

KEPPEL LTD.

**M1: FROM PRIVATIZATION TO
DIVESTMENT, WHAT HAS
KEPPEL ACHIEVED?**

AUG 2025

**CORPORATE
MONITOR LIMITED**



CORPORATE MONITOR
— ACTIVISM+ —

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EXECUTIVE SUMMARY

Keppel's sale of M1 to SIMBA generated a lot of interest. However, the most important question goes unanswered: Did Keppel make money since the privatization of M1 in 2018?

Keppel has been reticent about this question, which is odd as this goes to the heart of Keppel's Vision 2030 transformation plan: to be a global asset manager with Funds Under Management of S\$200 billion. Keppel has insisted that its operating capability differentiates it from other money managers such as Blackstone, Brookfield, KKR, Carlyle, TPG, etc. Connectivity is a main business unit of Keppel, and M1 has been a key business within this vertical.

In the media and analyst briefing session on 11 August 2025, Keppel's CFO would only say that "The privatization has also yielded a positive IRR".

Corporate Monitor concluded that the privatization has not produced any meaningful profit. Keppel indeed made money from M1 since 1994 as a founding shareholder, but practically all of the gain was made from 1994 to 2018. During this period Keppel was a minority shareholder and did not have management control. Its stake before the privatization was 19.33%. After the privatization in 2018, Keppel had a majority (83.9%) and appointed the senior management of M1.

Our analysis was based primarily on two documents (see links attached): (1) M1 Offer and K T & T Scheme, Investor Presentation 27 September 2018¹ (we shall refer to as "Privatization Offer Document") and (2) transcript of the media and analyst briefing dated 11 August 2025² (we shall refer to as "Analyst Briefing Document").

In doing the analysis, we used a methodology called Total Value to Paid In Capital³ ("TVPI"), a standard calculation used in private equity, which is a big part of Keppel's asset under management. All asset managers use this metric.

Based on the Privatization Offer Document, from 1994 to the eve of privatization, Keppel received S\$737 million in dividends and proceeds from sale of some shares, and retained a stake of 19.33% stake in M1, which had a market value of S\$291.2 million as of September 2018. Based on the valuation in the privatization offer, this stake would be worth S\$368.9 million. Keppel invested S\$170 million over the years since 1994.

So as of September 2018, Keppel's TVPI was a very impressive 6.51x! (Total value of S\$1,106 million comprising the S\$737 million of dividend and proceeds plus S\$368.9 million of residual value, divided by cost of S\$170 million). This is a "knock the ball out of the park" performance in any investment, even by private equity standard. However, as noted before, Keppel was just a minority shareholder in M1 and did not have management control. In any case, it was before Keppel's Vision 2030 transformation plan.

¹ Privatization Offer Document – <https://links.sgx.com/1.0.0/corporate-announcements/26JVPDJ1RRHEJEV8/b5d3962e6fc27825492a972ac6b5fe00b958fa2626fbe7c1f338df90c61862e8>

² Analyst Briefing Document – <https://links.sgx.com/1.0.0/corporate-announcements/80CDIQ05HMGi9PWP/bee492a6aaaf3d6e664b0b12b54f87d5f82f3c1c91fcd43b4607e97032ce586b>

³ TVPI Definition – <https://www.moonfare.com/glossary/total-value-to-paid-in-capital-tvpi>

According to the Analyst Briefing document, from 1994 to the sale of M1 in August 2025, Keppel would have received total cash proceeds of S\$2.1 billion, as well as retaining the ICT business of M1, which has a carrying value of S\$300 million. (This S\$300 million amount is subject to adjustment.) So the Total Value is S\$2.4 billion. The total investment by Keppel over this 1994-2025 period was S\$1.4 billion. In other words TVPI for this period is 1.71x. This is a lot lower than the 6.51x from 1994 to 2018.

We used the two sets of numbers to compute the TVPI for 2018 to 2025. The total additional value during this period is S\$1.3 billion (being S\$2.4 billion minus S\$1.1 billion). The additional investment amount is S\$1.23 billion (S\$1.4 billion minus S\$170 million). So the TVPI is 1.05x! In other words, Keppel essentially did not make money from 2018 to 2025. So for all the talk of being a leading global asset manager with operating capability unmatched by the much larger global peers, Keppel as a majority owner of M1 essentially did not deliver value!

If there were further write-down of the carrying value of the retained ICT business, Keppel might well have lost money. As a sensitivity analysis, if the ICT business is instead worth only S\$200 million, this will mean the total additional value is only S\$1.2 billion, against the additional investment of S\$1.23 billion.

Corporate Monitor (“CML”) published a report on Keppel and M1 in October 2024. We already noted that since the privatization, M1’s net profit had declined to S\$75 million in 2022, from S\$131 million in 2018. In 2023 and 2024, Keppel stopped disclosing M1’s net profit. Based on our calculation, M1 was also seeing declining Return on Equity (“ROE”), to 14% in 2022. This is nowhere near the ROE target of 25%⁴ that Keppel set for M1 in 2019. We also questioned Keppel's decision to not write down the carrying value of M1, including goodwill.

So in conclusion, most of the value creation from M1 happened during 1994 to 2018, when Keppel was a minority shareholder. The additional investment of S\$1.23 billion at the time of privatization basically recovered cost at best. If the value of the retained ICT business is adjusted downwards, this meagre cost recovery may well turn into a loss.

The even bigger question was what did M1 say about Keppel’s performance as an operator-investor. This could have been a great demonstration of Keppel’s operator advantage, which Keppel claims sets it apart from other asset managers. Keppel invested an additional S\$1.23 billion to take M1 private in 2018, when it was apparent that the telecommunications business in Singapore was getting competitive, maybe even cutthroat. As noted earlier, M1’s profits and ROE both declined significantly since 2018. While it is easy to blame the market competition, StarHub staged a strong rebound in 2023, but Keppel chose instead to stop disclosing M1’s profit. Keppel finally acknowledged a S\$222 million accounting loss in August 2025, after resisting doing it for years.

To succeed in becoming a global asset manager, Keppel should be more forthcoming in disclosing its investment track record. M1 is the most appropriate example, on account of the size of investment, familiarity (founding shareholder since 1994), control, and being part of a Keppel key business unit. However, Keppel remained reticent or provided a confusing set of numbers and statements.

⁴ Corporate Monitor Report – Keppel: Does M1 Reveal an Investor-Operator Advantage? – <https://corporate-monitor.org/keppel-an-investor-operator-advantage-case-study-of-m1-report-2/>

1. BACKGROUND: KEPPEL & M1



M1 Limited (“M1”) was founded by Keppel Limited (“Keppel”), Singapore Press Holdings (“SPH”) and partners in August 1994 and was listed on the Singapore Exchange (“SGX”) on 4 December 2002. It was then delisted and taken private by Keppel and SPH on 15 April 2019 and since then, has been majority owned by Keppel.

At the point of privatization, Keppel’s rationale⁵ for the offer was that,

- (1) majority control allows Keppel and SPH to better support M1 management to transform the business.
- (2) Keppel Group’s mission as a solutions provider for sustainable urbanization, providing connectivity as a consumer digital platform and part of the solutions for smart cities.
- (3) The transaction was earning accretive, expanding Keppel’s revenue streams and base of recurring income.

A few months after the privatization, on 23 October 2019, Keppel revealed its transformation plan for M1. A ROE target of 25%⁶ was set by Keppel at that point of time. A management team was also appointed, which will work closely with Keppel’s other business units, to execute the transformation plan.

Fast forward to 11 August 2025, Keppel announced the plan to divest M1’s telco business to Simba Telecom. Keppel will retain the ICT business of M1 and certain assets (together referred to as “Excluded Assets”), which is intended to complement Keppel’s integrated connectivity business, including data centres and subsea cables.

Keppel’s justification for the proposed divestment⁷ is that the deal

- (1) will strengthen Singapore’s telco sector and benefit both the industry and consumers.
- (2) is in line with Keppel’s strategy as an asset-light global asset manager and operator, and will sharpen Keppel’s focus within its Connectivity segment on digital infrastructure.
- (3) unlocks close to S\$1.0 billion in cash proceeds, which can be channelled to new growth opportunities, lower the company’s debt or reward shareholders.

⁵ Privatization Offer Document –

<https://links.sgx.com/1.0.0/corporate-announcements/261VPD11RRHEJFV8/b5d3962e6fc27825492a972ac6b5fe00b958fa2626fbc7c1f338df90c61862e8>

⁶ Analyst Briefing Document –

<https://links.sgx.com/1.0.0/corporate-announcements/80CDIQ05HMGi9PWP/bee492a6aaaf3d6e664b0b12b54f87d5f82f3c1c91fcd43b4607e97032ce586b>

⁷ Keppel sale of M1 telco business Presentation –

<https://links.sgx.com/1.0.0/corporate-announcements/KELWOT89HREQ4ONF/39e5a3c8f72d203e90a39d26e3bb25994dd18cfbb96d008123012324e3dba4d>

2. PRIVATIZATION OF M1 HAS ACHIEVED LITTLE

2.1 KEPPEL'S RETURN FROM PRIVATIZATION IS LACKLUSTRE

Total Value to Paid-in Capital⁸ ("TVPI") is a standard calculation used to measure performance in private equity, which is a big part of Keppel's asset under management. All asset managers use this metric. Total Value ("TV") is the sum of the cash proceeds during the investing period plus the remaining value of the investment. Paid In Capital ("PI") is simply the investing cost. TVPI is a ratio of TV divided by PI.

TVPI of more than 1 indicates a positive return and a higher number means a greater return. Conversely a TVPI of less than 1 means a negative return. TVPI of 1 means the investment just recovered cost without earning any returns.

In this section, we will use TVPI across 3 important time periods of Keppel-M1 history to evaluate the value brought about to Keppel,

- (1) **1994 – 2025:** Founding of M1 till Divestment of M1
- (2) **1994 – 2018:** Founding of M1 till Privatization of M1 (Keppel as a minority shareholder)
- (3) **2018 – 2025:** Privatization of M1 till Divestment of M1 (Keppel as a majority shareholder)

****Note: We used 2018 instead of 2019 as the figures are extracted from the Privatization offer document released to shareholders in 2018, while the privatization was completed only in 2019.***

According the Analyst Briefing document, from 1994 to the sale of M1 in August 2025, Keppel received total cash proceeds of S\$2.1 billion, as well as retaining the ICT business of M1, which has a carrying value of S\$300 million. (This S\$300 million amount is subject to adjustment.) So the Total Value is S\$2.4 billion. The total investment by Keppel over this 1994-2025 period was S\$1.4 billion. In other words TVPI for this period is 1.71x.

From 1994 to the eve of privatization, Keppel received S\$737 million in dividends and proceeds from sale of some shares, and retained a stake of 19.33% stake in M1, which had a market value of S\$291.2 million as of September 2018. Based on the valuation in the privatization offer, this stake would be worth S\$368.9 million. Keppel invested S\$170 million over the years since 1994.

So as of September 2018, Keppel's TVPI was a very impressive 6.51x! (Total value of S\$1,106 million comprising the S\$737 million of dividend and proceeds plus S\$368.9 million of residual value, divided by cost of S\$170 million). This is a "knock the ball out of the park" performance in any investment, even by private equity standard. However, as noted before, Keppel was just a minority shareholder in M1 and did not have management control. In any case, it was before Keppel's Vision 2030 transformation plan.

We used the two sets of numbers to compute TVPI for 2018 to 2025. The total additional value during this period is S\$1.3 billion (being S\$2.4 billion minus S\$1.1 billion). The additional investment amount is S\$1.23 billion (S\$1.4 billion minus S\$170 million). So the TVPI is only 1.05x!

⁸ TVPI Definition – <https://www.moonfare.com/glossary/total-value-to-paid-in-capital-tvpi>

In other words, Keppel essentially did not make money from 2018 to 2025. So for all the talk of a leading global asset manager with operating capability unmatched by the much larger global peers, Keppel as a majority owner of M1 essentially did not deliver value!

Worse, there is the opportunity cost of the S\$1.23 billion that Keppel invested in M1 at the time of privatization. In the hands of a good investor (the kind Keppel aspires to be), this should a TVPI of 2x, a very low bar for 7 years. In other words, Keppel could have made at least S\$1 billion, if it had invested in another company and produced the return normally expected of such an investment.

The results are summarized in the table below.

	1994 - 2025	1994 - 2018	2018 - 2025
Time Period	Overall holding period	Pre-Privatization	Post-Privatization
Keppel's Role	Shareholder	Minority shareholder	Majority Shareholder
Keppel's Shareholdings	Varies	19.33% (prior to privatization)	83.9%
(a) Keppel's Cost of Investment	S\$1.4 billion	S\$170 million	S\$1.23 billion ⁹ (S\$1.4b – S\$170m)
(b) Value of Keppel's Stake**	S\$2.4 billion	S\$1.1 billion (S\$737m + S\$368.9m)	S\$1.3 billion (S\$2.4b - S\$1.1b)
TVPI (b/a)	1.71x	6.51x	1.05x

****Note: Computations of Value of Keppel's stake can be found in Appendix A,B,C**

Figure 1: Table reflecting the TVPI of Keppel's investment in M1 across different time periods

⁹ Keppel's 2019 Annual Report, Page 199 – which is consistent with taking S\$1.4b (total cost over 1994-2025) and minus off S\$170m (Total cost over 1994-2018)

2.2 SENSITIVITY ANALYSIS: IF EXCLUDED ASSETS VALUE FALL MORE THAN 20%, PRIVATIZATION OF M1 BECOMES A LOSS FOR KEPPEL

The TVPIs calculated for the different periods above are not definitive because the value of the Excluded Assets (ICT business and certain assets), which is the residual value of Keppel's remaining investment in M1, is subject to adjustments, according to Keppel's announcement. The Excluded Assets is currently valued by Keppel to be S\$300 million. This may change depending on adjustment of goodwill attributed to the ICT business.

Based on the sensitivity table below (Figure 2), if the value of the Excluded Assets were to fall by 20%, to S\$240 million, then TVPI would become 1.0x which means Keppel barely broke-even for the privatization of M1. If the value falls more than 20%, this privatization would have been a loss for Keppel.

		Value of Keppel's Stake				
% Change from Base (S\$300m)	Carrying Value of Excluded Assets (S\$)	(a) 1994-2025 (S\$)	(b) 1994-2018 (S\$)	(b-a) 2018-2025 (S\$)	Keppel's Cost of Investment 2018-2025 (S\$)	TVPI
-30%	210m	2.31bn	1.1bn	1.20bn	1.23bn	0.98x
-20%	240m	2.34bn	1.1bn	1.23bn	1.23bn	1.0x
-10%	270m	2.37bn	1.1bn	1.26bn	1.23bn	1.03x
0%	300m	2.40bn	1.1bn	1.29bn	1.23bn	1.05x
10%	330m	2.43bn	1.1bn	1.32bn	1.23bn	1.07x
20%	360m	2.46bn	1.1bn	1.35bn	1.23bn	1.1x
30%	390m	2.49bn	1.1bn	1.38bn	1.23bn	1.12x

Figure 2: Sensitivity Table reflecting the impact of 2018-2025 TVPI based on the sensitivity of the carrying value of the Excluded Assets

3. UNANSWERED QUESTIONS ON KEPPEL'S INVESTOR-OPERATOR ADVANTAGE

CML published a report on 29 October 2024, “Keppel: Does M1 Reveal an Investor-Operator Advantage?” and called attention to M1’s declining financial performance. CML raised a couple of questions which unfortunately were not addressed by Keppel.

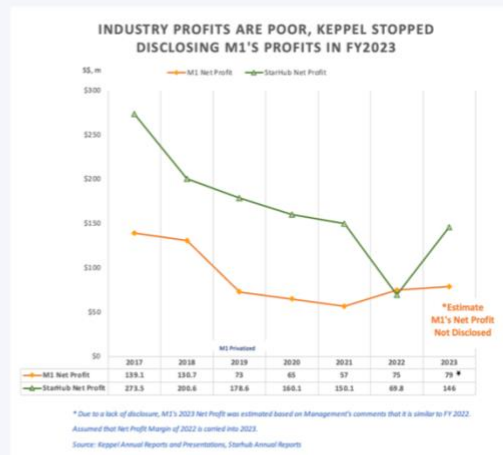
The questions are more relevant today because they go to the heart of Keppel’s 2030 Transformation Plan to become a global asset manager. Keppel prides itself on its operating capability, which differentiates it from other money managers such as Blackstone, Brookfield, KKR, Carlyle, TPG, etc. The argument is that Keppel is able to deliver better results because of its unique operating capability.

M1 therefore is the most relevant case study to evaluate Keppel’s investor-operator advantage. It is also a rare window as Keppel does not disclose its investment performance track record, which is key to Keppel’s march towards a fund under management of S\$200 billion. M1 is down Keppel’s fairway because it is a key part of Keppel’s connectivity business, which in turn is one of Keppel’s key business verticals. In addition, Keppel has been a founding shareholder of M1, and therefore familiar with M1, before it gained control of M1 in 2019.

3.1 WHY DID M1’S PROFITS DECLINE SIGNIFICANTLY POST-PRIVATIZATION?

M1'S REVENUE GREW SLIGHTLY BUT NET PROFIT NEARLY HALVED

For benchmarking, M1’s performance is placed against its closest comparator, StarHub. SingTel, due to the difference in business models and its global scope, is not an appropriate comparator. However, where relevant, SingTel’s performance is used to provide more industry context.



Over the past few years, StarHub had double-digit revenue growth in Enterprise but this did not make up for the drastic fall in Consumer revenue. M1 managed to better compensate the decline in the Consumer segment by growth in the Enterprise segment. **Both faced the issue of declining profits. StarHub and M1 saw their profits approximately halve, for the period from 2017 to 2023.**

M1’s CEO, Manjot Mann, instead of speaking of a turnaround, described the current landscape as “a tough market to be in” [11] and the numbers reflect it. Disappointingly, Keppel had ceased reporting the net profit of M1 since FY2023.

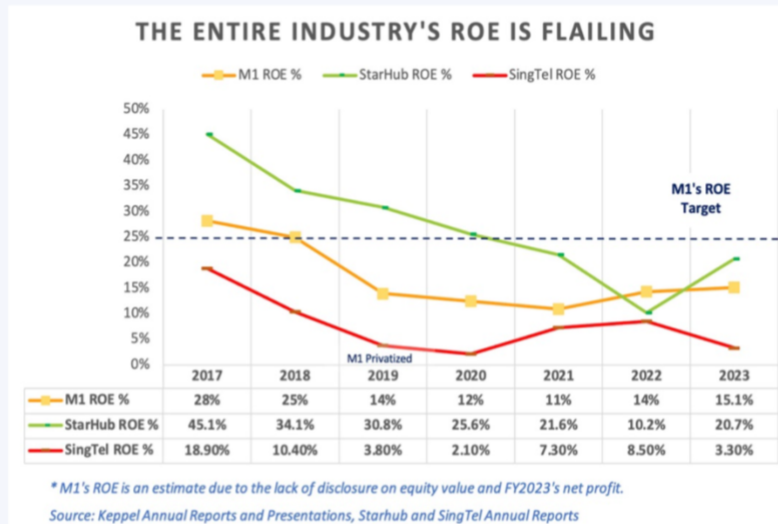
Source: Corporate Monitor Report - “Keppel: Does M1 Reveal an Investor-Operator Advantage”, Pg 6

CML noted that the profitability of M1 was declining post-privatization despite revenue growing. **Keppel instead stopped disclosing M1's profit in 2023 and 2024.**

3.2 M1's 25% ROE TARGET – WAS IT ABANDONED?

M1: ROE TARGET OF 25% APPEARS TO NOT HAVE BEEN MET

ROE is a measure of creation of shareholder value. For M1's privatisation specifically, Keppel had set a target return of 25%, which it apparently failed to meet based on our calculations. StarHub and Singtel, both larger competitors to M1, have also seen their ROE decline to below 25%.



M1's current performance is clearly lower than its pre-privatization days of 2018.

After reporting net profits of \$75m in FY2022, Keppel stopped disclosing M1's profits. As such, CML assumed M1 retains its NPM% and estimates its FY2023 profits to be \$79m. After making conservative assumptions on its equity base, we place its ROE to be around 15%. These current figures are a far cry from M1's pre-privatization state.

CML assumes M1's equity value to be constant post privatisation. In reality, M1's equity value could have increased due to retained earnings or additional capital; in which case, the ROE will be even lower.

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Source: Corporate Monitor Report - "Keppel: Does M1 Reveal an Investor-Operator Advantage", Pg 7

Before the privatization, M1's Return on Equity ("ROE") was close to 25%, so a target of 25% did not appear to be demanding. It was a goal Keppel set in 2019. However, based on CML's calculation, M1's ROE apparently declined post-privatization, and the gap with the 25% target was widening. Keppel also stopped mentioning the 25% ROE target in its annual reports or public announcements.

It is easy to blame the market for M1's poor performance. However, Starhub, which is a close comparable to M1, managed to turnaround its business and see an upward trend in profitability and ROE from 2022 to 2024 (10.1% to 22.8%) (Please see CML's report on Starhub issued in July 2025). We do not know if M1 also turned around but Keppel chose not to report the results.

3.3 WHY DID KEPPEL NOT WRITE DOWN THE CARRYING VALUE OF M1?

DECLINING PROFITS – IS M1 STILL WORTH THE VALUE IN 2019?

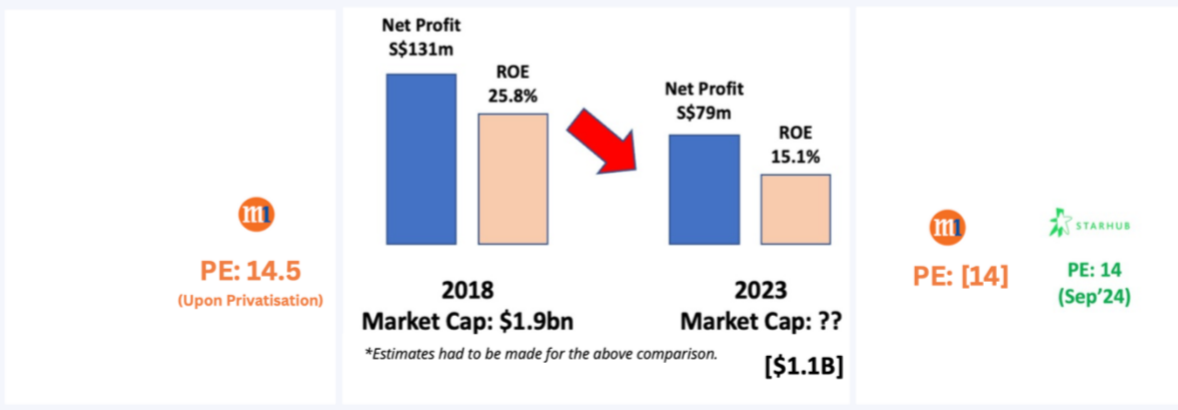
A CURIOUS CASE OF GOODWILL

In 2019, the Group obtained controlling interest in M1 and Keppel recorded a goodwill of \$988m upon the M1 acquisition.

Despite the struggle in performance over the years, the goodwill was never once impaired. As of FY2023, it sits on Keppel's Balance Sheet per its original amount of \$988m. This is justified by Keppel using a DCF value based on a 5-year projection and extrapolated using a terminal growth rate.

CML would like to raise the following questions:

- (a) Why did Keppel not consider corroborating the valuation derived from PE multiple method, which is commonly used in equity markets? Based on our estimation, the valuation has significantly declined and the goodwill impaired.
- (b) Why did Keppel use a more favourable terminal growth rate (from 1.48% to 2%) and a lower discount rate (from 7.9% to 7.2%) in FY2023? M1's performance and market outlook were not getting better.
- (c) Has Keppel changed the projection significantly between 2022 and 2023?



Source: Corporate Monitor Report - "Keppel: Does M1 Reveal an Investor-Operator Advantage", Pg 8

The very significant declines in M1 profit begs the question of why Keppel did not write down the value of M1 on its balance sheet. Instead, Keppel used more optimistic assumptions in the discounted cashflow valuation to justify not writing down the massive goodwill of close to S\$1 billion associated with M1.

Although with this divestment, Keppel announced a S\$222 million accounting loss, no details were given. Should the value of the Excluded Assets be adjusted downwards, such accounting loss may increase. **CML again calls on Keppel to provide more transparency on its valuation and the accounting loss on M1.**

4. APPENDICES

4.1 APPENDIX A: Value of Keppel's Stake – 1994 to 2025¹⁰

(1994-2025)	S\$
(a) Cash Proceeds received during 1994-2025	S\$2.1 billion
(b) Carrying Value of Excluded Assets (ICT business & other assets)	S\$300 million
(a + b) Total Value of Keppel's Stake 1994-2025	S\$2.4 billion

4.2 APPENDIX B: Value of Keppel's Stake – 1994 to 2018¹¹

(1994-2018)	S\$/%
(a) Keppel's Stake at Privatization	19.33%
(b) M1 Privatization Valuation	Total shares: 926,402,953 Offer price per M1 share: S\$2.06 Valuation: S\$1.9 billion
(a x b = c) Keppel's Stake Value at Privatization	S\$368.9 million
(d) Dividends and Proceeds Received 1994-2018	S\$737 million
(c + d) Total Value of Keppel's Stake 1994-2018	S\$1.1 billion

4.3 APPENDIX C: Value of Keppel's Stake – 2018 to 2025

(2018-2025)	S\$
(a) Total Value of Keppel's Stake 1994-2025	S\$2.4 billion
(b) Total Value of Keppel's Stake 1994-2018	S\$1.1 billion
(a - b) Total Value of Keppel's Stake 2018 - 2025	S\$1.3 billion

¹⁰ Analyst Briefing Document –

<https://links.sgx.com/1.0.0/corporate-announcements/80CDIQ05HMGIPWP/bee492a6aaaf3d6e664b0b12b54f87d5f82f3c1c91fcd43b4607e97032ce586b>

¹¹ Privatization Offer Document –

<https://links.sgx.com/1.0.0/corporate-announcements/26JVPD1RRHEJEV8/b5d3962e6fc27825492a972ac6b5fe00b958fa2626fbc7c1f338df90c61862e8>

M1 Delisting Announcement –

<https://links.sgx.com/1.0.0/corporate-announcements/Z0QJ7Q2EX4KYMN6L/9e6cf96f8e14b4cd51b0049f4f8a2fe4ddd433528baa100d49fbac3e05296cd0>

4.4 APPENDIX D: Analyst Briefing Document

BRIEFING TO MEDIA AND ANALYSTS BY KEPPEL'S SENIOR MANAGEMENT ON 11 AUGUST 2025 ON THE SALE OF M1'S TELCO BUSINESS TO SIMBA¹

Address by Mr Loh Chin Hua, CEO of Keppel Ltd.

Good morning, editors, journalists and analysts.

Thank you for attending this briefing at short notice. The divestment of M1 is a topic that many of you have asked, and also written about.

Today, we are pleased to share that Keppel has entered into an agreement to divest M1's telco business to Simba Telecom. You would have seen our announcement this morning.

The proposed transaction strengthens Singapore's telco sector and can benefit both the industry and consumers by bringing together two agile and innovative companies.

It brings together M1's digitally transformed, cloud-native network with its ability to deliver hyper-personalised services through an advanced tech stack, as well as Simba's innovative digital consumer model.

Together, they can pool resources for more synergies on network and infrastructure, creating a nimble and competitive digital-first telco that can scale more efficiently and contribute to Singapore's digital economy.

We believe the enlarged entity would be better placed to accelerate investments into 5G and digital infrastructure, boosting service quality while contributing to more resilient networks and a future-ready digital ecosystem. It would also better enable investments in future technologies to make the business more resilient and responsive in cybersecurity, AI and sustainability.

Simba had put forward the strongest bid from among interested parties and we expect its combination with M1 to create further revenue pools and career opportunities as they have the least overlap in resources.

Simba's bid is a compelling all-cash offer at an attractive valuation, which reflects Keppel's successful transformation of M1 from a traditional telco into a digital first network operator since its privatisation in 2019.

Let me now invite our CFO Kevin to brief you on the details of the proposed transaction, as well as Keppel's strategic rationale for the divestment.

Address by Mr Kevin Chng, CFO of Keppel Ltd.

Thank you, Chin Hua. Good morning everyone.

Let me now briefly outline the agreement that Keppel has entered into, to divest M1's telco business to Simba Telecom.

¹ Please also refer to the presentation slides which have been released on SGXNET.

As shown on the screen, Simba will acquire M1's telco business which is represented by entities within the red box on the left hand side of the slide.

Prior to completion of the Proposed Transaction, M1's ICT business under AsiaPac Technology Holding Pte. Ltd., investments held by M1 Telinet, and M1's leasehold interest in MiWorld will be carved out from the Proposed Transaction.

These are referred to as Excluded Assets and are shown in the grey box on the right hand side of the slide.

The Proposed Transaction values M1's telco business at an enterprise value of S\$1.43 billion.

This represents an attractive valuation of 7.3x EV/EBITDA, compared to the valuation of comparable peers in the market. It reflects the significant transformation that M1 has undertaken over the past few years since its privatisation in 2019. The privatisation has also yielded a positive IRR.

Importantly, Keppel will receive close to S\$1.0 billion² in cash for our 83.9% effective stake in M1.

We expect to post an estimated accounting loss of S\$222 million³ from this transaction, taking into consideration effects of goodwill and intangibles associated with the telco business.

The key point to note is that this transaction crystallises value from Keppel's investment in M1 over the years, which I will elaborate further later.

During our engagement with interested bidders, Simba had put forward the strongest bid, with an all-cash offer at an attractive valuation.

There are several conditions precedent to the completion of the Proposed Transaction, including obtaining the relevant approvals from IMDA and restructuring the M1 Group to carve out the Excluded Assets.

Keppel has invested a total of \$1.4 billion in M1 over the years, including our initial investment in 1994 and our subsequent privatisation of M1 in 2019.

With the Proposed Transaction, we expect to receive total cash proceeds of about \$2.1 billion from our investment in M1, inclusive of dividends and divestment proceeds received from 1994 to 2025.

² Subject to post-completion adjustments in accordance with the terms of the SPA.

³ The estimated loss on divestment to Keppel excludes transaction cost related to the Proposed Transaction and is an approximated figure computed on a pro forma basis, assuming the Proposed Transaction had been effected on 30 June 2025. The actual loss on divestment on Completion will depend on the estimated Consideration which is subject to post-Completion adjustments and the carrying value of Keppel's effective interest in the Restructured M1 Group, including the goodwill (which arose from the acquisition of M1 by the Group in 2019) to be attributed to the carrying value of Keppel's effective interest in the Restructured M1 Group, at the date of Completion.

Overall, our investment in M1 is expected to result in net cumulative cash proceeds of more than \$700 million. This is on top of another over \$300 million⁴ in carrying value of the Excluded Assets that Keppel will retain.

Chin Hua has explained why the transaction strengthens the Singapore telco sector.

This is also an attractive transaction for Keppel. Let me briefly highlight our strategic rationale and key considerations.

First, the proposed divestment is in line with Keppel's strategy as an asset-light global asset manager and operator. This will sharpen the Company's focus in general, and also within our Connectivity segment, in particular on digital infrastructure.

Second, as mentioned earlier, this unlocks close to S\$1.0 billion in cash proceeds, which can be channeled to invest in growth opportunities, based on New Keppel's business model, lower the Company's debt or reward shareholders.

At the same time, Keppel will retain M1's high-growth ICT business, alongside certain excluded assets. We have grown M1's ICT business over the past few years. It is aligned with and will complement Keppel's connectivity business, including data centres and subsea cables.

To illustrate the financial impact of the transaction: Keppel's 1H 2025 Pro Forma EPS will improve from 20.8 cents to 21.3 cents per share, excluding the one-off divestment loss effects from the Proposed Transaction.

Including the divestment loss, the Pro Forma EPS will reduce to 9.1 cents per share.

Pro Forma NTA of Keppel as of 30 June 2025 will increase from S\$4.72 per share to S\$5.29 per share.

Pro Forma net debt to EBITDA of New Keppel as of 30 June 2025 will improve from 2.4x to 1.7x.

We are working towards completing the proposed transaction over the next few months, subject to regulatory approval by IMDA.

It is important to note that the Proposed Transaction does not require any shareholder approvals from Keppel nor the Purchaser.

This brings me to the end of my presentation. Let me now hand the floor back to Chin Hua.

⁴ Carrying value is based on Keppel's 83.9% effective stake as at 30 June 2025, including goodwill attributed to ICT business which will be re-assessed at completion of the Proposed Transaction.

4.5 APPENDIX E: PRIVATIZATION OFFER DOCUMENT (EXTRACTS)

Overview of the M1 Offer

- **Pre-conditional Voluntary General Offer (“Offer”) for M1 Limited (“M1”) by** Konnectivity Pte. Ltd. (“Offeror”)
- **Offeror is a special purpose vehicle majority held by Keppel Corporation Limited (“KCL”)**; Singapore Press Holdings Limited has undertaken to roll-over its M1 shares and maintain a minimum shareholding of 20% in the Offeror
- The Offer Price amounts to a cash consideration of **S\$2.06 per M1 share**
- The Offer Price implies an EV/EBITDA ⁽¹⁾ multiple of **7.6x** and a P/E ⁽¹⁾ multiple of **14.3x**
- **Offer is conditional** upon:
 1. All necessary authorisations and approvals from the Info-communications Media Development Authority (“IMDA”) having been obtained and remaining in full force and effect
 2. 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

(1) Based on the Offer Price, 925,536,682 M1 shares in issue excluding treasury shares and the potential dilutive effect of options or awards, and the last twelve months' earnings up to 30 June 2018.

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Overview of the M1 Offer

Long-term shareholder of M1



- In 1994, **Keppel and SPH established M1** with consortium partners Hong Kong Telecom and Cable & Wireless
- Worked with and supported M1 as a long-term shareholder of **more than 20 years**
- Keppel has **invested S\$170m** over the years, and in return has **received S\$737m of dividends and proceeds** from sale of some shares. In addition, Keppel's present 19.33% stake (held through KT&T) has a market value of **S\$291.2m** as at 21 September 2018

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Source: <https://links.sqx.com/1.0.0/corporate-announcements/26JVPDJ1RRHEJEV8/b5d3962e6fc27825492a972ac6b5fe00b958fa2626fbe7c1f338df90c61862e8>

Overview of the M1 Offer

KCL's rationale for the Offer

1. Majority control allows KCL and SPH to **better support** M1 management to **transform the business**
2. Complements the Keppel Group's mission as a solutions provider for sustainable urbanisation, providing **connectivity** as a **consumer digital platform** and part of **the solutions for smart cities**
3. Transaction **earnings accretive**, expanding KCL's revenue streams and base of recurring income



Source: <https://links.sgx.com/1.0.0/corporate-announcements/26JVPDJ1RRHEJEV8/b5d3962e6fc27825492a972ac6b5fe00b958fa2626f7c1f338df90c61862e8>

4.6 APPENDIX F: M1 DELISTING ANNOUNCEMENT (EXTRACTS)

- (e) the announcement dated 6 March 2019 ("**Compulsory Acquisition Announcement**") made by the Offeror, *inter alia*, that:
- (i) as at 5.00 p.m. (Singapore time) on 6 March 2019, the total number of Shares owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with the Offeror (including valid acceptances of the Offer), amount to an aggregate of 854,143,523 Shares, representing approximately 92.20 per cent. of the total number of Shares;
 - (ii) as the Offeror has received valid acceptances pursuant to the Offer or otherwise acquired Shares following the Commencement Date other than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date), the Offeror is entitled, and intends, to exercise its

*For computation of number of shares at Privatization

Source: <https://links.sgx.com/1.0.0/corporate-announcements/ZOQJ7Q2EX4KYMNL/9e6cf96f8e14b4cd51b0049f4f8a2fe4ddd433528baa100d49fbac3e05296cd0>

4.7 APPENDIX G: KEPPEL'S 2019 TRANSFORMATION PLAN FOR M1 (EXTRACTS)

Transforming M1

M1 is being transformed from a telco into a provider of connectivity solutions as part of the Keppel Group.

- M1's privatisation was an opportunity to turn around a business that Keppel knows well.
- We have a clear plan. There are risks and challenges ahead, but we are confident of overcoming them and creating value.
 - *Strengthening current offerings while developing new markets*
 - *Focusing on collaboration as part of the Keppel Group, e.g. smart cities, smart yards and data centres.*
 - *Unlocking opportunities in the B2C business through cross-selling services*
 - *Creating future-ready solutions – tapping a spectrum of 5G applications and use cases*
- M1, supported by Keppel and SPH, has a capable and experienced team to execute the transformation plans.

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The Future of M1

- **Digital First customer experience leader**
- **Leader in the telecoms industry NPS**
 - **Target ROE: 25%***



* ROE target disclosed in Keppel Corporation's 1Q 2019 results announcement.
M1 achieved ROE of 25.8% in 2018.



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Integral part of Keppel

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Source: <https://links.sqx.com/1.0.0/corporate-announcements/RWUEXO8PLPGK3Y0L/a2c1d029c89a4b3727d0b09c15d9698365b38b23776cf134efa3bf1bfffede7c7>