Proposed Merger of M1 and Starhub

24 November 2026



Keppel

Landmark Telco Combination of M1 and Starhub

Creates a Stronger Connectivity and Digital Services Group in Singapore

- The Proposed Merger will create a larger, more efficient business with greater capacity to improve customer experiences and invest in resilient networks, AI-ready capabilities and future innovation
- Reinforces the group's leading positions in the Mobile and Broadband businesses, with greater scale to improve connectivity for homes and businesses
- Material value creation, estimated at S$1.1 billion of net present value of cost synergies, with further upside from potential revenue growth as a combined entity
- The combined entity will benefit from expanded market share and revenue pools

Transaction Overview

Transaction Summary	• StarHub Ltd. ("**StarHub**") and Keppel Ltd. ("**Keppel**") announced definitive agreements to combine StarHub and M1 Limited ("**M1**") (together, the "**Combined Group**") in an all-share transaction (the "**Proposed Merger**"). • Combined Group will serve 4.1 million customers via complementary mobile, broadband, enterprise and digital services, • Robust financials - pro forma LTM June 2026 revenue and EBITDA of approximately S$2.6 billion and S$0.5 billion respectively, and a June 2026 net-debt-to-EBITDA ratio of 2.9x.
Consideration	• StarHub will issue approximately **651.7 million new shares** to M1's shareholders, representing approximately **27.4%** of the Combined Group. – Keppel will receive **546.5 million shares** or **23.0% stake**[1] • Translates to an **Enterprise Value of S$1.36 billion** for 100% of M1, factoring **S$1.1 billion** of estimated net present value of **cost synergies** – Equivalent to a pro forma value of **S$1.50**[2] **per StarHub** share

[1] On completion of the proposed merger, StarHub will be issuing approximately 651.7 million new shares to M1's shareholders, representing approximately 27.4% of the enlarged StarHub. If the stake in the enlarged StarHub is distributed by M1's shareholders to their respective shareholders, Keppel will be entitled to receive approximately a 23% stake in the enlarged StarHub.

[2] This is purely for illustration purposes and is not an indication of future share price performance

Transaction Rationale

Transaction Rationale

- Clear path to unlock capital from a non-core business
- Keppel will hold an effective interest of 23% in the enlarged Starhub[1]
  - Allows Keppel to participate in the potential upside from realisation of cost synergies (estimated at net present value of S$1.1 billion), and further revenue expansion
  - Recent examples of consolidation in the telco industry in Southeast Asia have resulted in revenue uplifts for the combined entities.
  - The liquidity of our listed stake gives
    - flexibility to unlock greater value (from any potential re-rating); and
    - cash over time to fund growth, reduce debt and reward Keppel's shareholders
- Keppel will deconsolidate M1, including an estimated net debt of $324 million[2] at completion
- Keppel will remain invested for at least 12 months to support the integration. Any share disposal after 12 months would be undertaken in a measured and orderly manner, subject to market conditions

[1] On completion of the proposed merger, StarHub will be issuing approximately 651.7 million new shares to M1's shareholders, representing approximately 27.4% of the enlarged StarHub. If the stake in the enlarged StarHub is distributed by M1's shareholders to their respective shareholders, Keppel will be entitled to receive approximately a 23% stake in the enlarged StarHub.
[2] This is based on a target net debt of $380 million, which includes certain spectrum payables.

Transaction Details

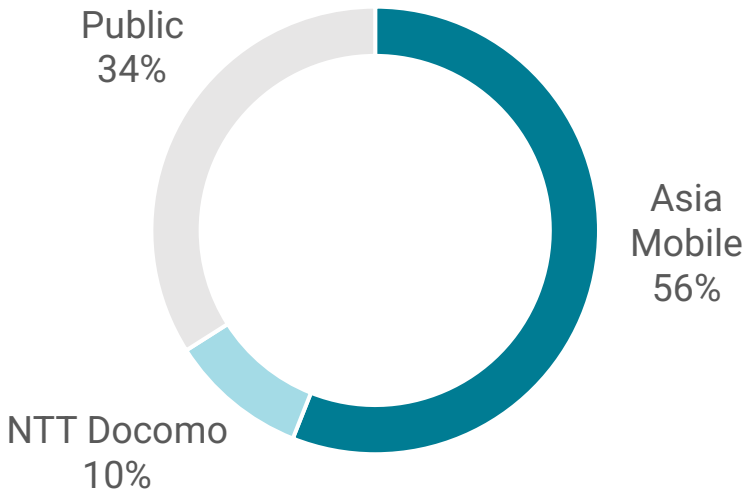
Accounting Impact	**Illustrative non-cash accounting loss** (Based on Keppel's 1H 2026 results and the carrying value of M1 as at 30 June 2026.) – S$375 million[1] based on Starhub's VWAP of S$1.01 on 23 November 2026. – S$107 million based on pro forma value of S$1.50[2] per Starhub share, including estimated synergies. • The actual financial impact will depend on Keppel's carrying value of M1 at the date of completion, Starhub's share price after the deal is completed, and any post completion adjustments.
Gains from Monetisation	• Including the pro forma accounting loss, Keppel would have realised non-core monetisation gains of approx. S$4.1 billion[3] since the start of its asset monetisation programme in October 2020.
Conditions Precedent	• There are several conditions precedent to the completion of the Proposed Merger, including: – Obtaining all requisite regulatory approvals – Obtaining shareholder approvals of the Proposed Merger at Keppel and StarHub's EGMs respectively
Advisers	• DBS Bank Ltd. (Sole Financial Adviser) | WongPartnership LLP (Legal Counsel)

[1]This is an estimated figure as transaction costs related to the Proposed Combination have not been included and the actual gain/loss on Completion will depend on the last traded price of Starhub's shares on the first market day immediately following the date of Completion, the carrying value of Keppel's effective interest in M1 Group at the date of Completion and post-completion adjustments if any.
[2] This is purely for illustration purposes and is not an indication of future share price performance
[3] This represents the approximate divestment gains/losses and revaluation gains/losses versus carrying values from the date of announcements to completion of the divestments. It includes S$3.4B of gains from the divestment of Keppel Offshore & Marine and a pro forma loss on divestment of S$375m (assuming a share price of Starhub of S$1.01) from the Proposed Transaction. The actual gain/loss on completion will depend on the last traded price of Starhub shares on the first market day immediately following the date of completion, the carrying value of Keppel's effective interest in M1 at the date of completion, and post-completion adjustments if any.

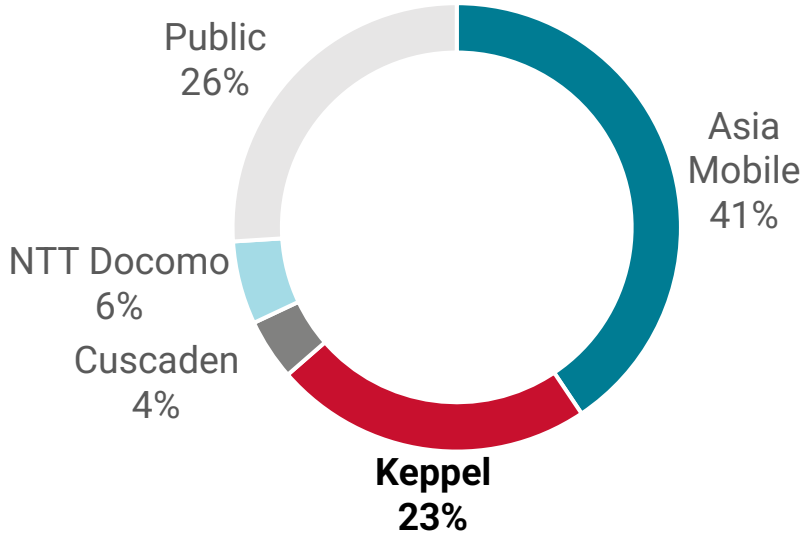
Keppel will be a substantial shareholder in the Combined Group

Keppel will remain invested for at least 12 months to support the integration. Any share disposal after 12 months would be undertaken in a measured and orderly manner, subject to market conditions.

StarHub Before Completion of Proposed Combination[1]



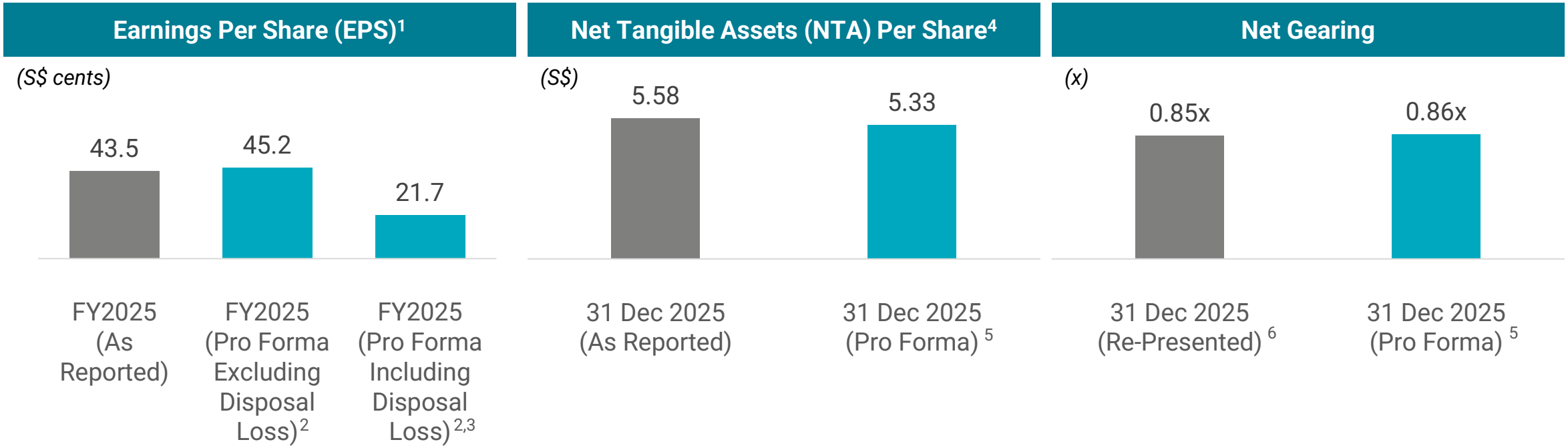
StarHub After Completion of Proposed Combination



[1] As at 30 June 2026

Pro Forma Financial Effects

Pro forma financial effects of the Proposed Combination as at 31 December 2025
(based on StarHub's VWAP of $1.01 as of 23 November 2026)



[1] The pro forma financial effects of the Proposed Combination on the FY2025 consolidated EPS of Keppel, as if the Proposed Combination was completed on 1 Jan 2025.
[2] This is an estimated figure as transaction costs related to the Proposed Combination have not been included. It includes dividends which would have been received by Keppel on a pro forma basis had it been a shareholder since 1 Jan 2025, using Keppel's effective interest of c.23% in Starhub upon Completion and the historical dividend of 6.2 cents per ordinary share paid by StarHub during FY2025. The computation assumes that Keppel will account for its stake in StarHub as an associated company carried at fair value through profit or loss and does not include any potential fair value changes on the stake. It includes a $222 million remeasurement loss arising from the proposed acquisition of M1 by Simba Telecom Pte Ltd announced in Aug 2025, which was terminated in May 2026.
[3] Includes disposal loss arising from the Proposed Combination. The actual gain/loss on Completion will depend on the last traded price of StarHub shares on the first market day immediately following the date of Completion, the carrying value of Keppel's effective interest in M1 Group at the date of Completion and post-Completion adjustments if any.
[4] The pro forma financial effects of the Proposed Combination on the consolidated NTA per Share of Keppel as at 31 Dec 2025, as if the Proposed Combination were completed on 31 Dec 2025
[5] This is an estimated figure as the change in NTA or Net Gearing will depend on actual gain/loss on Completion.
[6] End Dec 2025 net gearing of Keppel has been re-presented to include M1's net debt for comparability. As at 31 Dec 2025, M1 was classified as a disposal group classified as held for sale, and its net debt was excluded from Keppel's previously reported end Dec 2025 net gearing.

Growing potential upside

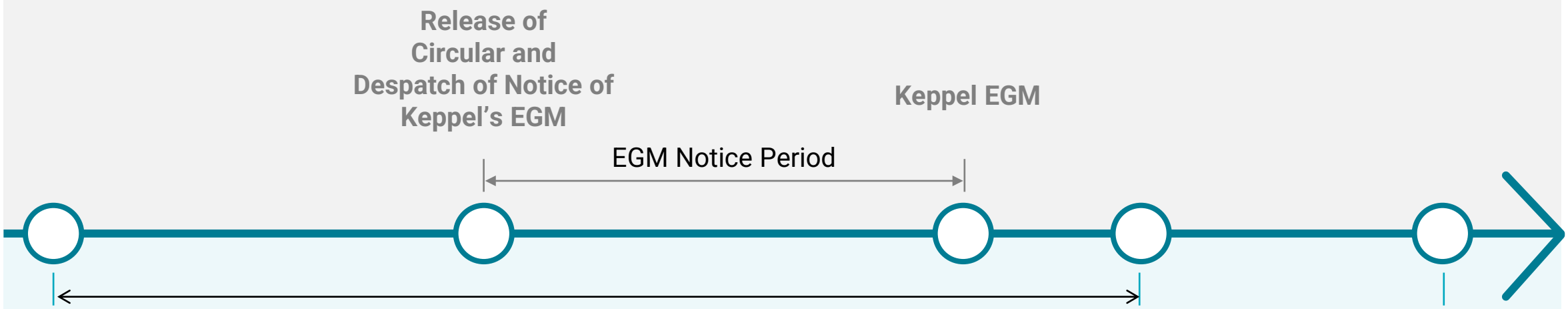
An "all-share" transaction helps the combined entity to preserve cash to support its integration and growth and allows Keppel to benefit from its upside potential

- The combined entity will be a much **more valuable company**, with **further upside potential**:
  - StarHub's share price was S$3.95 (as at 3 Jul 2015[1]) with only 3 telcos in the market, compared to $1.01 today with 4 telcos in the market.
- Remaining invested for at least 12 months would allow Keppel to **crystalise synergies** and **extract greater value**.
- **Special dividends:** At the transaction's completion, we will demerge $324 million in net debt[2], 10-15% of which will be included in special dividends. Future share monetisation will also be added to Keppel's pool for special dividends.

[1] This is based on the last market day prior to the IDA's proposal to facilitate the entry of a new mobile network operator and mobile virtual network operators (MVNOs)
[2] This is based on a target net debt of $380 million, which includes certain spectrum payables.

Expected Transaction Timeline

SGX EGM TIMELINE



24 November 2026:

- **SPA signing & SGX announcement**
- **Joint consolidation application to IMDA**
- **Application to MDDI**

Subject to IMDA's and and MDDI's review process and timeline

Outcome of IMDA & MDDI application

Completion of transaction

REGULATORY TIMELINE

The Proposed Combination is subject to shareholder approvals from both Keppel and StarHub

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