion of the Acquisition or the implementation of the Scheme;
8. **Co-operation:** subject and without prejudice to the Offeror's legal or regulatory obligations, the Offeror shall authorise and direct its officers, employees, auditors, legal advisers and other advisers to assist and co-operate fully with the Company and its agents, counsel, auditors and advisers (only to the extent such requests for assistance or co-operation are reasonable) for the implementation of the Scheme; and
9. **Investigations and Proceedings:** the Offeror shall, during the period from the date of the Implementation Agreement up to (and including) the Relevant Date, notify the Company in the event the Offeror or any of its directors, officers or employees is the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding, subject to the Offeror having received a formal written notification from the relevant authority in relation to the same.

APPENDIX 12 LIST OF 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

**APPENDIX 13
THE SCHEME**

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OS 217/2019)

In the matter of Section 210 of
the Companies Act, Chapter 50

And

In the matter of
KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD
(Company Registration Number: 196500115G)

...Applicant

SCHEME OF ARRANGEMENT

under Section 210 of the Companies Act, Chapter 50

Between

Keppel Telecommunications & Transportation Ltd

And

Scheme Shareholders (as defined herein)

And

Keppel Corporation Limited

APPENDIX 13 THE SCHEME

PRELIMINARY

In this Scheme of Arrangement, except to the extent that the context requires otherwise, the following expressions shall bear the following respective meanings:

“Books Closure Date”	:	A date to be announced (before the Effective Date) by the Company on which the Transfer Books and the Register of Members will be closed in order to determine the entitlements of the Scheme Shareholders in respect of the Scheme
“Business Day”	:	A day (other than Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“Company”	:	Keppel Telecommunications & Transportation Ltd
“Court”	:	The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore
“Effective Date”	:	The date on which the Scheme becomes effective in accordance with its terms
“Encumbrances”	:	Any charge, mortgage, lien, hypothecation, hire purchase, judgment, encumbrance, easement, security, title retention, preferential right, trust arrangement or any other security interest or any other agreements or arrangements having a commercial effect analogous to the conferring of security or similar rights in favour of any person
“Entitled Scheme Shareholders”	:	Scheme Shareholders as at 5.00 p.m. on the Books Closure Date
“Implementation Agreement”	:	The implementation agreement dated 27 September 2018 entered into between the Company and the Offeror setting out the terms and conditions on which the Offeror and the Company will implement the Scheme
“Joint Announcement”	:	The joint announcement by the Company and the Offeror dated 27 September 2018 in relation to, <i>inter alia</i> , the Scheme
“Joint Announcement Date”	:	27 September 2018, being the date of the Joint Announcement

APPENDIX 13 THE SCHEME

“Latest Practicable Date”	:	1 March 2019, being the latest practicable date prior to the printing of the Scheme Document
“Long-Stop Date”	:	30 April 2019 (or such other date as the Company and the Offeror may agree in writing)
“Offeror”	:	Keppel Corporation Limited
“Register of Members”	:	The register of members of the Company
“Scheme”	:	The scheme of arrangement under Section 210 of the Companies Act dated 11 March 2019, in its present form or with or subject to any modification thereof or amendment or addition thereto in accordance with its terms or condition(s) approved or imposed by the Court
“Scheme Consideration”	:	S\$1.91 in cash for each Scheme Share to be paid by the Offeror to each Entitled Scheme Shareholder in accordance with the terms of the Scheme
“Scheme Document”	:	The Scheme Document dated 11 March 2019 issued by the Company to Scheme Shareholders containing, <i>inter alia</i> , details of the Scheme
“Scheme Shareholders”	:	Shareholders other than the Offeror
“Scheme Shares”	:	Shares other than those already held by the Offeror
“Securities Account”	:	The relevant securities account maintained by a depositor with CDP but does not include a securities sub-account
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share”	:	Issued and paid-up ordinary share in the capital of the Company
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd., the share registrar of the Company
“Shareholders”	:	Persons who are registered as holders of Shares in the Register of Members and depositors who have Shares entered against their names in the Depository Register
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
“Transfer Books”	:	The transfer books of the Company
“%” or “per cent.”	:	Per centum or percentage

APPENDIX 13 THE SCHEME

The terms “**depositor**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

The terms “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

The term “**Shareholder**”, in relation to any Share, includes a person entitled to that Share by transmission.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing any one gender shall, where applicable, include the other genders. References to persons shall, where applicable, include firms, corporations and other entities.

Any reference to any enactment or statute shall include a reference to any subordinate legislation and any regulation made under the relevant enactment or statute and is a reference to that enactment, statute, subordinate legislation or regulation as from time to time amended, consolidated, modified, re-enacted or replaced, whether before or after the date of this Scheme.

Any reference to a time of day is a reference to Singapore time unless otherwise stated.

RECITALS

- (A) The Company was incorporated in Singapore on 27 May 1965 and listed on the Mainboard of the SGX-ST. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$84,277,343.78 comprising 560,031,980 Shares. The Company has no treasury shares.
- (B) The primary purpose of this Scheme is the acquisition by the Offeror of all the Scheme Shares.
- (C) The Company and the Offeror have entered into the Implementation Agreement to set out their respective rights and obligations with respect to this Scheme and the implementation thereof.
- (D) The Offeror has agreed to appear by legal counsel at the hearing of the Originating Summons to sanction this Scheme, and to consent thereto, and to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

1. CONDITIONS PRECEDENT

This Scheme is conditional upon each condition precedent set out in **Clause 3.1** of the Implementation Agreement (as reproduced in **Appendix 6** to the Scheme Document) being satisfied or, subject to the terms of the Implementation Agreement, being waived on or before the Long-Stop Date.

APPENDIX 13 THE SCHEME

2. TRANSFER OF THE SCHEME SHARES

- 2.1 With effect from the Effective Date, all of the Scheme Shares held by Entitled Scheme Shareholders will be transferred to the Offeror fully paid, free from all Encumbrances and together with all rights, benefits and entitlements attaching thereto 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 to the Entitled Scheme Shareholders on or after the Joint Announcement Date.
- 2.2 For the purpose of giving effect to the transfer of the Scheme Shares provided for in **Clause 2** of this Scheme:
- (a) in the case of Entitled Scheme Shareholders (not being depositors), the Company shall authorise any person to execute or effect on behalf of all such Scheme Shareholders an instrument or instruction of transfer of all the Scheme Shares held by such Scheme Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Scheme Shareholder; and
 - (b) in the case of Entitled Scheme Shareholders (being depositors), the Company shall instruct CDP, for and on behalf of such Scheme Shareholders, to debit, not later than seven (7) Business Days after the Effective Date, all the Scheme Shares standing to the credit of the Securities Account of such Scheme Shareholders and credit all of such Scheme Shares to the Securities Account of the Offeror or such Securities Account(s) as directed by the Offeror.

3. PAYMENT OF SCHEME CONSIDERATION

- 3.1 In consideration for the transfer of the Scheme Shares to the Offeror under **Clause 2.1** of this Scheme and subject to **Clause 1** of this Scheme, the Offeror shall pay or procure that each Entitled Scheme Shareholder shall be paid the Scheme Consideration, being S\$1.91 in cash for each Scheme Share transferred pursuant to this Scheme.
- 3.2 The Offeror shall, not later than seven (7) Business Days after the Effective Date, and against the transfer of the Scheme Shares set out in **Clause 2.1** of this Scheme, make payment of the aggregate Scheme Consideration payable on the transfer of the Scheme Shares pursuant to this Scheme to:
- (a) each Entitled Scheme Shareholder (not being a depositor) by sending a cheque for the aggregate Scheme Consideration payable to such Entitled Scheme Shareholder made out in favour of such Entitled Scheme Shareholder by ordinary post to his address in the Register of Members at the close of business on the Books Closure Date, at the sole risk of such Entitled Scheme Shareholder, or in the case of joint Entitled Scheme Shareholders, to the first named Entitled Scheme Shareholder made out in favour of such Entitled Scheme Shareholder by ordinary post to his address in the Register of Members at the close of business on the Books Closure Date, at the sole risk of such Entitled Scheme Shareholders; and
 - (b) each Entitled Scheme Shareholder (being a depositor) by making payment of the aggregate Scheme Consideration payable to such Entitled Scheme Shareholder to CDP. CDP shall (i) in the case of an Entitled Scheme Shareholder (being a depositor)

APPENDIX 13 THE SCHEME

who has registered for CDP's direct crediting service, credit the aggregate Scheme Consideration payable to such Entitled Scheme Shareholder, to the designated bank account of such Entitled Scheme Shareholder and (ii) in the case of an Entitled Scheme Shareholder or joint Entitled Scheme Shareholders (being depositor(s)) who has or have not registered for CDP's direct crediting service, send to such Entitled Scheme Shareholder(s), by ordinary post to his mailing address in the Depository Register at the close of business on the Books Closure Date and at the sole risk of such Entitled Scheme Shareholder(s), a cheque for the payment of such aggregate Scheme Consideration made out in favour of such Entitled Scheme Shareholder(s).

- 3.3 The encashment of any cheque or the crediting by CDP of the aggregate Scheme Consideration in such other manner as the Entitled Scheme Shareholder may have agreed with CDP for payment of any cash distributions as referred to in **Clause 3.2** of this Scheme shall be deemed as good discharge to the Offeror, the Company and CDP for the moneys represented thereby.
- 3.4 (a) On and after the day being six (6) calendar months after the posting of such cheques relating to the Scheme Consideration, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account in the Company's name with a licensed bank in Singapore selected by the Company.
- (b) The Company or its successor entity shall hold such moneys and any moneys returned by CDP to the Company (which shall similarly be placed in the bank account referred to in **Clause 3.4(a)** of this Scheme) until the expiration of six (6) years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to **Clause 3.2** of this Scheme to persons who satisfy the Company or its successor entity that they are respectively entitled thereto and that the cheques referred to in **Clause 3.2** of this Scheme for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the Company hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to **Clause 3.1** of this Scheme.
- (c) On the expiry of six (6) years from the Effective Date, each of the Company and the Offeror shall be released from any further obligation to make any payments of the Scheme Consideration under this Scheme and the Company or its successor entity shall transfer to the Offeror the balance (if any) of the sums then standing to the credit of the bank account referred to in **Clause 3.4(a)** of this Scheme including accrued interest, subject, if applicable, to the deduction of interest, tax or any withholding tax or any other deduction required by law and subject to the deduction of any expenses.
- (d) **Clause 3.4(c)** of this Scheme shall take effect subject to any prohibition or condition imposed by law.
- 3.5 From the Effective Date, each existing share certificate representing a former holding of Scheme Shares by Entitled Scheme Shareholders (not being depositors) will cease to be evidence of title of the Scheme Shares represented thereby. The Entitled Scheme Shareholders (not being depositors) shall be required to forward their existing share certificates relating to their Scheme Shares to the Share Registrar at Keppel

APPENDIX 13 THE SCHEME

Telecommunications & Transportation Ltd c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 as soon as possible, but not later than seven (7) Business Days after the Effective Date for cancellation.

4. EFFECTIVE DATE

- 4.1 Subject to the satisfaction of the conditions precedent set out in **Clause 1** of this Scheme, this Scheme shall become effective and binding if all the Scheme Conditions have been satisfied (or, where applicable, waived) in accordance with the Implementation Agreement and upon a copy of the order of the Court sanctioning this Scheme under Section 210 of the Companies Act being duly lodged with the Accounting and Corporate Regulatory Authority of Singapore for registration.
- 4.2 Unless this Scheme shall have become effective and binding in accordance with its terms as aforesaid on or before the Long-Stop Date (or such other date as the Court on the application of the Company or the Offeror may allow), this Scheme shall lapse.
- 4.3 The Company and the Offeror may jointly consent, for and on behalf of all concerned, to any modification of, or amendment to, this Scheme or to any condition which the Court may think fit to approve or impose.
- 4.4 In the event that this Scheme does not become effective and binding in accordance with its terms for any reason, the costs and expenses incurred by the Company in connection with this Scheme will be borne by the Company.
- 4.5 This Scheme shall be governed by, and construed in accordance with, the laws of Singapore, and the Company, the Offeror and Scheme Shareholders submit to the non-exclusive jurisdiction of the courts of Singapore. A person who is not a party to this Scheme has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term or provision of this Scheme.

Dated 11 March 2019

**APPENDIX 14
NOTICE OF SCHEME MEETING**

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OS 217/2019)

In the matter of Section 210 of
the Companies Act, Chapter 50

And

In the matter of
KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD
(Company Registration Number: 196500115G)

...Applicant

SCHEME OF ARRANGEMENT

under Section 210 of the Companies Act, Chapter 50

Between

Keppel Telecommunications & Transportation Ltd

And

Scheme Shareholders (as defined herein)

And

Keppel Corporation Limited

APPENDIX 14 NOTICE OF SCHEME MEETING

NOTICE OF SCHEME MEETING

NOTICE IS HEREBY GIVEN THAT:

By an Order of Court dated 4 March 2019 made in the above matter, the High Court of the Republic of Singapore (the “**Court**”) has directed a meeting (the “**Scheme Meeting**”) of the Scheme Shareholders of Keppel Telecommunications & Transportation Ltd (the “**Company**”) to be convened and such Scheme Meeting shall be held at Suntec Singapore Convention and Exhibition Centre, Rooms 334 – 336, Level 3, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 2 April 2019 at 3.00 p.m., for the purpose of considering and, if thought fit, approving (with or without modification) the following resolution.

RESOLUTION

RESOLVED THAT the Scheme of Arrangement dated 11 March 2019 (“**Scheme**”) proposed to be made pursuant to Section 210 of the Companies Act, Chapter 50 of Singapore, between (i) the Company, (ii) the Scheme Shareholders and (iii) Keppel Corporation Limited, a copy of which has been circulated with the Notice of Scheme Meeting convening this Scheme Meeting, be and is hereby approved.

All references to the Scheme Document in this Notice of Scheme Meeting shall mean the Company’s Scheme Document to Scheme Shareholders dated 11 March 2019. All capitalised terms not otherwise defined herein shall have the meanings given to them in the Scheme Document.

By the said Order of Court, the Court has appointed Prof. Neo Boon Siong, or failing him, any director of the Company, to act as Chairman of the Scheme Meeting and has directed the Chairman to report the results thereof to the Court.

The said Scheme will be subject to, inter alia, the subsequent sanction of the Court.

Notes:

1. A copy of the said Scheme and a copy of the Explanatory Statement required to be furnished pursuant to Section 211 of the Companies Act, Chapter 50 of Singapore (“**Companies Act**”), are incorporated in the Scheme Document of which this Notice of Scheme Meeting forms part.
2. In the case of joint holders of Scheme Shares, any one of such persons may vote, but if more than one of such persons be present at the Scheme Meeting, the person whose name stands first in the Register of Members of the Company or, as the case may be, the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) shall alone be entitled to vote.
3. A Scheme Shareholder, who is entitled to attend, speak and vote at the Scheme Meeting, is entitled to appoint one (and not more than one) proxy to attend and vote at the Scheme Meeting.
4. Each Scheme Shareholder entitled to attend and vote at the Scheme Meeting, and who votes in person or by proxy at the Scheme Meeting, may only cast all the votes it uses at the Scheme Meeting in one way, namely, either for or against the Scheme.
5. A form of proxy applicable for the Scheme Meeting is enclosed with the printed document of which this Notice of Scheme Meeting forms part.
6. It is requested that Proxy Forms be lodged with the Share Registrar at Keppel Telecommunications & Transportation Ltd c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 in accordance with the instructions contained therein not less than 72 hours before the time appointed for the Scheme Meeting.
7. Please see the Scheme Document and the notes to the Proxy Form for more information.

APPENDIX 14 NOTICE OF SCHEME MEETING

Personal data privacy

By submitting an instrument appointing a proxy and/or representative to attend, speak and vote at the Scheme Meeting and/or any adjournment thereof, a Scheme Shareholder:

1. consents to the collection, use and disclosure of the Scheme Shareholder's personal data by the Company (and/or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (and/or its agents or service providers) of its proxy and/or representative appointed for the Scheme Meeting (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the Scheme Meeting (including any adjournment thereof), and in order for the Company (and/or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively the "**Purposes**");
2. warrants that where the Scheme Shareholder discloses the personal data of the Scheme Shareholder's proxy and/or representative to the Company (and/or its agents or service providers), the Scheme Shareholder has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (and/or its agents or service providers) of the personal data of such proxy and/or representative for the Purposes; and
3. agrees that the Scheme Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Scheme Shareholder's breach of warranty.

Dated this 11th day of March 2019

WongPartnership LLP
12 Marina Boulevard Level 28
Marina Bay Financial Centre Tower 3
Singapore 018982

Solicitors for
Keppel Telecommunications & Transportation Ltd

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