



SINGAPORE PRESS HOLDINGS LIMITED

*Reg. No. 198402868E
(Incorporated in Singapore)*

SPH DOUBLES STUDENT ACCOMMODATION PORTFOLIO TO S\$1.5 BILLION WITH LATEST £448 MILLION ACQUISITION IN THE UK

- Acquisition of 2,383 beds, bringing SPH's total portfolio to 7,726 beds across 18 cities in UK and Germany
- Acquiring a premium brand to enhance existing portfolio
- Strengthening operational capabilities with established operating platform
- Boosting SPH's recurring income through defensive, cash yielding assets

SINGAPORE, 23 December 2019 – Singapore Press Holdings Limited (SPH) today announced that its wholly-owned subsidiary, Straits Ten Pte. Ltd., has acquired a portfolio of high quality Purpose-Built Student Accommodation (PBSA) assets in the UK.

This latest acquisition adds 2,383 beds, scaling SPH's total portfolio to 7,726 beds across 18 cities in UK and Germany. With this Student Castle portfolio, SPH expands its footprint across seven new UK cities, namely Cambridge, Oxford, Bath, Brighton, Durham, Edinburgh and York. The assets in Oxford and Brighton (collectively, the Development Assets) are under development.

The deal involves an initial cash consideration of approximately £411 million (approximately S\$740 million)¹ for the portfolio. The estimated construction costs to complete the Development Assets, to be paid progressively till completion are approximately £37 million² (approximately S\$67 million).

The transaction will more than double the assets under management to a sizeable S\$1.5 billion and underpin SPH's position as a leading player in the UK PBSA market.

About 84% of the beds are in close proximity to top-ranked and Russell Group universities including the world-renowned University of Oxford and University of Cambridge. The transaction increases SPH's presence in cities where the supply of student housing is limited.

Within the portfolio, the Development Assets are in the development stage and expected to be operational for the academic year 2020/21. Both assets carry a fixed monthly coupon payment during the development stage, followed by rental guarantee and income support arrangements during the first three years of operation. This will provide income stability during the development and stabilisation phase of the assets.

Excluding the Development Assets, the five operational assets have an average age of 2.6 years. The assets have consistently enjoyed close to full occupancy. All assets offer extensive amenities such as gyms, study pods, social spaces, cinemas, cafés and complimentary bicycle rental.

Mr. Ng Yat Chung, Chief Executive Officer of SPH, said: "We continue to expand the scale of our PBSA portfolio. The acquisition of the Student Castle platform and assets allows us to add a premium brand and portfolio that complements our existing PBSA portfolio. This is in line with our strategy to grow recurring income to deliver sustainable returns to shareholders."

The fundamentals of the student accommodation sector in the UK remain well-supported by positive secular trends in the domestic 18-year-old population³, positive government policies to grow the number of foreign students⁴, and a record number of international students from outside Europe⁵.

Also included in the acquisition is the Student Castle operating platform, comprising its brand, its proprietary booking system, and its employees. Acquiring the platform will boost SPH's operational capabilities and improve efficiency and synergies. Together with SPH's Capitol Students brand, the Group has an enhanced portfolio with offerings that cater to both the mid and high-end markets for local and international students.

Completion occurred simultaneously with the signing of the sale and purchase agreement.

¹ Based on an indicative exchange rate of £1: S\$1.8

² The Cushman & Wakefield valuation report puts the aggregate market value of the assets being acquired at £448 million as at 31 October 2019, on the assumption that the Development Assets have been completed and are operational

³ 'Being 18 in 2018', Office for National Statistics 2018

⁴ 'UK announces 2-year post-study work visa for international students', GOV.UK 2019

⁵ 'UCAS Daily Clearing 2019 update', UCAS 2019

Interior view of the apartment at Student Castle Bath



Shared kitchen at Student Castle Cambridge



Study and common area at Student Castle Durham



Interior view of the apartment at Student Castle Edinburgh



Exterior view of Student Castle York



Exterior rendering of Student Castle Oxford



Exterior rendering of Student Castle Brighton



This press release should be read in conjunction with the presentation slides and announcement published on SGXNet.

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About Singapore Press Holdings Ltd

Incorporated in 1984, mainboard-listed Singapore Press Holdings Ltd (SPH) is Asia's leading media organisation, engaging minds and enriching lives across multiple languages and platforms.

SPH's core business is publishing of newspapers, magazines and books in both print and digital editions. It also owns other digital products, online classifieds, radio stations and outdoor media.

On the property front, SPH owns approximately 70% in a real estate investment trust called SPH REIT which comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road, The Clementi Mall, a mid-market suburban mall and The Rail Mall, a stretch of shopping and dining outlets along Upper Bukit Timah Road. In Australia, SPH REIT also holds an 85% equity stake in Figtree Grove Shopping Centre, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia and a 50% stake in Westfield Marion Shopping Centre, the largest and only super regional shopping centre in Adelaide, South Australia. SPH owns and operates The Seletar Mall and is developing a new commercial cum residential site, The Woodleigh Residences and The Woodleigh Mall. It also owns a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom.

It is in the aged care sector and owns Orange Valley, Singapore's largest private nursing home operator.

SPH runs a regional events arm and a chain of Buzz retail outlets. It also invested in the education business.

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