



**SINGAPORE PRESS HOLDINGS LIMITED**  
(Registration No. 198402868E)  
Incorporated in the Republic of Singapore

---

**COLLABORATION WITH KEPPEL CORPORATION LIMITED IN THE  
PRE-CONDITIONAL VOLUNTARY GENERAL OFFER FOR M1 LIMITED**

---

**1. INTRODUCTION**

- 1.1 The board of directors (the “**Board**” and the directors, the “**Directors**”) of Singapore Press Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that:
- (a) the Company is collaborating with Keppel Corporation Limited (“**KCL**”) to undertake a pre-conditional voluntary general offer for M1 Limited (“**M1**”) through Connectivity Pte Ltd (the “**Offeror**”), a special purpose vehicle which will be majority-held by KCL; and
  - (b) the Offeror has today announced (the “**Pre-Conditional Offer Announcement**”) that, subject to the satisfaction of the Pre-Condition (as referred to in paragraph 2.1 of this Announcement), the Offeror intends to make a voluntary conditional general offer (the “**Offer**”) for all the issued and paid up ordinary shares in the capital of M1 (excluding treasury shares) (the “**M1 Shares**”), other than those M1 Shares already owned, controlled, or agreed to be acquired by the Offeror, its related corporations and their respective nominees, in accordance with Rule 15 of the Singapore Code on Takeovers and Mergers (the “**Code**”).
- 1.2 **Pre-Conditional Offer Announcement.** The Pre-Conditional Offer Announcement is set out in Schedule 1 to this Announcement. Shareholders of the Company (the “**Shareholders**”) are advised to read the Pre-Conditional Offer Announcement in full as specific details of the Offer are contained therein. Capitalised terms in this Announcement shall (unless otherwise defined or the context otherwise requires) have the same meaning ascribed to them in the Pre-Conditional Offer Announcement.
- 1.3 **The Offeror.** The Offeror was incorporated in the Republic of Singapore for the purposes of making the Offer and its shareholders are Keppel Konnect Pte. Ltd. (“**KKPL**”), a wholly-owned subsidiary of KCL, and SPH Multimedia Private Limited (“**SMPL**”), a wholly-owned subsidiary of the Company. Please refer to paragraphs 4.2 and 4.3 below for the shareholding proportions of KKPL and SMPL in the Offeror. Further information on the Offeror, KCL, KKPL, the Company and SMPL are set out in paragraph 6 of the Pre-Conditional Offer Announcement.
- 1.4 **Chapter 10 of the Listing Manual.** This announcement is made in compliance with Chapter 10 of the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading

Limited (the “SGX-ST”) and should be read in conjunction with the Pre-Conditional Offer Announcement.

## 2. DETAILS OF THE OFFER

2.1 **Pre-Condition.** The making of the Offer will be subject to the satisfaction of the following pre-condition (the “Pre-Condition”) on or before 5.00 p.m. on the date falling six months from the date of Pre-Conditional Offer Announcement (the “Pre-Conditional Offer Announcement Date”) or such later date as the Offeror may determine in consultation with the Securities Industry Council (the “Cut Off Date”):

(a) all authorisations, clearances, licences, orders, confirmations, consents, exemptions, grants, permissions, registrations, recognitions, clearances and other approvals from the Info-communications Media Development Authority of Singapore necessary or appropriate for or in connection with (i) the Offer; or (ii) the acquisition of control of any of M1 or its subsidiaries arising from or in connection with the Offer (the “Authorisations”):

(i) having been obtained;

(ii) if such Authorisations are subject to conditions precedent or conditions, such conditions precedent or conditions are reasonably acceptable to the Offeror and have been fulfilled on or before the Cut Off Date; and

(iii) such Authorisations remaining in full force and effect,

and all necessary statutory or regulatory obligations in connection with the Offer and the acquisition of control of any of M1 or its subsidiaries arising from or in connection with the Offer and their implementation in any jurisdiction having been complied with.

If and when the Pre-Condition is satisfied by the Offeror, an announcement will be made by the Offeror of its firm intention to make the Offer (the “Firm Offer Announcement”). However, in the event that the Pre-Condition is not satisfied on or before the Cut Off Date, the Offer will not be made and the Offeror will issue an announcement confirming that fact as soon as reasonably practicable. Accordingly, all references to the Offer in this Announcement refer to the possible Offer which will only be made if and when the Pre-Condition is satisfied.

**Shareholders should note that there is no certainty that the Pre-Condition will be satisfied and that the Offer will be made. Shareholders are advised to exercise caution when dealing in the shares of the Company (the "Shares").**

2.2 **Offer Consideration.** The consideration for each Offer Share will be S\$2.06 in cash (the “Offer Price”). The Offer Price was arrived at taking into account, *inter alia*, the Company's indirect interest in M1 held through SMPL and the prevailing and historical market price of M1 Shares.

2.3 **Minimum Acceptance Condition.** The Offer, if and when made, will be conditional on the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of M1 Shares which, when taken together with M1 Shares owned by the Offeror and parties acting or deemed to be acting in concert with it, will result in the Offeror and parties acting or deemed to be acting in concert with it holding more than 50% of the M1 Shares in issue as at the close of the Offer.

- 2.4 **Terms and Conditions of the Offer and the Options Proposal.** Please refer to paragraph 3 of the Pre-Conditional Offer Announcement for the terms and conditions of the Offer.

The Offeror also intends to make an Options Proposal to Optionholders (each as defined in the Pre-Conditional Offer Announcement) pursuant to the Option Schemes (as defined in the Pre-Conditional Offer Announcement) if the Offer is made. Please refer to paragraph 4 of the Pre-Conditional Offer Announcement for the terms and conditions of the Options Proposal.

- 2.5 **Irrevocable Undertaking to accept the Offer.** As at the Pre-Conditional Offer Announcement Date, SMPL holds 124,453,000 M1 Shares (representing approximately 13.45% of the M1 Shares<sup>1</sup>) and the Company has a deemed interest in the 124,453,000 M1 Shares held by SMPL.

As disclosed in paragraph 8 of the Pre-Conditional Offer Announcement, SMPL has provided an irrevocable undertaking to the Offeror (the "**SMPL Irrevocable Undertaking**"), pursuant to which SMPL has, amongst other things, unconditionally and irrevocably undertaken to the Offeror:

- (a) to tender all of the M1 Shares held by it in acceptance of the Offer;
- (b) not to accept (or permit the acceptance of) any competing offer; and
- (c) waive its rights under Rule 30 of the Code to receive the cash consideration payable to it by the Offeror under the terms of the Offer in consideration of the Offeror issuing new shares in the Offeror (the "**Offeror Shares**") to SMPL following the valid tender of all of SMPL's M1 Shares in acceptance of the Offer.

The SMPL Irrevocable Undertaking shall lapse and be of no further force and effect:

- (i) if the Pre-Condition is not satisfied by Cut-Off Date;
- (ii) if the Firm Offer Announcement is not released within two (2) business days of the satisfaction of the Pre-Condition; or
- (iii) on the date on which the Offer (including any revised or improved Offer by or on behalf of the Offeror) closes, lapses, fails to become or be declared unconditional or is withdrawn other than as a result of SMPL breaching its obligations under the SMPL Irrevocable Undertaking,

whichever is the earliest.

- 2.6 **Rationale for the Offer.** The Offeror's rationale for the Offer is stated in paragraph 9 of the Pre-Conditional Offer Announcement.

### 3. INFORMATION ON M1, KCL AND KT&T

- 3.1 **M1.** M1 is incorporated in Singapore and was listed on the Main Board of the SGX-ST on 4 December 2002. The principal activities of the M1 and its subsidiaries (the "**M1 Group**") are

---

<sup>1</sup> All references in this Announcement to the total number of M1 Shares are based on 925,536,682 M1 Shares (excluding treasury shares), based on M1's business profile extracted from the Accounting and Corporate Regulatory Authority on 26 September 2018.

the provision of telecommunications services, international call services and fixed services, retail sales of telecommunications equipment and accessories, and customer services. Please refer to paragraph 7 of the Pre-Conditional Offer Announcement for further information on M1.

- 3.2 **Book Value.** Based on the audited consolidated financial statements of the M1 Group for the financial year ended 31 December 2017, the book value of the M1 Group attributable to SMPL's full effective stake of 16.13% in M1 under the Maximum Acceptances Scenario (as defined in paragraph 4.4 below) (the "**Full Effective Stake**") was approximately S\$69.2 million as at 31 December 2017. Based on the unaudited consolidated financial statements of the M1 Group for the six months ended 30 June 2018, the book value of the M1 Group attributable to SMPL's Full Effective Stake was approximately S\$82.0 million as at 30 June 2018.
- 3.3 **Asset Value.** Based on the audited consolidated financial statements of the M1 Group for the financial year ended 31 December 2017, the net tangible asset value of the M1 Group attributable to SMPL's Full Effective Stake was approximately S\$43.7 million as at 31 December 2017. Based on the unaudited consolidated financial statements of the M1 Group for the six months ended 30 June 2018, the net tangible asset value of the M1 Group attributable to SMPL's Full Effective Stake was approximately S\$57.8 million as at 30 June 2018.
- 3.4 **Market Value.** The market value of SMPL's Full Effective Stake which has been calculated based on the volume weighted average price of S\$1.646 per M1 Share for all trades transacted on the SGX-ST on 21 September 2018, being the last full trading day prior to the date of this Announcement, is approximately S\$253.8 million<sup>2</sup>.
- 3.5 **Net Profits.** Based on the audited consolidated financial statements of the M1 Group for the financial year ended 31 December 2017, the audited net profit before income tax, minority interests and extraordinary items of the M1 Group attributable to SMPL's Full Effective Stake was approximately S\$26.2 million for the financial year ended 31 December 2017. Based on the unaudited consolidated financial statements of the M1 Group for the six months ended 30 June 2018, the unaudited net profit before income tax, minority interests and extraordinary items of the M1 Group attributable to SMPL's Full Effective Stake was approximately S\$13.9 million for the six months period ended 30 June 2018.
- 3.6 **KCL and KKPL.** KCL is a public company incorporated in Singapore and listed on the Main Board of the SGX-ST. The principal activities of the companies in KCL's group consist of (i) offshore oil-rig construction, shipbuilding & ship repair and conversion; (ii) environmental engineering, power generation, logistics and data centres; (iii) property development & investment; and (iv) investments and asset management. The subsidiaries of KCL include, amongst others, (a) Keppel Offshore & Marine Limited; (b) Keppel Land Limited; (c) Keppel Infrastructure Holdings Pte Ltd; (d) Keppel Telecommunications & Transportation Ltd ("**KT&T**"); and (e) Keppel Capital Holdings Pte Ltd.
- 3.7 **KT&T and KTPL.** As stated in paragraph 6.3 of the Pre-Conditional Offer Announcement, as at the date of this Announcement:
- (i) KCL has an interest in 79.22% in the issued share capital of KT&T; and

---

<sup>2</sup> Calculated based on the maximum potential issued share capital of M1.

- (ii) KT&T has an interest in 178,864,000 M1 Shares (representing approximately 19.33% of the M1 Shares) which is held through Keppel Telecoms Pte Ltd (“**KTPL**”) (as its wholly-owned subsidiary). Accordingly, KCL is deemed interested in the M1 Shares held by KTPL.

KT&T and KTPL are related corporations of the Offeror, and the M1 Shares which are held by KTPL are excluded from the Offer. KTPL has also undertaken not to tender any M1 Shares held by it in acceptance in the Offer.

#### **4. PARTICIPATION IN THE OFFER**

4.1 In connection with the Offer:

- (a) the Company has entered into a joint transaction agreement with KCL to, *inter alia*, regulate the conduct of the Offer (the “**JTA**”); and
- (b) SMPL has provided the SMPL Irrevocable Undertaking to the Offeror as mentioned in paragraph 2.5 above;
- (c) SMPL has entered into a shareholders’ agreement with KKPL, KTPL, a wholly-owned subsidiary of KT&T and the Offeror to, *inter alia*, regulate their relationship as concert parties in relation to M1 and agree on their voting rights in relation to certain matters which relate to M1 and to regulate KKPL’s and SMPL’s relationship *inter se* as shareholders of the Offeror.

4.2 **SMPL’s Initial Holding in the Offeror.** As at the date of this Announcement, SMPL and KKPL have an initial holding of 20.00% and 80.00% of the total number of Offeror Shares respectively.

4.3 **Post Closing Shareholding Adjustments.** Under the JTA, the final shareholding percentage of SMPL and KKPL in the Offeror will be adjusted after the close of the Offer by way of issuance of new Offeror Shares to SMPL and KKPL, provided that:

- (a) SMPL shall have an effective interest in at least 13.45% of M1;
- (b) KKPL shall at all times have a shareholding interest in at least 50.00% of the total number of Offeror Shares; and
- (c) SMPL shall at all times have a shareholding interest in at least 20.00% of the total number of Offeror Shares,

(collectively, the “**Post Closing Shareholding Adjustment**”). Accordingly, depending on the level of acceptances of the Offer, SMPL’s eventual shareholding in the Offeror will range from a minimum of 20.00% to a maximum of 43.84%, and SMPL’s effective interest in M1 will range from 13.45% to 16.13%<sup>3</sup>.

---

<sup>3</sup> Excluding any M1 Shares which may be unconditionally issued pursuant to the valid exercise of the Options (as defined in the Pre-Conditional Offer Announcement) or the valid vesting and release of the Awards (as defined in the Pre-Conditional Offer Announcement) prior to the close of the Offer.

The issuance of new Offeror Shares to SMPL is expected to take place in two tranches, as follows:

- (i) the first tranche of Offeror Shares shall be issued on the settlement date for the M1 Shares which have been tendered by SMPL in acceptance of the Offer; and
- (ii) a further tranche of Offeror Shares shall be issued after the close of the Offer, pursuant to the Post Closing Shareholding Adjustment.

Please refer to paragraph 6.5 of the Pre-Conditional Offer Announcement for further details of the Post Closing Shareholding Adjustment.

- 4.4 **Additional Funding.** Depending on the level of acceptances of the Offer, in the event that the level of acceptances under the Offer exceeds 67.23%<sup>4</sup>, SMPL would be required to fund the consideration payable by the Offeror for such additional portion of M1 Shares which SMPL is deemed to have an interest in above 13.45% (by paying such amount in cash to the Offeror in consideration of additional number of Offeror Shares to be issued to SMPL as is required for SMPL to maintain its shareholding interest in the Offeror at 20.00%). If the acceptance level does not cross 67.23%, no cash consideration is payable by SMPL to the Offeror for its Offeror Shares.

Assuming full acceptance of the Offer by public shareholders of M1 (excluding M1 Shares held by KTPL which are excluded from the Offer) at the Offer Price (the “**Maximum Acceptances Scenario**”)<sup>5</sup>, SMPL’s effective interest in M1 will increase from 13.45% to 16.13%, and the maximum amount payable to the Offeror in such event is envisaged to be approximately S\$51.3 million (the “**Cash Consideration**”).

- (a) **Source of Funding.** The Company will fund the Cash Consideration from internal cash and/or external funding sources.

## 5. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

Assuming the Maximum Acceptances Scenario and based on:

- (a) the unaudited consolidated financial statements of the Group for the six-month period ended 31 May 2018 (being the latest announced consolidated accounts for the Group; and
- (b) the unaudited consolidated financial statements of the M1 Group for the six-month period ended 30 June 2018 (being the latest announced consolidated accounts for the M1 Group),

the relative figures in relation to the Offer computed on the applicable bases as set out in Rule 1006 of the Listing Manual and based on:

---

<sup>4</sup> This scenario excludes any M1 Shares which may be unconditionally issued pursuant to the valid exercise of the Options (as defined in the Pre-Conditional Offer Announcement) or the valid vesting and release of the Awards (as defined in the Pre-Conditional Offer Announcement) prior to the close of the Offer.

<sup>5</sup> This scenario excludes any M1 Shares which may be unconditionally issued pursuant to the valid exercise of the Options (as defined in the Pre-Conditional Offer Announcement) or the valid vesting and release of the Awards (as defined in the Pre-Conditional Offer Announcement) prior to the close of the Offer.

- (i) only the increase in SMPL's effective stake in M1 by 2.69% from 13.45% to 16.13% under the Maximum Acceptances Scenario (the "**Incremental Effective Stake**"); and
- (ii) SMPL's Full Effective Stake,

are as follows:

Rule 1006	Bases	Relative Figures	
		Incremental Effective Stake	Full Effective Stake
(b)	Net profits attributable to the assets acquired, compared with the Group's net profits <sup>(1)</sup>	1.8%	10.9%
(c)	Aggregate value of the consideration given <sup>(2)</sup> , compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares and management shares <sup>(3)</sup>	1.1%	6.9%

**Notes:**

- (1) Under Rule 1002(3)(b) of the Listing Manual, net profits is defined as profit before income tax, minority interests and extraordinary items. The net profit figures are based on the unaudited consolidated financial statements of the Group for the six-month period ended 31 May 2018 and the unaudited consolidated financial statements of the M1 Group for the six-month period ended 30 June 2018.
- (2) Based on (a) the Cash Consideration of approximately S\$51.3 million in the case of the Incremental Effective Stake, and (b) the aggregate of (i) the Cash Consideration of approximately S\$51.3 million and (ii) the aggregate value of the 124,453,000 M1 Shares held by SMPL based on the Offer Price in the case of the Full Effective Stake.
- (3) Based on the total of 1,598,353,733 Shares, and the volume-weighted average traded price of the Shares of S\$2.800 on 26 September 2018, being the last market day immediately preceding the date of this Announcement.

As the relative figures under Rules 1006(b) and Rule 1006(c) of the Listing Manual do not exceed 20%, the Offer, if undertaken and completed, will not constitute a transaction which requires shareholders' approval for the purposes of Chapter 10 of the Listing Manual.

## 6. FINANCIAL EFFECTS

6.1 **Bases and Assumptions.** The pro forma financial effects as set out below are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Group following the close of the Offer.

The pro forma financial effects have been prepared based (i) on the audited consolidated financial statements of the Group for the financial year ended 31 August 2017 ("**FY2017**") and (ii) the audited consolidated financial statements of the M1 Group for the financial year ended 31 December 2017 and the financial year ended 31 December 2016, and subject to the following assumptions:

- (a) completion of the Offer had occurred on 31 August 2017 for the purposes of illustrating the financial effects on the consolidated net tangible assets (“**NTA**”) per Share of the Group;
- (b) completion of the Offer had occurred on 1 September 2016 for the purposes of illustrating the financial effects on the consolidated earnings per Share (“**EPS**”) of the Group; and
- (c) the Maximum Acceptances Scenario in that there is full acceptance of the Offer, whereby SMPL is required to fund the Cash Consideration of approximately S\$51.3 million.

6.2 **NTA.** Assuming that completion of the Offer had occurred on 31 August 2017, the financial effect on the NTA per Share as at 31 August 2017 would be as follows:

	<b>Before completion of the Offer</b>	<b>After completion of the Offer</b>
NTA (S\$'000)	3,283,955	3,317,557
Number of Shares ('000)	1,614,974	1,614,974
NTA per Share (S\$)	2.033	2.054

6.3 **EPS.** Assuming that completion of the Offer had occurred on 1 September 2016, the financial effect on the EPS for FY2017 would be as follows:

	<b>Before completion of the Offer</b>	<b>After completion of the Offer</b>
Consolidated net profit attributable to Shareholders (S\$'000)	350,085	358,318
Weighted average number of issued Shares (excluding treasury shares)	1,615,083	1,615,083
Consolidated EPS (S\$)	0.217	0.222

## 7. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

### 7.1 Interests

- (a) Dr. Lee Boon Yang, the Chairman of the Company, is also the Non-Executive Chairman of KCL and has an interest in 290,000 shares of KCL (“**KCL Shares**”). Dr. Lee Boon Yang has abstained from all deliberations and decisions of the Board in relation to the Offer.

- (b) Mr. Quek See Tiat, a director of the Company, has (i) a direct interest in 22,000 KCL Shares; (ii) a deemed interest in 48,000 KCL shares, and (iii) a deemed interest in 64,000 M1 Shares.

Save as disclosed in this Announcement and the Pre-Conditional Offer Announcement, none of the Directors has any interests, direct or indirect, in the Offer, other than through their respective shareholding interests in the Company. The Company has no controlling Shareholders.

## 7.2 Directors' Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Offer.

## 8. DOCUMENTS FOR INSPECTION

A copy of the SMPL Irrevocable Undertaking will be made available for inspection during normal business hours at the Company's registered office at 1000, Toa Payoh North News Centre, Singapore 318994 for three (3) months from the date of this Announcement.

## 9. RESPONSIBILITY STATEMENT

The Directors (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 there are no material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from KCL or M1, the sole responsibility of the Directors 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.

The Directors jointly and severally accept responsibility accordingly.

## BY ORDER OF THE BOARD

**Ginney Lim May Ling**  
**Khor Siew Kim**  
**Company Secretaries**

27 September 2018

### *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 Company'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 the Company does not undertake any obligation to update publicly or revise any forward-looking statements.*

**SCHEDULE 1**

**Pre-Conditional Offer Announcement**



**DBS BANK LTD.**

(Company Registration No.: 196800306E)  
(Incorporated in the Republic of Singapore)

Sole Financial Adviser to  
Keppel Corporation Limited



**CREDIT SUISSE (SINGAPORE) LIMITED**

(Company Registration No.: 197702363D)  
(Incorporated in the Republic of Singapore)

Sole Financial Adviser to  
Singapore Press Holdings Limited

**Konnectivity Pte. Ltd.**

(Company Registration No.: 201832874H)  
(Incorporated in the Republic of Singapore)

a company jointly owned by Keppel Corporation Limited and Singapore Press Holdings Limited  
is making a

**PRE-CONDITIONAL VOLUNTARY GENERAL OFFER**

to acquire all the issued and paid-up ordinary shares in the capital of

**M1 Limited**

(Company Registration No.: 199206031W)  
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired by Konnectivity Pte. Ltd., its  
related corporations and their respective nominees

**PRE-CONDITIONAL OFFER ANNOUNCEMENT**

**1. INTRODUCTION**

Konnectivity Pte. Ltd. (the “**Offeror**”) announces that, subject to the satisfaction of the Pre-Condition (as referred to in paragraph 2.1 of this Announcement), the Offeror intends to make a voluntary conditional general offer (the “**Offer**”) for all the issued and paid up ordinary shares in the capital of M1 Limited (the “**Company**” or “**M1**”) (excluding treasury shares) (“**Shares**”), other than those Shares already owned, controlled, or agreed to be acquired by the Offeror, its related corporations, and their respective nominees, in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the “**Code**”).

The Offeror was incorporated for the purposes of making the Offer and its shareholders are Keppel Konnect Pte. Ltd. (“**KKPL**”), a wholly-owned subsidiary of Keppel Corporation Limited (“**KCL**”), and SPH Multimedia Private Limited (“**SMPL**”), a wholly-owned subsidiary of Singapore Press Holdings Limited (“**SPH**”). Further information on the Offeror, KCL, KKPL, SPH and SMPL is set out in paragraph 6 of this Announcement. The Offeror also intends to make an Options Proposal to Optionholders (each as defined in paragraph 4.1 of this Announcement) pursuant to the Option Schemes (as defined in paragraph 3.1.1(i) of this Announcement) if the Offer is made.

**The Offer and the Options Proposal will not be made unless and until the Pre-Condition has been satisfied by the Offeror on or before 5.00 p.m. on 27 March 2019 (or such other later date as the Offeror may determine in consultation with the Securities Industry Council of Singapore (the "SIC")) (the "Cut Off Date"). Accordingly, all references to the Offer in this Announcement refer to the possible Offer which will only be made if and when the Pre-Condition is satisfied.**

**Shareholders of the Company ("Shareholders") should exercise caution and seek appropriate independent advice when dealing in the Shares.**

## **2. PRE-CONDITION TO THE MAKING OF THE OFFER**

**2.1 Pre-Condition.** The making of the Offer will be subject to the satisfaction of the following condition (the "**Pre-Condition**"):

**2.1.1** all authorisations, clearances, licences, orders, confirmations, consents, exemptions, grants, permissions, registrations, recognitions, clearances and other approvals from the Info-communications Media Development Authority ("**IMDA**") necessary or appropriate for or in connection with (i) the Offer; or (ii) the acquisition of control of any of the Company or its subsidiaries arising from or in connection with the Offer ("**Authorisations**"):

- (i) having been obtained;
- (ii) if such Authorisations are subject to conditions precedent or conditions, such conditions precedent or conditions are reasonably acceptable to the Offeror and have been fulfilled on or before the Cut Off Date; and
- (iii) such Authorisations remaining in full force and effect,

and all necessary statutory or regulatory obligations in connection with the Offer and the acquisition of control of any of the Company or its subsidiaries arising from or in connection with the Offer and their implementation in any jurisdiction having been complied with.

**2.2 SIC Confirmation.** The SIC has confirmed that it has no objection to the Pre-Condition.

**2.3 Firm Offer Announcement.** If and when the Pre-Condition is satisfied by the Offeror, an announcement will be made by the Offeror of its firm intention to make the Offer (the "**Firm Offer Announcement**"). **However, in the event that the Pre-Condition is not satisfied on or before the Cut Off Date, the Offer will not be made and the Offeror will issue an announcement confirming that fact as soon as reasonably practicable.**

**Shareholders should note that there is no certainty that the Pre-Condition will be satisfied and that the Offer will be made. Shareholders are advised to exercise caution when dealing in the Shares.**

## **3. THE OFFER**

**3.1 Principal Terms of the Offer.** Subject to and contingent upon the satisfaction of the Pre-Condition and the terms and conditions of the Offer to be set out in the formal offer document

to be issued in respect of the Offer (the “**Offer Document**”), the Offeror will make the Offer in accordance with Rule 15 of the Code on the following basis:

**3.1.1 Offer Shares.** The Offer will be extended to all the Shares, other than those Shares already owned, controlled, or agreed to be acquired by the Offeror, its related corporations and their respective nominees (the “**Offer Shares**”) at the Offer Price (as defined below).

For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror (other than the Offeror’s related corporations and their respective nominees). For the purpose of the Offer, the expression “**Offer Shares**” shall include such Shares.

The Offer will also be extended to all new Shares unconditionally issued or to be issued prior to the final closing date of the Offer (the “**Closing Date**”) pursuant to:

- (i) the valid exercise of outstanding options granted by the Company (the “**Options**”) pursuant to the M1 Share Option Scheme 2002 which was approved and adopted by Shareholders on 8 November 2002 and the M1 Share Option Scheme 2013 which was approved and adopted by Shareholders on 5 April 2013 (collectively, the “**Option Schemes**”); and
- (ii) the valid vesting and release of any outstanding awards granted under the M1 Share Plan 2016 (“**Awards**”) which was approved and adopted by Shareholders on 6 April 2016 (the “**M1 Share Plan 2016**”).

For the purposes of the Offer, the expression “**Offer Shares**” shall include all such Shares.

**3.1.2 Offer Consideration.** The consideration for each Offer Share will be as follows:

For each Offer Share: S\$2.06 in cash (the “ <b>Offer Price</b> ”).
---

**3.1.3 No Encumbrances.** The Offer Shares are to be acquired (i) fully paid, (ii) free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing, and (iii) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement (“**Pre-Conditional Offer Announcement Date**”) and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, “**Distributions**”) on or after the Pre-Conditional Offer Announcement Date.

**3.1.4 Adjustment for Distributions.** Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.

Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Pre-Conditional Offer Announcement Date, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer (if and when made) shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such accepting Shareholder falls, as follows:

- (i) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offer Price shall remain unadjusted for each such Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; and
- (ii) if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

For the avoidance of doubt, the interim dividend of S\$0.052 per Share announced by the Company on 27 July 2018 and paid to Shareholders on 17 August 2018 will not be deducted from the Offer Price.

- 3.1.5 Minimum Acceptance Condition.** The Offer, if and when made, will be conditional on the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Shares which, when taken together with Shares owned by the Offeror and parties acting or deemed to be acting in concert with it, will result in the Offeror and parties acting or deemed to be acting in concert with it holding more than 50 per cent. of the Shares in issue as at the close of the Offer (including any Shares which may be unconditionally issued pursuant to the valid exercise of the Options or the valid vesting and release of the Awards prior to the close of the Offer).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of Shares amounting to more than 50 per cent. of the maximum potential issued share capital of the Company. For this purpose, the “**maximum potential issued share capital of the Company**” means the total number of Shares which would be in issue had all the outstanding Options been validly exercised and all the Shares under Awards been issued and delivered as at the date of such declaration.

Further information on the Offer and the terms and conditions upon which the Offer will be made will be set out in the Offer Document.

## **4. OPTIONS PROPOSAL**

- 4.1** As at the date of this Announcement, based on the latest information available to the Offeror, there are 27,999,000 outstanding Options which are exercisable into 27,999,000 Shares. Under the rules of the Option Schemes, the Options are not transferable by the holders

thereof (the “**Optionholders**”). In view of this restriction, the Offeror will not make an offer to acquire the Options although, for the avoidance of doubt, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Options prior to the final Closing Date. Instead, the Offeror will make a proposal (the “**Options Proposal**”) to the Optionholders on the following terms, that subject to:

4.1.1 the Offer becoming or being declared unconditional in all respects; and

4.1.2 the relevant Options continuing to be exercisable into new Shares,

the Offeror will pay to such Optionholders a cash amount (as determined below) (the “**Option Price**”) in consideration of such Optionholders agreeing:

(i) not to exercise any of such Options into new Shares; and

(ii) not to exercise any of their rights as Optionholders,

and in each case from the date of their acceptance of the Options Proposal to the respective dates of expiry of such Options. Further, if the Offer becomes or is declared unconditional, Optionholders who have accepted the Options Proposal will also be required to surrender their relevant Options for cancellation. If the Offer lapses or is withdrawn or if the relevant Options cease to be exercisable into new Shares, the Options Proposal will lapse accordingly.

4.2 The Option Price is computed on a “see-through” basis. In other words, the price to be paid for each Option will be the amount (if positive) of the Offer Price less the exercise price of the Option. If the exercise price of an Option is equal to or more than the Offer Price, the Option Price for each Option will be the nominal amount of S\$0.001.

4.3 For the avoidance of doubt, whilst the Options Proposal is conditional upon the Offer becoming or being declared unconditional in all respects, the Offer will not be conditional upon acceptances received in relation to the Options Proposal. The Offer and the Options Proposal are separate and mutually exclusive. The Options Proposal does not form part of the Offer, and vice versa. Without prejudice to the foregoing, if Optionholders exercise their Options in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise, they may not accept the Options Proposal in respect of such Options. Conversely, if Optionholders wish to accept the Options Proposal in respect of their Options, they may not exercise those Options in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise.

4.4 Details of the Options Proposal will be despatched to Optionholders no later than the date of despatch of the Offer Document.

## 5. **AWARDS**

As the Awards are not transferable by the holders thereof, the Offeror will not make an offer to acquire the Awards, although, for the avoidance of doubt, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid vesting and release of any outstanding Awards prior to the final Closing Date.

## 6. INFORMATION ON THE OFFEROR, KCL, KT&T AND SPH

**6.1 The Offeror.** The Offeror is a company incorporated in the Republic of Singapore for the purposes of making the Offer and its shareholders are KKPL and SMPL. The Offeror has not carried on any business since its incorporation, except for matters in connection with making the Offer. As at the Pre-Conditional Offer Announcement Date:

**6.1.1** the Offeror has an issued share capital of S\$10 comprising 10 issued ordinary shares (“**Offeror Shares**”), held as follows:

- (i) KKPL has an interest in 8 Offeror Shares, representing 80 per cent. of the Offeror Shares; and
- (ii) SMPL has an interest in 2 Offeror Shares, representing 20 per cent. of the Offeror Shares; and

**6.1.2** the directors of the Offeror are (i) Mr. Chan Hon Chew; (ii) Mr. Sebastien Lamy; (iii) Mr. Louis Lim; (iv) Ms. Janice Wu Sung Sung; and (v) Mr. Chua Hwee Song.

**6.2 KCL and KKPL.** KCL is a public company incorporated in Singapore and listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The principal activities of the companies in KCL’s 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 KCL include, amongst others, (a) Keppel Offshore & Marine Limited; (b) Keppel Land Limited; (c) Keppel Infrastructure Holdings Pte Ltd; (d) Keppel Telecommunications & Transportation Ltd (“**KT&T**”); and (e) Keppel Capital Holdings Pte Ltd. KKPL does not hold any Shares. Further details relating to KT&T are set out in paragraph 6.3 of this Announcement.

**6.3 KT&T and KTPL.** KT&T is a public company incorporated in Singapore and listed on the Main Board of the SGX-ST. As at the Pre-Conditional Offer Announcement Date:

**6.3.1** KCL has an interest in 79.22 per cent. in the issued share capital of KT&T; and

**6.3.2** KT&T has an interest in 178,864,000 Shares (representing approximately 19.33 per cent. of the Shares<sup>1</sup>) which is held through Keppel Telecoms Pte Ltd (“**KTPL**”) (its wholly-owned subsidiary). Accordingly, KCL is deemed interested in the Shares held by KTPL.

Each of KT&T and KTPL is a related corporation of the Offeror. As Shares already owned, controlled or agreed to be acquired by the Offeror’s related corporations are excluded from the Offer, Shares which are owned, controlled or agreed to be acquired by KT&T or KTPL are excluded from the Offer. Pursuant to the terms of the KTPL Irrevocable Undertaking (as set out in paragraph 8.4 of this Announcement), KTPL has also undertaken not to tender any of its Shares in acceptance of the Offer.

---

<sup>1</sup> In this Announcement, percentages are calculated based on 925,536,682 Shares, based on the Company’s business profile extracted from the Accounting and Corporate Regulatory Authority on 26 September 2018.

**6.4 SPH, SMPL and the Roll-over Arrangement.** SPH is a public company incorporated in Singapore and listed on the Main Board of the SGX-ST. As at the Pre-Conditional Offer Announcement Date, SMPL holds 124,453,000 Shares (representing approximately 13.45 per cent. of the Shares) and SPH has a deemed interest in the 124,453,000 Shares held by SMPL.

Pursuant to the SMPL Irrevocable Undertaking (as set out in paragraph 8.1 of this Announcement), SMPL has undertaken to tender all of its Shares in acceptance of the Offer. SMPL has also agreed to waive its rights under Rule 30 of the Code to receive the cash consideration payable to it by the Offeror under the terms of the Offer in exchange for the issuance of new Offeror Shares following the valid tender of all of SMPL's Shares in acceptance of the Offer (the "**Roll-over Arrangement**").

**6.5 Post Closing Shareholding Adjustment, the Shareholders' Agreement and the JTA**

**6.5.1** The final shareholding percentages of KKPL and SMPL in the Offeror shall be adjusted after the close of the Offer by way of an issuance of new Offeror Shares to SMPL and KKPL. The issuance of new Offeror Shares will enable SMPL to have an effective interest in at least 13.45 per cent. of the Company, provided that:

- (i) KKPL shall at all times have a shareholding interest in over 50 per cent. of the total number of Offeror Shares; and
- (ii) SMPL shall at all times have a shareholding interest in at least 20 per cent. of the total number of Offeror Shares,

(collectively, the "**Post Closing Shareholding Adjustment**"). Accordingly, depending on the level of acceptances for the Offer, KKPL's shareholding interest in the Offeror shall range from a minimum of 56.16 per cent. to a maximum of 80 per cent. and SMPL's shareholding interest in the Offeror shall range from a minimum of 20 per cent. to a maximum of 43.84 per cent.

**6.5.2** KCL and SPH have entered into a binding joint transaction agreement (the "**JTA**") to, *inter alia*, provide for the mechanism to carry out the Post Closing Shareholding Adjustment and regulate the affairs of the Offeror in connection with the Offer.

**6.5.3** KKPL, SMPL and KTPL have also entered into a binding shareholders' agreement ("**Shareholders' Agreement**") to, *inter alia*, regulate their relationship as concert parties in relation to the Company and agree on their voting rights in relation to certain matters which relate to the Company and to regulate KKPL's and SMPL's relationship *inter se* as shareholders of the Offeror.

**6.5.4** The SIC has confirmed that the Roll-over Arrangement, the Shareholders' Agreement, the JTA and the Post Closing Shareholding Adjustment do not constitute a special deal.

**6.6 Shareholding in M1.** As at the Pre-Conditional Offer Announcement Date, based on the latest information available to the Offeror, the Offeror and parties acting in concert with the Offeror (including KTPL and SMPL) have an aggregate interest in 307,923,375 Shares (representing approximately 33.27 per cent. of the Shares).

## 7. INFORMATION ON THE COMPANY

**7.1 Introduction.** The Company is incorporated in Singapore and was listed on the Main Board of the SGX-ST on 4 December 2002. The principal activities of the Company and its subsidiaries are the provision of telecommunications services, international call services and fixed services, retail sales of telecommunications equipment and accessories, and customer services.

**7.2 Share Capital.** As at the Pre-Conditional Offer Announcement Date, based on the latest information available to the Offeror<sup>2</sup>, the Company has:

7.2.1 an issued and fully paid up share capital of S\$206,174,026.72, comprising 925,536,682 Shares with 11,701,100 treasury shares;

7.2.2 27,999,000 outstanding Options, which are exercisable into Shares; and

7.2.3 up to 640,700 Shares which are subject to the Awards<sup>3</sup>. These Awards will be released and vested in tranches between 2018 and 2021.

Save as disclosed above, the Offeror is not aware of any outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights in the Company.

**7.3 Directors.** As at the Pre-Conditional Offer Announcement Date, the directors of the Company are as follows:

7.3.1 Mr. Danny Teoh Leong Kay, Non-Independent and Non-Executive Chairman;

7.3.2 Ms. Karen Kooi Lee Wah, Non-Independent and Executive Director;

7.3.3 Tan' Sri Jamaludin Ibrahim, Non-Independent and Non-Executive Director;

7.3.4 Mr. Low Huan Ping, Non-Independent and Non-Executive Director;

7.3.5 Mr. Huang Cheng Eng, Independent Director;

7.3.6 Ms. Elaine Lee Kia Jong, Independent Director;

7.3.7 Mr. Lionel Lim Chin Teck, Independent Director;

7.3.8 Mr. Moses Lee Kim Poo, Independent Director;

7.3.9 Mr. Tan Wah Yeow, Independent Director; and

7.3.10 Mr. Guy Daniel Harvey Samuel, Independent Director.

---

<sup>2</sup> Based on the business profile of the Company extracted from the Accounting and Corporate Regulatory Authority of Singapore on 26 September 2018 and various announcements by the Company on SGXNet as at 26 September 2018.

<sup>3</sup> The Company has also provisionally granted up to 1,533,360 Shares on 1 February 2018 which are subject to the Awards.

## **8. SMPL IRREVOCABLE UNDERTAKING AND KTPL IRREVOCABLE UNDERTAKING**

**8.1 SMPL Irrevocable Undertaking.** As at the Pre-Conditional Offer Announcement Date, the Offeror has received an undertaking from SMPL (the “**SMPL Irrevocable Undertaking**”) pursuant to which SMPL has, amongst other things, unconditionally and irrevocably undertaken, represented and warranted to the Offeror (i) to tender all of its Shares (representing approximately 13.45 per cent. of the Shares) in acceptance of the Offer, and (ii) not to accept (or permit the acceptance of) any competing offer.

**8.2 Waiver of Consideration.** As set out in paragraph 6.4 of this Announcement, pursuant to the Roll-over Arrangement, SMPL has agreed to waive its rights under Rule 30 of the Code to receive the cash consideration payable to it by the Offeror under the terms of the Offer in exchange for the issuance of new Offeror Shares following the valid tender of all of SMPL’s Shares in acceptance of the Offer.

**8.3 Cessation of SMPL Irrevocable Undertaking.** The SMPL Irrevocable Undertaking shall lapse and be of no further force and effect on the earliest to occur of the following:

**8.3.1** on the Cut Off Date if the Pre-Condition is not satisfied by such date;

**8.3.2** if the Firm Offer Announcement is not released within two (2) business days of the satisfaction of the Pre-Condition; or

**8.3.3** on the date on which the Offer (including any revised or improved Offer by or on behalf of the Offeror) closes, lapses, fails to become or be declared unconditional or is withdrawn other than as a result of SMPL breaching its obligations under the SMPL Irrevocable Undertaking.

**8.4 KTPL Irrevocable Undertaking.** As at the Pre-Conditional Offer Announcement Date, the 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 Offeror (i) the concert party relationship between the Offeror and KTPL for the purposes of the Offer, (ii) not to tender any Shares (representing approximately 19.33 per cent. of the Shares) held by it in acceptance of the Offer and (iii) not to accept (or permit the acceptance of) any competing offer.

**8.5 No Other Undertakings.** Save for the SMPL Irrevocable Undertaking and the KTPL Irrevocable Undertaking, as at the Pre-Conditional Offer Announcement Date, neither the Offeror nor any party acting in concert with the Offeror has received any undertakings from any other party to accept or reject the Offer.

**8.6 Available for Inspection.** Copies of the SMPL Irrevocable Undertaking and the KTPL Irrevocable Undertaking are available for inspection at the offices of the Offeror at 1 HarbourFront Avenue #17-01 Keppel Bay Tower Singapore 098632 during normal business hours from the Pre-Conditional Offer Announcement Date until the date on which the Offer closes or lapses or is withdrawn in accordance with its terms.

## **9. RATIONALE FOR THE OFFER**

### **9.1 The Company is facing intensifying competition and industry disruption from the impending launch of a fourth Mobile Network Operator (“MNO”), as well as the launch of new Mobile Virtual Network Operators (“MVNO”) in Singapore. Continuing the status quo risks stagnation and further decline in shareholder value**

**9.1.1** On 14 December 2016, IMDA announced that TPG Telecom Pte Ltd had made the winning bid for the new entrant spectrum auction, noting that the entry of the new MNO was expected to enhance innovation and competition in the Singapore telecommunications market<sup>4</sup>.

**9.1.2** Several MVNOs have also recently commenced operations in Singapore. On 8 July 2015, the Company announced that it had reached a MVNO agreement with Liberty Wireless, operating under the brand of Circles Asia<sup>5</sup>, while on 3 May 2018, MyRepublic and Starhub announced that they had formed a MVNO partnership<sup>6</sup>.

**9.1.3** The emergence of new entrants will intensify the competition in the Singapore telecommunications market, potentially leading to shifts in market share between competitors, as well as potential downward pressure on revenue generation and margins for MNOs at a time when sustained investments are required to ensure long-term competitiveness.

**9.1.4** The decline in the share price of the Company following IMDA’s announcements on the entry of a new MNO likely reflects the impending intensification of competition in the Singapore telecommunications market, and the potential risks to shareholder value of the Company in the status quo.

### **9.2 KCL and SPH, collaborating through the Offeror, seek to arrest the decline in M1 shareholder value through a combination of transformational efforts which are expected to take several years. Dividends from the Company could be affected during such time by the intensifying competition in the Singapore telecommunications market, as well as the allocation of resources required for these transformation efforts**

**9.2.1** The Offeror believes that to compete more effectively in the Singapore telecommunications industry, the Company, with the support of all Shareholders, would need to undertake a transformation requiring management commitment and allocation of resources.

**9.2.2** KCL and SPH, collaborating through the Offeror, seek to undertake business changes at the Company, including but not limited to the digital transformation of the Company’s operating platform, cost management initiatives in the Company’s front and back-end operations, the exploration by the Company of balance sheet

---

<sup>4</sup> <https://www.imda.gov.sg/about/newsroom/media-releases/2016/tpg-telecom-pte-ltd-makes-winning-bid-in-new-entrant-spectrum-auction>

<sup>5</sup>

<https://www.m1.com.sg/AboutM1/NewsReleases/2015/M1%20and%20Liberty%20Wireless%20announce%20MVNO%20Agreement.aspx>

<sup>6</sup> <http://www.starhub.com/about-us/newsroom/2018/may/myrepublic-and-starhub-form-mvno-partnership.html>

optimization initiatives to unlock value from underlying infrastructure, as well as growth initiatives into new markets and segments.

**9.2.3** The anticipated business transformation is complex and expected to take a number of years. During such time, dividends from the Company could be affected by the intensifying competition in the Singapore telecommunications market, as well as the allocation of resources required for these transformation efforts.

**9.3 The Offeror obtaining majority control will facilitate the business transformation of M1, and is in line with KCL's and SPH's long-term strategies**

**9.3.1** Today, neither KCL nor SPH have majority control of the Company. Gaining majority control through the Offer will enable KCL and SPH, collaborating through the Offeror, to support the Company's management to:

- (i) compete effectively in the challenging Singapore telecommunications operating environment;
- (ii) manage the business of the Company;
- (iii) facilitate the implementation of strategic and operational changes; and
- (iv) optimise the use of its management and capital resources.

**9.3.2** Furthermore, the Offer will allow the Company to cooperate with KCL's other business units, and to harness the synergies of the multi-business group.

**9.3.3** Conversely, the Company will complement KCL's mission as a solutions provider for sustainable urbanisation, and will allow KCL to leverage the Company as a connectivity platform to better meet the needs of KCL's customers. SPH also sees further opportunities to leverage on M1's mobile platform to offer on demand and ready digital content to better serve SPH's customers. KCL and SPH are confident that, further to the Offer and with the necessary transformational efforts, the Company can significantly improve its performance.

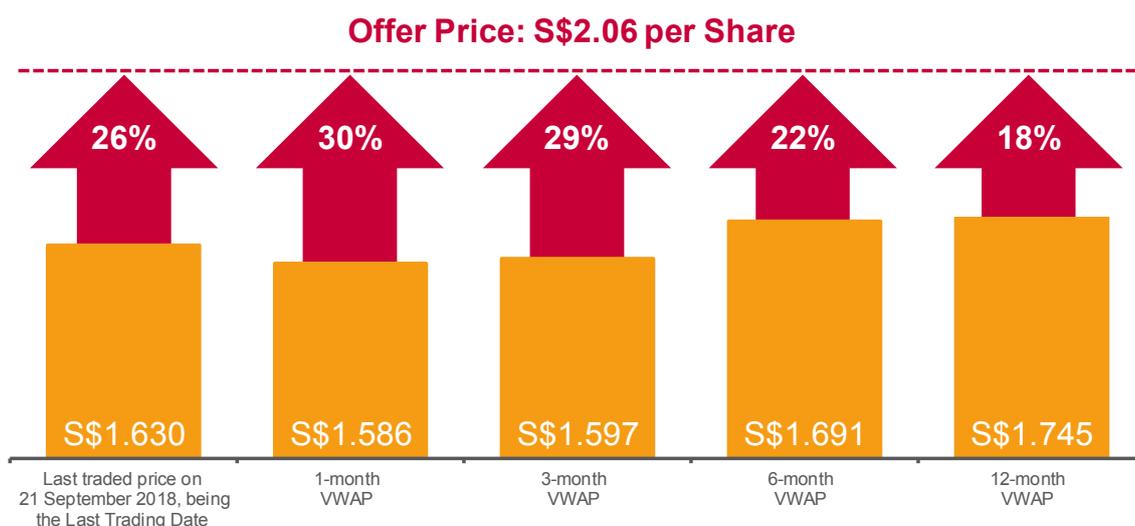
**9.4 Opportunity for Shareholders who are not prepared to bear the risks associated with the complex business transformation to realise their investment in cash at a premium**

**9.4.1** Shareholders who are not prepared to bear the risks associated with the complex business transformation outlined above will benefit from the cash exit provided through the Offer. The Offer provides an opportunity for Shareholders who wish to realise their investment in the Shares to do so in cash, at a premium to prevailing market prices and without incurring brokerage fees.

**9.4.2** As set out in paragraph 11 of this Announcement, the Offer Price represents a premium of approximately:

- (i) 26 per cent. over the last traded price per Share as quoted on the SGX-ST on 21 September 2018, being the last full trading day on which the Shares were traded on the SGX-ST prior to the Pre-Conditional Offer Announcement Date (the "**Last Trading Date**");

- (ii) 30 per cent. over the volume weighted average price (“**VWAP**”) of the Shares for the **one-month period** prior to and including the Last Trading Date;
- (iii) 29 per cent. over the VWAP of the Shares for the **three-month period** prior to and including the Last Trading Date;
- (iv) 22 per cent. over the VWAP of the Shares for the **six-month period** prior to and including the Last Trading Date; and
- (v) 18 per cent. over the VWAP of the Shares for the **twelve-month period** prior to and including the Last Trading Date.



The Offer Price also represents (i) approximately **36 per cent. premium** over the lowest closing price of S\$1.520 over the 52-week period preceding the Last Trading Date; and (ii) approximately **25 per cent. premium** over the average target price per Share of S\$1.644 by equity research analysts covering the Company.

**Note:**

- (1) Figures are based on data extracted from Bloomberg L.P. on 21 September 2018, being the Last Trading Date.
- (2) Premia rounded to the nearest per. cent.

## 10. OFFEROR’S INTENTIONS FOR THE COMPANY

The Offeror will, following the close of the Offer, conduct a review of the Company’s operations with the aim of implementing strategic and operational changes which will allow the Company to compete more effectively in the telecommunications sector.

The Offeror’s intention is to gain majority control of the Company. In the event the Free Float Requirement is not satisfied, the Offeror does not intend to preserve the listing status of the Company and has no intention of undertaking or supporting any action to satisfy the Free Float Requirement.

The board of directors of the Offeror retains the flexibility at any time to consider any options in relation to the Company and its subsidiaries which may present themselves and which the board may regard to be in the interest of the Offeror.

Save as disclosed above, the Offeror has no intention to (i) introduce any major changes to the business of the Company; (ii) re-deploy the fixed assets of the Company; or (iii) discontinue the employment of any of the existing employees of the Company and its subsidiaries, other than in the ordinary course of business.

## 11. FINANCIAL EVALUATION OF THE OFFER

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

Description	Benchmark Price (S\$) <sup>(1)</sup>	Premium over Benchmark Price <sup>(2)</sup>
Last traded price per Share as quoted on the SGX-ST on the Last Trading Date (being 21 September 2018)	1.630	26%
VWAP per Share for the one (1)-month period prior to and including the Last Trading Date	1.586	30%
VWAP per Share for the three (3)-month period prior to and including the Last Trading Date	1.597	29%
VWAP per Share for the six (6)-month period prior to and including the Last Trading Date	1.691	22%
VWAP per Share for the twelve (12)-month period prior to and including the Last Trading Date	1.745	18%

**Source:** Bloomberg L.P.

**Notes:**

(1) Based on data extracted from Bloomberg L.P. on 21 September 2018, being the Last Trading Date, figures rounded to the nearest 3 decimal places.

(2) Premia rounded to the nearest per. cent.

## 12. COMPULSORY ACQUISITION AND LISTING STATUS

**12.1 Compulsory Acquisition.** The Offeror's intention is to gain majority control of the Company. In the event the Offeror receives valid acceptances pursuant to the Offer or otherwise acquires Shares following the despatch of the Offer Document 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 date of despatch of the Offer Document) (the "**Compulsory Acquisition Threshold**"), the Offeror would be entitled to exercise its right under Section 215(1) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") to

compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) on the same terms as those offered under the Offer. For the avoidance of doubt, as KTPL is a related corporation of the Offeror, Shares which are held by KTPL will not count towards the Compulsory Acquisition Threshold.

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

In addition, pursuant to Section 215(3) of the Companies Act, Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with treasury shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of Shares.

**12.2 Listing Status and Trading Suspension.** Under Rule 1105 of the Listing Manual of the SGX-ST (the “**Listing Manual**”), upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings of the Shares owned by the Offeror and parties acting in concert with the Offeror to above 90 per cent. of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of the listed securities of the Company on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public (the “**Free Float Requirement**”). Rule 1303(1) of the Listing Manual provides that where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of Shares (excluding treasury shares), thus causing the percentage of the total number of Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the Shares at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of Shares (excluding treasury shares) held in public hands falls below 10 per cent., the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the listed securities of the Company on the SGX-ST. Rule 724(2) of the Listing Manual further states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the total number of Shares (excluding treasury shares) held by members of the public to be raised to at least 10 per cent., failing which the Company may be removed from the Official List of the SGX-ST.

**The Offeror’s intention is to gain majority control of the Company. In the event that the Free Float Requirement is not met and/or trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror does not intend to preserve the listing status of the Company and has no intention of undertaking or supporting any action to satisfy the Free Float Requirement or for any such trading suspension by the SGX-ST to be lifted.**

## **13. DISCLOSURE OF HOLDINGS AND DEALINGS**

**13.1 Holdings and Dealings in Relevant Securities.** As at the Pre-Conditional Offer Announcement Date, based on the latest information available to the Offeror and save as disclosed in Appendix A and Appendix B of this Announcement, none of (i) the Offeror, KCL,

KKPL, KT&T, KTPL, SPH or SMPL; (ii) the directors of each of the entities identified above; and (iii) DBS Bank Ltd. (“**DBS**”) or Credit Suisse (Singapore) Limited (“**CS**”) (collectively, the “**Relevant Parties**”):

13.1.1 owns, controls or has agreed to acquire any Shares, securities which carry voting rights in the Company, or convertible securities, warrants, options, awards or derivatives in respect of the Shares or securities which carry voting rights in the Company (collectively, “**Relevant Securities**”); or

13.1.2 has dealt for value in any Relevant Securities in the three months preceding 24 September 2018 (the “**Relevant Period**”).

**13.2 Other Arrangements.** As at the Pre-Conditional Offer Announcement Date, based on the latest information available to the Offeror and save as disclosed in paragraphs 6.5, 8 and Appendix A and Appendix B of this Announcement, none of the Relevant Parties has:

13.2.1 entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to any Relevant Securities or the securities of the Offeror which might be material to the Offer;

13.2.2 received any irrevocable commitment to accept the Offer in respect of any Relevant Securities;

13.2.3 granted any security interest in respect of any Relevant Securities in favour of any other person, whether through a charge, pledge or otherwise;

13.2.4 borrowed any Relevant Securities from any other person (excluding those which have been on-lent or sold); or

13.2.5 lent any Relevant Securities to any other person.

**13.3 Further Enquiries.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be deemed to be acting in concert with the Offeror in connection with the Offer. Similarly, in the interests of confidentiality, DBS and CS have not made any enquiries in respect of the other members of their respective groups. Further enquiries will be made of such persons after the Pre-Conditional Offer Announcement Date and the relevant disclosures will be made in due course and in the Offer Document (if and when the Offer is made).

#### **14. FINANCIAL ADVISERS TO KCL AND SPH**

DBS is the sole financial adviser to KCL. CS is the sole financial adviser to SPH.

#### **15. DESPATCH OF OFFER DOCUMENT**

If and when the Offer is made, the Offer Document setting out the terms and conditions of the Offer and enclosing the relevant form(s) of acceptance of the Offer will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the date of the Firm Offer Announcement, or such other date permitted by the SIC, provided that there may be restrictions on sending the Offer Document to any overseas jurisdictions as disclosed in paragraph 16 below.

## 16. OVERSEAS SHAREHOLDERS

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law.

The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

**For the avoidance of doubt, the Offer will be open to all Shareholders, including those to whom the Offer Document and relevant form(s) of acceptance may not be sent.**

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the register of shareholders of the Company or, as the case may be, in the records of The Central Depository (Pte) Limited (collectively, “**Overseas Persons**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Persons should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Where there are potential restrictions on sending the Offer Document to any overseas jurisdictions, the Offeror, DBS and CS each reserves the right not to send the Offer Document to such overseas jurisdictions. Alternatively, an affected Overseas Person may write to the Company’s share registrar to request the Offer Document to be sent to an address in Singapore by ordinary post at his own risk.

## 17. RESPONSIBILITY STATEMENT

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 there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement 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 Announcement.

The directors of the Offeror jointly and severally accept responsibility accordingly.

Konnectivity Pte. Ltd.

27 September 2018

### *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, DBS and CS undertakes any obligation to update publicly or revise any forward-looking statements.*

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

**DBS Bank Ltd.**  
**Strategic Advisory**  
Tel: (65) 6682 8999

**Credit Suisse (Singapore) Limited**  
**Investment Banking and Capital Markets**  
Tel: (65) 6212 2000

## APPENDIX A

### DETAILS OF SHARES HELD BY RELEVANT PARTIES

No.	Name	Direct Interest	
		No. of Shares	% <sup>(1)</sup>
1.	KTPL <sup>(2)</sup>	178,864,000	19.33
2.	SMPL	124,453,000	13.45
3.	DBS	4,462,375	0.48
4.	Neo Boon Siong	60,000	n.m.
5.	Danny Teoh Leong Kay	20,000	n.m.

**Notes:**

- (1) Calculated based on 925,536,682 Shares (excluding treasury shares) and rounded to the nearest two (2) decimal places.
- (2) KTPL is a related corporation of the Offeror and is therefore a concert party of the Offeror.
- (3) n.m. means not meaningful.

**APPENDIX B**

**DETAILS OF DEALINGS IN SHARES BY THE RELEVANT PARTIES IN THE RELEVANT PERIOD**

<b>No.</b>	<b>Name</b>	<b>Date</b>	<b>No. of Shares Acquired</b>	<b>No. of Shares Sold</b>	<b>Average Transaction price per Share</b>
1.	DBS	22/6/2018	-	160,000	1.5981
2.	DBS	26/6/2018	32,100	-	1.5848
3.	DBS	9/7/2018	-	27,000	1.6500
4.	DBS	12/7/2018	-	54,500	1.6201
5.	DBS	13/7/2018	-	112,600	1.6135
6.	DBS	16/7/2018	-	95,000	1.6237
7.	DBS	17/7/2018	-	187,600	1.6277
8.	DBS	18/7/2018	-	510,000	1.5838
9.	DBS	19/7/2018	-	90,100	1.5833
10.	DBS	20/7/2018	-	230,000	1.5830
11.	DBS	23/7/2018	-	140,000	1.5846
12.	DBS	24/7/2018	-	200,000	1.5875
13.	DBS	25/7/2018	-	183,930	1.6038
14.	DBS	26/7/2018	-	150,000	1.6000
15.	DBS	30/7/2018	100,000	-	1.6250
16.	DBS	30/7/2018	-	100,000	1.6350
17.	DBS	3/8/2018	125,000	-	1.6340
18.	DBS	6/8/2018	8,700	-	1.6400
19.	DBS	28/8/2018	-	33,700	1.6000
20.	DBS	30/8/2018	-	5,100	1.6000
21.	DBS	31/8/2018	-	47,400	1.6011