

# **Pre-conditional Voluntary General Offer for M1**

Investor presentation prepared by the Offeror

27 September 2018

# Disclaimer

*Unless otherwise defined herein, all capitalised terms which are used in this presentation shall have the meanings ascribed to them in the pre-conditional offer announcement dated 27 September 2018 (“Pre-Conditional Offer Announcement”). A copy of the Pre-Conditional Offer Announcement is available on <http://www.sgx.com>. This presentation does not capture all the terms of the Pre-Conditional Offer Announcement and shareholders are advised to read this presentation in conjunction with, and in the context of, the full text of the Pre-Conditional Offer Announcement. In the event of any inconsistency or conflict between the terms of the Pre-Conditional Offer Announcement and the information contained in this presentation, the terms of the Pre-conditional Offer Announcement shall prevail.*

*This presentation may contain forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast”, “targets” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror's 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 may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror and the Financial Advisers undertakes any obligation to update publicly or revise any forward-looking statements.*

*This material is for informational purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. It does not purport to be all-inclusive or to contain all the information that a person considering the proposed transaction described herein may require to make a full analysis of the matters referred to herein.*

# Overview of the Offer

## Key terms of the M1 Offer

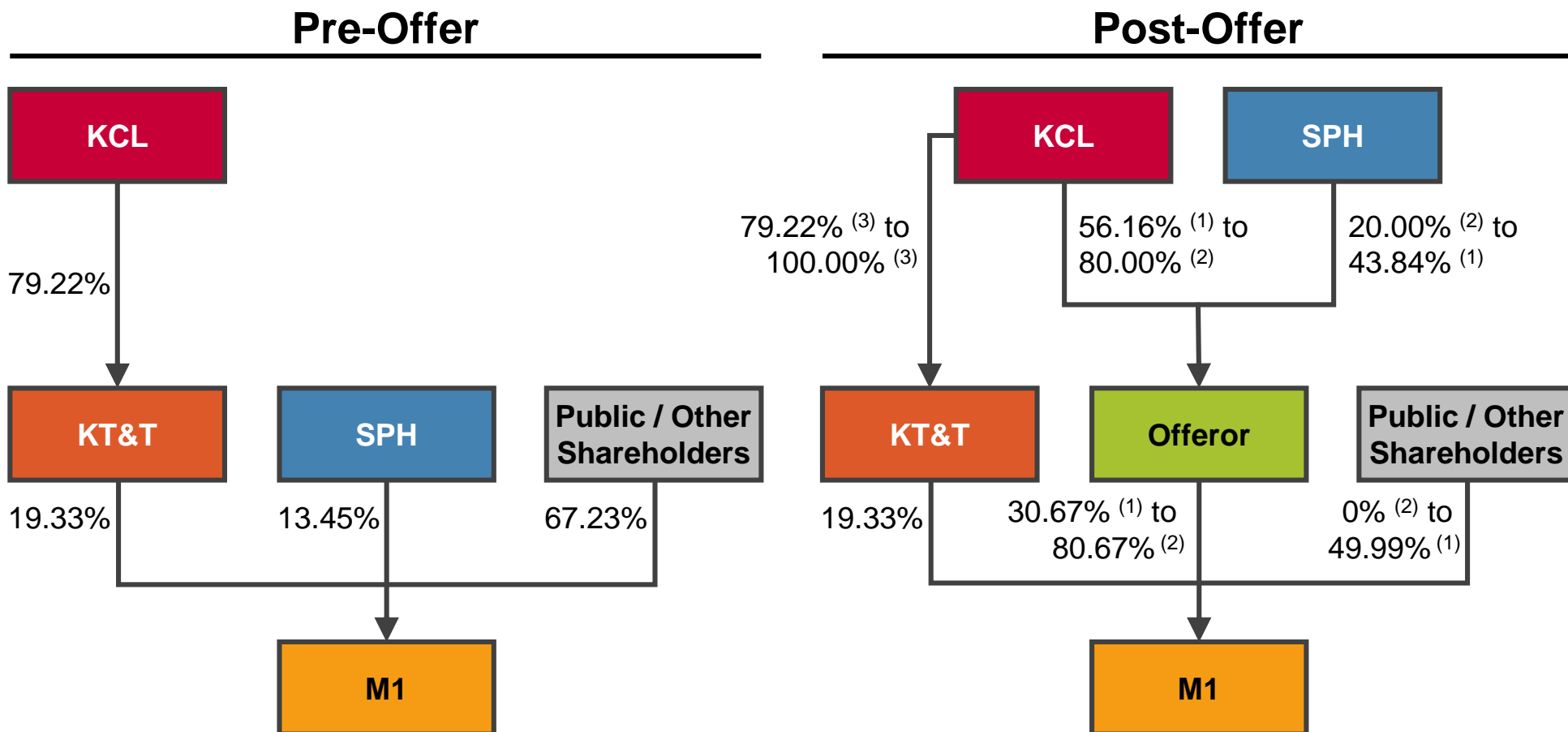
Transaction	<ul style="list-style-type: none"><li>Pre-conditional Voluntary General Offer (“Offer”) by Konnectivity Pte. Ltd. (“Offeror”) for M1 Limited (“M1”)</li><li>The Offeror is a special purpose vehicle jointly held by Singapore-listed Keppel Corporation Limited (“KCL”) and Singapore Press Holdings Limited (“SPH”), and was incorporated for the purposes of making the Offer</li><li>The Offeror and its concert parties<sup>(1)</sup> have a deemed interest of 33.27%<sup>(2)</sup> in M1</li></ul>
Intentions	<ul style="list-style-type: none"><li>If the Pre-Condition is fulfilled and the Offer is declared unconditional, the Offeror and its concert parties will become controlling shareholders of M1</li></ul>
Offer Price	<ul style="list-style-type: none"><li><b>Cash offer of S\$2.06 per M1 share</b> (“Offer Price”)</li></ul>
Undertaking	<ul style="list-style-type: none"><li>SPH Multimedia Private Limited has undertaken to roll-over all of its M1 shares, amounting to 13.45%<sup>(2)</sup> of M1, to the Offeror in exchange for a minimum 20.0% stake in the Offeror</li><li>Keppel Telecoms Pte Ltd has undertaken not to tender all of its M1 shares, amounting to 19.33%<sup>(2)</sup> of M1 pursuant to the Offer</li></ul>
Conditions	<ul style="list-style-type: none"><li>Pre-Condition: All necessary authorisations and approvals from the Info-communications Media Development Authority (“IMDA”) having been obtained and remaining in full force and effect</li><li>Minimum Acceptance Condition: The Offeror receiving sufficient acceptances such that the Offeror and its concert parties hold more than 50% of the issued share capital of M1 at the close of the Offer</li></ul>

(1) Definition of concert parties includes Keppel Telecommunications & Transportation Ltd (“KT&T”)

(2) Calculated based on 925,536,682 Shares, based on M1’s business profile extracted from the Accounting and Corporate Regulatory Authority on 26 September 2018. These figures do not factor in the potential dilutive effect of options or awards. Any discrepancy in aggregated figures are due to rounding.

# Overview of the Offer

*Potential pro forma shareholding structure of M1*



(1) Assuming Offeror and concert parties hold 50% of M1 Shares at close of Offer

(2) Assuming Offeror and concert parties hold 100% of M1 Shares at close of Offer

(3) KCL's final post-Offer shareholding in KT&T is dependent on the outcome of the KT&T Scheme

Note A: Percentage stakes calculated based on 925,536,682 M1 shares in issue, based on M1's business profile extracted from the Accounting and Corporate Regulatory Authority on 26 September 2018. Any discrepancy in aggregated figures are due to rounding.

Note B: The figures above do not factor in the potential dilutive effect of options or awards. As at the date of the Pre-Conditional Offer Announcement, there were 27,999,000 options outstanding and up to 640,700 shares subject to Awards and a further 1,533,360 shares provisionally granted which are subject to Awards.

**Konnectivity Pte. Ltd.**

# Rationale for the Offer

*Competition intensifying in the Singapore telecom industry*

## Historical Players

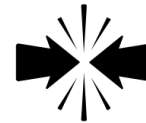
Singtel



TRG



## Emerging Players



**Intensifying competition in an already competitive market**



**Potential shifts in market share between competitors**



**Downward pressure on revenue generation and margins**

# Rationale for the Offer

*Extensive business transformation requiring long-term shareholder and management commitment*



- Digital transformation



- Cost management initiatives in both front and back-end operations



- Growth initiatives into new markets and segments



- Balance sheet optimization to unlock value from underlying infrastructure



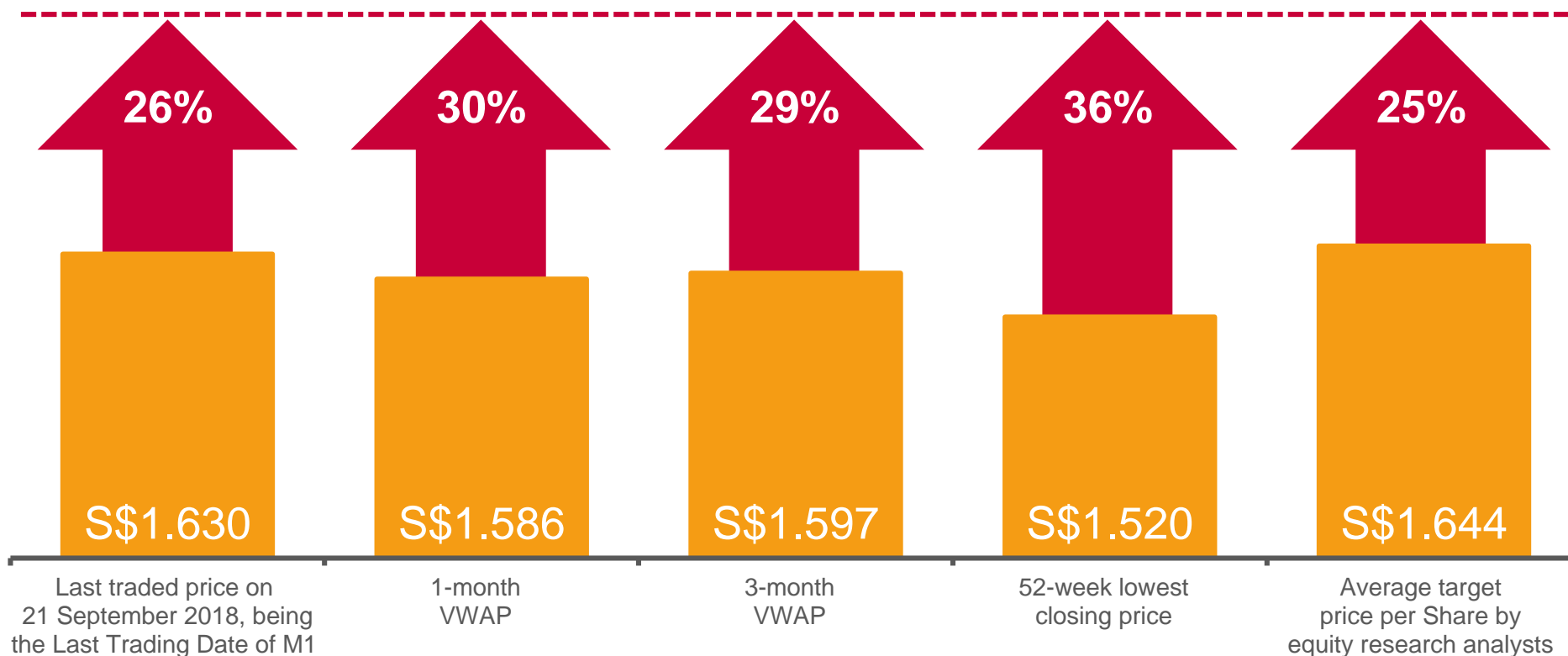
Extensive business transformation requiring long-term shareholder and management commitment

# Overview of the Offer

*Upfront premium compared to M1 historical prices*

## Offer premium to historical prices

**Offer Price: S\$2.06 per M1 share**



*Notes: Figures above are calculated based on data extracted from Bloomberg L.P. as at 21 September 2018, and rounded to the nearest 3 decimal places. Premia rounded to the nearest per. cent*

**Konnectivity Pte. Ltd.**

# Timeline of the Offer

*Key milestones assuming IMDA approval is received within 8 weeks of Announcement of the Pre-Conditional General Offer*

27 September 2018  
"A"



- Pre-Conditional Offer Announcement

A + 8 weeks

- Estimated receipt of IMDA approval, if successful
- Announcement of Firm Offer

A + 9 weeks <sup>(1)</sup>

- Despatch of Offer Document

A + 11 weeks

- Despatch of Offeree Circular with Independent Financial Adviser's Opinion

A + 15 weeks

- Earliest possible close of Offer

*(1) This assumes the SIC permits the Offer Document to be despatched on a date earlier than 14 days after the Firm Offer Announcement*



# Responsibility Statement

- The directors of the Offeror (including any director who may have delegated detailed supervision of this Presentation) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Presentation are fair and accurate and that there are no other material facts not contained in this Presentation, the omission of which would make any statement in this Presentation misleading.
- Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from M1, the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Presentation.
- The directors of the Offeror jointly and severally accept responsibility accordingly.

# Investor Enquiries

- Investor enquiries relating to the Offer should be directed to:

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