

## KEPPEL CORPORATION LIMITED

### MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF KEPPEL CORPORATION LIMITED (THE “COMPANY”) HELD BY ELECTRONIC MEANS ON THURSDAY, 9 DECEMBER 2021 AT 10.30 A.M.

#### PRESENT

Mr Danny Teoh	Chairman
Mr Loh Chin Hua	Executive Director/Chief Executive Officer
Mr Till Vestring	Director
Ms Veronica Eng	Director
Mr Teo Siong Seng	Director
Mr Tham Sai Choy	Director
Mrs Penny Goh	Director
Mr Shirish Apte	Director (via web conference)

#### ABSENT WITH APOLOGIES

Prof Jean-Francois Manzoni	Director
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#### IN ATTENDANCE

As per attendance list.

The Chairman extended a warm welcome to all shareholders of the Company (“**Shareholders**”) and attendees who had joined the virtual extraordinary general meeting (“**EGM**”) by webcast and audio means.

#### QUORUM

As there was a quorum, the Chairman called the EGM to order.

#### INTRODUCTION OF THE BOARD AND MANAGEMENT

The Chairman introduced the members of the Board and management who were present, and conveyed Prof Jean-Francois Manzoni’s apologies for his absence as he was feeling unwell.

#### CONDUCT OF VOTING

The Chairman informed that there was only one item on the agenda, which was to seek shareholders’ approval for the proposed acquisition by Keppel Pegasus Pte. Ltd., a wholly-owned subsidiary of Keppel Corporation, of all the issued and paid-up ordinary shares in the capital of Singapore Press Holdings Limited (“**SPH**”) (excluding treasury shares) by way of a scheme of arrangement under Section 210 of the Companies Act and in compliance with the Singapore Code on Take-overs and Mergers.

All votes on the resolution tabled at the EGM would be cast by the Chairman of the EGM, who had been appointed as proxy by Shareholders. In his capacity as Chairman of the EGM, he would be voting in accordance with the specific instructions of Shareholders who had appointed him as proxy.

The Chairman further informed that Boardroom Corporate & Advisory Services Pte Ltd had been appointed as polling agent and RHT Governance, Risk & Compliance (Singapore) Pte. Ltd. had been appointed as scrutineers for the purposes of this EGM.

## MANAGEMENT PRESENTATION

Chairman then invited CEO, Mr Loh Chin Hua, to present the management update.

CEO welcomed shareholders to the EGM and thanked them for the questions submitted ahead of the EGM.

Noting that the merits of the proposed transaction were addressed in earlier briefings to the media and analysts and engagement of shareholders, and in the Company's responses to the substantial and relevant questions from shareholders, all of which had been posted on SGXNET prior to the meeting, CEO provided a recap of the rationale for this transaction from the perspective of the Shareholders.

### Rationale for Keppel's shareholders

The proposed transaction was a part of Keppel's Vision 2030 plans to transform and grow as one integrated company providing solutions for sustainable urbanisation. Keppel believed this was a strategic opportunity for Keppel to acquire a quality platform that was strongly aligned and complementary to Keppel's business model and capabilities.

The transaction would be earnings accretive for Keppel on a pro forma basis and would contribute to growing Keppel's recurring income. Keppel's balance sheet would remain healthy post-transaction. While there would be a short-term increase in net gearing post-transaction, it would remain below 1.0x. Over time, net gearing was expected to reduce as Keppel continued its active asset monetisation programme.

Through the transaction, Keppel would be able to scale up in its existing businesses and also acquire new growth engines. Keppel Capital's assets under management would potentially grow by 27% from S\$37 billion to S\$47 billion, allowing Keppel to further grow its fee income.

There was a good, natural fit between SPH's portfolio with Keppel's business, across Keppel's Asset Management, Urban Development and Connectivity segments. SPH's businesses, including SPH REIT, its retail assets, purpose-built student accommodation, senior living solutions, M1 and the Genting Lane Data Centre, fitted well with Keppel's business model and growth plans. If Keppel was successful in privatising SPH, Keppel looked forward to growing SPH's business as part of the current business of the Keppel Group.

### Win-Win Proposition

Noting that this was a meeting of Keppel's shareholders, CEO said that he would not be addressing SPH's shareholders' perspective in detail but would briefly reiterate why Keppel believed that the proposed transaction was a win-win proposition for both Keppel's and SPH's shareholders.

Keppel's offer was firm, as Keppel had waived its walk away right under the Material Adverse Effects clause. The final consideration of S\$2.351 per SPH share ("**Final Consideration**"), based on the closing prices of Keppel REIT and SPH REIT as of 9 November 2021, offered an attractive 57% premium over SPH's undisturbed trading price on 30 March 2021. If the proposed transaction was completed, SPH's shareholders would get future cash distributions from SPH REIT and Keppel REIT. In addition, they would be able to receive Keppel REIT units at a 10% discount to its net asset value as of 30 September 2021.

The proposed transaction remained attractive to Keppel at the Final Consideration. The increase in cash consideration of S\$0.20 per SPH share that was announced on 9 November 2021 was carefully considered and underpinned by strengthening global economic conditions and SPH's improved performance, as disclosed at SPH's full year results briefing. Moreover, from the pre-integration discussions Keppel had with the SPH team in recent months, since the deal was first announced, business synergies had become clearer.

Keppel continued to see value in SPH's portfolio. With the Final Consideration, the proposed transaction remained attractive and earnings accretive on a pro forma basis for Keppel. The increase in cash consideration would result in only a marginal increase in pro forma net gearing post-transaction of 0.03x, and the pro forma net gearing would remain below 1.0x.

Keppel would therefore have the capacity to pursue other Vision 2030 growth opportunities in areas such as renewables and decarbonisation solutions, as well as continue rewarding shareholders for their confidence in Keppel.

Finally, while Keppel believed that this was an attractive acquisition, Keppel would remain very disciplined and would not acquire SPH at any cost. Keppel also did not believe it would be in any party's interest to drag out the process for too long. Hence, Keppel made it clear that the increased consideration was final and would not be further increased. It had put its best foot forward, and the proposed transaction would be put to the shareholders of Keppel and SPH for their respective decisions.

In conclusion, CEO reiterated that Keppel believed this was an attractive acquisition for Keppel and a win-win proposition for Keppel and SPH and expressed appreciation for shareholders' support at this EGM.

## **QUESTIONS AND ANSWERS**

Chairman noted that the Company had published its responses to substantial and relevant questions received from shareholders prior to the meeting on its corporate website and SGXNet. Nevertheless, shareholders attending this meeting via the audio-and-visual webcast platform could submit additional questions relating to the proposed transaction through the live Q&A function via the platform. Shareholders would however not be able to ask questions via the audio-only stream of the proceedings.

He then invited Shareholders to submit their questions. The questions and responses were as below:

- (1) (a) What were the benefits of the proposed transaction to the Company's shareholders, (b) was there a transfer of value from SPH to Keppel, and (c) whether there were any overlapping businesses and if so, whether Keppel would divest or merge the overlapping businesses from SPH?

CEO said that the proposed transaction was accretive on a pro forma basis for Keppel and in line with Vision 2030. The proposed transaction would also allow Keppel to consolidate its existing ownership of M1 and the Genting Lane Data Centre, which were currently jointly owned by Keppel and SPH. There were synergistic benefits, and Keppel could also provide a more capital efficient model to grow some of SPH's businesses such as Purpose-built Student Accommodation (PBSA) and its retail portfolios. For non-core assets within SPH's portfolio, such as the good class bungalows, Keppel had the option to monetise. Keppel would also be supportive should the boards of SPH REIT and Keppel REIT decide to merge.

- (2) What were Keppel's plans should the proposed transaction fail?

CEO said that the proposed transaction was strategic and attractive to Keppel, but the final decision rested with shareholders of the Company and SPH. Keppel would respect their decision. Keppel was looking at both organic and inorganic options as it re-positioned its portfolio to place sustainability at core of Keppel's strategies and making sustainability Keppel's business. There were other options to ensure that Keppel reaches its Vision 2030 goals.

- (3) What was Keppel's dividend policy, and would dividends be affected by the proposed transaction?

Chairman said that Keppel did not have a dividend policy, but generally paid out around 40% to 50% of net profits as dividends each year. As to whether dividends would be affected by the proposed transaction, the Company had announced about S\$2.4 billion in asset monetisation since October 2020 and received about S\$1.6 billion in cash as at end September 2021. The financials remained healthy, with gearing being around 0.76x as at 30 September 2021. In the declaration of dividends, the directors would take into account among others, the Company's needs for growth in the pursuit of Vision 2030. CEO added that Keppel had announced that its asset monetisation plan was progressing well and was expected to exceed its target of S\$5 billion in asset monetization by end-2023. There was sufficient balance sheet space for the proposed transaction and other opportunities including in renewables and decarbonisation. The proposed transaction will improve the quality of our earnings by increasing the recurring income. With a larger proportion of earnings that are recurring in nature, it would improve our ability to pay higher dividends in the future.

- (4) Whether Keppel could fund the proposed transaction without conducting a rights issue and could management commit to lower the gearing to below 0.5x?

CEO shared that the asset monetization programme was progressing well. The gearing as at 30 September 2021 was 0.76x, and following the proposed transaction, pro forma gearing was expected to remain below 1.0x. With continuing asset monetization, net gearing would be further lowered over the next few years. As for rights issues, based on information at hand, there was no current intention to conduct a rights issue to fund the proposed transaction.

- (5) If the proposed transaction was successful, would Keppel have a 50% stake in the manager of Prime US REIT and what were the plans for Prime US REIT going forward?

Chairman said that Keppel would have a 50% stake in the manager of Prime US REIT if the proposed transaction was successful. CEO reiterated that the increased stake in the manager of Prime US REIT was another example of the synergistic opportunities arising from the proposed transaction.

- (6) Why was the proposed transaction not structured as an asset purchase, given that a share purchase would require the Company to assume the debt liabilities of SPH?

CEO said that the Company had responded to a request for proposals ("RFP") from SPH, when the SPH Board decided to consider proposals to privatise SPH ex-media following the restructuring of the media business. From Keppel's perspective, the proposed transaction was an efficient way to acquire SPH's entire portfolio and allow for full integration of SPH's assets and the monetization of non-core assets. As mentioned earlier, any additional gearing from the proposed transaction would be reduced expediently following the completion of the transaction.

- (7) If the proposed transaction was to fail, were there other strategic plans to achieve Vision 2030?

Chairman said that the proposed transaction was a strategic opportunity, but not the only one. There were many opportunities being explored, and the Group was actively pursuing transactions to accelerate its Vision 2030 ambitions.

- (8) Why did Keppel not acquire SPH at its lowest trading price?

Referring to the RFP process conducted by SPH, Chairman said that the SPH Board had to assess the best deal on the table. From Keppel's perspective, the proposed transaction was a fair and compelling deal, earning accretive and would accelerate the Group's Vision 2030 ambitions.

- (9) Would Keppel support any synergistic combination between Keppel Oak Pacific REIT and Prime US REIT, should the proposed transaction be successful?

Chairman said that if there was a good rationale for a synergistic combination between Keppel Oak Pacific REIT and Prime US REIT and such combination appealed to unitholders, Keppel would support in its capacity as a unitholder.

## ORDINARY RESOLUTION

### **PROPOSED ACQUISITION BY KEPPEL PEGASUS PTE. LTD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, OF ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF SINGAPORE PRESS HOLDINGS LIMITED (EXCLUDING TREASURY SHARES) BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT (CHAPTER 50 OF SINGAPORE) (THE "SCHEME")**

The Chairman proposed that the resolution be received and adopted. The motion was put to a vote and based on the scrutineer's report, the result of the votes was as follows:

Votes FOR the resolution: 380,913,078 votes or 98.22 per cent.  
Votes AGAINST the resolution: 6,896,660 votes or 1.78 per cent.

The Chairman declared the resolution carried.

**It was resolved that subject to the Scheme becoming effective in accordance with its terms:**

- (a) **approval be and is hereby given for the proposed acquisition (the "Proposed Transaction") by Keppel Pegasus Pte. Ltd. (the "Offeror"), a wholly-owned subsidiary of the Company, of all the issued and paid-up ordinary shares in the capital of Singapore Press Holdings Limited ("SPH") (excluding the treasury shares) by way of a scheme of arrangement under Section 210 of the Companies Act (Chapter 50 of Singapore) (the "Companies Act") and in compliance with the Singapore Code on Take-overs and Mergers, on the terms and conditions set out in the implementation agreement (the "Implementation Agreement") dated 2 August 2021 (as may be supplemented or amended from time to time, including by the supplemental letter dated 9 November 2021) entered into between the Offeror and SPH, as described in the circular to the shareholders of the Company ("Shareholders") dated 24 November 2021 (the "Circular"), and the entry into the Implementation Agreement be and is hereby approved and ratified;**
- (b) **approval be and is hereby given for the payment of all fees and expenses relating to the Proposed Transaction; and**

- (c) **the directors of the Company (the “Directors”) or any one of them be authorised and directed to do all things necessary or expedient or in the interests of the Company and the Shareholders (including executing any document) as the Directors or any one of them may deem fit, to give effect to the Proposed Transaction as contemplated in this resolution.**

There being no further business, the meeting ended at 11.00 a.m. with a vote of thanks to the Chair.

Confirmed by:

**DANNY TEOH**  
**Chairman**