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**VOLUNTARY PRE-CONDITIONAL CASH PARTIAL OFFER**

by

# Morgan Stanley

**Morgan Stanley Asia (Singapore) Pte.**

(Incorporated in Singapore)

(Company Registration No.: 199206298Z)

for and on behalf of

**Kyanite Investment Holdings Pte. Ltd. (the “Offeror”)**

(Incorporated in Singapore)

(Company Registration No.: 201931922E)

an indirect wholly-owned subsidiary of

**Temasek Holdings (Private) Limited (“Temasek”)**

(Incorporated in Singapore)

(Company Registration No.: 197401143C)

to acquire such number of Shares in the capital of

## Keppel Corporation Limited

(Incorporated in Singapore)

(Company Registration No.: 196800351N)

other than those already owned, controlled or agreed to be acquired by  
the Offeror Concert Party Group,

which would result in the Offeror and Temasek having  
an aggregate direct holding in 51.00 per cent. of the total number of Shares in the capital of  
Keppel Corporation Limited in issue (excluding Shares held in treasury) as at the Record Date

### ANNOUNCEMENT

#### Clarification on The Business Times article published on 17 June 2020

Reference is made to the pre-conditional partial offer announcement by Morgan Stanley Asia (Singapore) Pte. (“**Morgan Stanley**”) on 21 October 2019 for and on behalf of the Offeror in relation to the voluntary pre-conditional cash partial offer (the “**Partial Offer**”) by the Offeror in relation to Keppel Corporation Limited (the “**Company**”).

On 17 June 2020, The Business Times published an article titled “*Impairment for Keppel unit Floatel clouds fate of Temasek’s offer*” (the “**BT Article**”). Morgan Stanley, as the sole financial adviser to the Offeror in relation to the Partial Offer, has issued a clarificatory response to the BT Article (the “**Morgan Stanley’s Clarification**”). A copy of Morgan Stanley’s Clarification is appended.

The directors of the Offeror (including any director who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

Issued by

**Morgan Stanley Asia (Singapore) Pte.**

For and on behalf of

**Kyanite Investment Holdings Pte. Ltd.**

21 June 2020

Singapore

*Forward-Looking Statements*

*All statements other than statements of historical facts included in this Announcement are or may be 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, Temasek and Morgan Stanley undertakes any obligation to update publicly or revise any forward-looking statements.*

*Any inquiries relating to the Partial Offer should be directed during office hours to:*

**Morgan Stanley Asia (Singapore) Pte.**

**Tel: (65) 6834 6676**

## **Appendix**

### **Morgan Stanley's Clarification**

Dear Editor,

I refer to the article titled "Impairment for Keppel unit Floatel clouds fate of Temasek's offer" published by the Business Times on 17 June 2020. Morgan Stanley Asia (Singapore) Pte. is advising Kyanite Investment Holdings Pte. Ltd. (the "**Offeror**") on its voluntary pre-conditional cash partial offer (the "**Offer**") for Keppel Corporation Limited (the "**Company**").

The article referred to analyst commentary about the Material Adverse Change ("**MAC**") clause in the Offer. The S\$500m threshold for "provision for proceedings" referred to in the article relates only to the total provisions attributable to any claim, litigation, investigation or proceeding to which a member of the Group (being the Company and its subsidiaries and associated companies) is subject.

Potential additional accounting impairments of Floatel or KrisEnergy referred to in the article (and any other accounting impairments that the Company would record) would not be taken into account in determining whether this threshold is met.

Such accounting impairments would typically affect net asset value and net profit after tax. In this context, the relevant thresholds by which a MAC could occur as a result of accounting impairments would be the thresholds for net asset value and for the cumulative net profit after tax but before non-controlling interests (the "**PAT**"). This would be based on the Group's latest available financial statements when all other pre-conditions have been satisfied (the "**Latest Financials**").

Such thresholds include:

- (i) If the net asset value of the Group as at the end of the financial period in the Latest Financials is lower than S\$10.3 billion, which would represent a decrease in the net asset value of the Group by at least 10 per cent from that stated in the Group's 30 September 2019 financials; or
- (ii) If the cumulative PAT of the Group for the 12 months up to and including the end of the financial period in the Latest Financials is lower than S\$556.9 million, which would represent a decrease of at least 20 per cent from the cumulative PAT of the Group for the 12 months ended 30 September 2019 of S\$696 million.

Given the importance of these MACs to the pre-conditions to the Offeror making the Offer, we feel it is important to ensure shareholders of the Company have clarity on the matters canvassed by analysts, and reported in The Business Times, and the impact they may have on the Offer. Of course, if there are any material developments or updates, the Offeror will make the required disclosures on the SGX.

Jonathan Pflug  
Head of South East Asia M&A | Head of Singapore Coverage  
Morgan Stanley | Investment Banking Division