



SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 198402868E)

PROPOSED ACQUISITION BY KEPPEL PEGASUS PTE. LTD. OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF SINGAPORE PRESS HOLDINGS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT

- **RECEIPT OF RULING FROM SECURITIES INDUSTRY COUNCIL AND TERMINATION OF KEPPEL IMPLEMENTATION AGREEMENT**
- **COMMENCEMENT OF ARBITRATION PROCEEDINGS BY KEPPEL PEGASUS PTE. LTD. AGAINST TERMINATION OF KEPPEL IMPLEMENTATION AGREEMENT**

1. INTRODUCTION

The board of directors (the “**Board**”) of Singapore Press Holdings Limited (the “**Company**”) refers to:

- (a) the joint announcement (the “**Keppel Joint Announcement**”) by Keppel Pegasus Pte. Ltd. (“**Keppel Pegasus**”) and the Company to the shareholders of the Company (the “**Shareholders**”) on 2 August 2021 in relation to the entry into of an implementation agreement dated 2 August 2021 between the Company and Keppel Pegasus (the “**Keppel Implementation Agreement**”) and the proposed acquisition by Keppel Pegasus of all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of the Company by way of a scheme of arrangement (“**Keppel Scheme**”) under Section 210 of the Companies Act 1967 (“**Companies Act**”) and the Singapore Code on Take-overs and Mergers (“**Code**”), and the joint announcement by Keppel Pegasus and the Company to the Shareholders on 9 November 2021 in relation to the supplemental letter (the “**Keppel Supplemental Letter**”) entered into between Keppel Pegasus and the Company regarding the Keppel Scheme (the “**Keppel Supplemental Announcement**”); and
- (b) the joint announcement (the “**Cuscaden Joint Announcement**”) by Cuscaden Peak Pte. Ltd. (“**Cuscaden**”) and the Company to the Shareholders on 15 November 2021 in relation to the proposed acquisition by Cuscaden of all the Shares by way of a scheme of arrangement (“**Cuscaden Scheme**”) under Section 210 of the Companies Act and the Code, and the announcement by the Company to the Shareholders on 2 December 2021 in relation to the supplemental letter entered into between Cuscaden and the Company regarding the Cuscaden Scheme (the “**Cuscaden Supplemental Announcement**”);

Unless otherwise defined, capitalised terms in this Announcement shall bear the same meaning as set out in the Keppel Joint Announcement, the Keppel Supplemental Announcement, the Cuscaden Joint Announcement or the Cuscaden Supplemental Announcement, as the case may be.

2. RECEIPT OF RULING FROM THE SECURITIES INDUSTRY COUNCIL AND TERMINATION OF KEPPEL IMPLEMENTATION AGREEMENT

Under Clause 4.2.1 of the Keppel Implementation Agreement, if any of the conditions precedent which must be satisfied (or, where applicable, waived) for the Keppel Scheme to be implemented (the “**Scheme Conditions**”) set out in Clauses 3.1.1 to 3.1.7 thereof is not satisfied, or if the Keppel Scheme has not become effective in accordance with its terms on or before 5.00 p.m. on 2 February 2022 (“**Cut-Off Date**”), either Keppel Pegasus or the Company may immediately terminate the Keppel Implementation Agreement by notice in writing to the other party, subject to the following:

- (a) Keppel Pegasus and/or the Company (as the case may be) may only invoke the non-satisfaction of any of the Scheme Conditions referred to in Clauses 3.1.1 to 3.1.12 of the Keppel Implementation Agreement to terminate the Keppel Implementation Agreement if it has first consulted the Securities Industry Council (the “**SIC**”) and the SIC gives its approval for, or states that it has no objection to, such termination; and
- (b) in the event either Keppel Pegasus or the Company intends to consult the SIC in relation to the termination of the Keppel Implementation Agreement for any reason whatsoever, it shall give prior written notice of such intention to the other party and each party shall be entitled to make its representations and submissions to the SIC,

(the “**Termination Right**”).

The Cut-Off Date has come and passed, and not all of the Scheme Conditions set out in Clauses 3.1.1 to 3.1.7 of the Keppel Implementation Agreement have been satisfied, nor has the Keppel Scheme become effective in accordance with its terms.

The Board would like to update Shareholders that, following consultation by the Company with the SIC regarding the Termination Right, the SIC has ruled that it has no objections to the Company’s exercise of the Termination Right.

Accordingly, the Company has today given notice to Keppel Pegasus of the termination of the Keppel Implementation Agreement with immediate effect. The Company will continue with its preparations to allow Shareholders to consider and vote on the Cuscaden Scheme. The Company will make further announcements in due course on the despatch of the composite document in relation to the Cuscaden Scheme and inform Shareholders of the date of the scheme meeting in relation to the Cuscaden Scheme, in compliance with applicable laws and regulations.

The Company’s rationale for exercising the Termination Right is set out in paragraph 3 below.

3. RATIONALE FOR EXERCISE OF THE TERMINATION RIGHT

Cuscaden Scheme is Superior

Under the Cuscaden Scheme, Shareholders would receive either S\$2.360 fully in cash for each Share or S\$1.602 in cash and 0.782 SPH REIT Units for each Share, with an illustrative value of S\$2.400¹ (the “**Cuscaden Scheme Consideration**”). This is compared to the Keppel Scheme

¹ Illustrative price based on SPH REIT closing price of S\$1.020 per SPH REIT Unit as at 12 November 2021, being the last trading day prior to the announcement of the Cuscaden Scheme.

consideration of S\$0.868 in cash, 0.782 SPH REIT Units and 0.596 Keppel REIT Units for each Share, with an illustrative value of S\$2.351² (the “**Keppel Scheme Consideration**”).

Since the announcement of the Cuscaden Scheme, the implied value of the Cuscaden Scheme Consideration has remained superior to that of the Keppel Scheme Consideration. As at 9 February 2022, being the date of this Announcement (the “**Last Trading Day**”), the implied valuation of the Cuscaden Scheme Consideration is S\$2.360 for the all cash consideration and S\$2.361 for the combination of cash and SPH REIT Units consideration. In contrast, as at the Last Trading Day, the implied valuation of the Keppel Scheme Consideration is S\$2.318, which is below the trading price of S\$2.330 for each Share as at the Last Trading Day. The termination of the Keppel Scheme is consistent with the preliminary recommendation of the directors of the Company who are considered to be independent for the purposes of the Cuscaden Scheme and the Keppel Scheme (the “**Independent Directors**”) to Shareholders to vote in favour of the Cuscaden Scheme and vote against the Keppel Scheme, subject to the opinions of the IFA and in the absence of a further superior competing offer (the “**Preliminary Recommendation**”). In view that the implied value of the Cuscaden Scheme Consideration remains superior to that of the Keppel Scheme Consideration, the Independent Directors continue to maintain their Preliminary Recommendation.

Parity of Timing and Regulatory Approval Process between the Cuscaden Scheme and the Keppel Scheme

On 2 December 2021, Cuscaden announced that it had received all regulatory approvals³ and waived the No Material Adverse Effect Condition.

On 22 December 2021, the Company announced that it was informed by the SIC that the following provisions of the Keppel Implementation Agreement (as supplemented by the Keppel Supplemental Letter) shall have no effect and shall be disregarded:

- (a) the provision that the Keppel Scheme Meeting shall be held prior to any Alternative Scheme Meeting; and
- (b) the provision that the Company shall not take any action to hold an Alternative Scheme Meeting within eight weeks from the date of the Keppel Scheme Meeting, provided that such obligation of the Company shall be deemed to have been waived by Keppel Pegasus in the event that (i) the shareholders of Keppel do not approve the Acquisition at the Keppel EGM, (ii) the Shareholders do not approve the Keppel DIS at the EGM or the Keppel Scheme at the Keppel Scheme Meeting or (iii) Keppel Pegasus exercises the Switch Option.

As such, with the above two announcements and developments, there is no longer a disparity in terms of timing and regulatory approval process between the Cuscaden Scheme and the Keppel Scheme.

Expeditious resolution for SPH Shareholders and Stakeholders

Due to there being two parallel competing schemes, the Company, together with Keppel Pegasus and Cuscaden, have been engaged in substantial discussions amongst themselves and the

² Illustrative price based on SPH REIT closing price of S\$1.020 per SPH REIT Unit and Keppel REIT closing price of S\$1.150 per Keppel REIT Unit as at 9 November 2021, being the date of announcement of the revised Keppel Scheme.

³ The remaining Regulatory Approval to be obtained is in respect of the approval-in-principle from the SGX-ST of the Composite Document and for the proposed delisting of the Company from the SGX-ST, which is to be obtained by the Company.

regulators. However, there has been no consensus in relation to which scheme would be submitted to Court for approval in the event that both schemes achieve the voting majority as required by the Companies Act.

Given (i) there is no disparity in the timing and regulatory approval process between the Cuscaden Scheme and the Keppel Scheme; (ii) not all of the Scheme Conditions under the Keppel Scheme have been satisfied on or before the Cut-Off Date; and (iii) the Independent Directors continue to maintain their Preliminary Recommendation to Shareholders, the Company believes that it is in the interest of Shareholders and other SPH stakeholders for the Company to terminate the Keppel Scheme. This would allow Shareholders to consider and vote at the scheme meeting in respect of the Cuscaden Scheme as soon as practicable, and if the voting majority as required by the Companies Act is attained, allow the Company to submit the Cuscaden Scheme to Court for approval.

Cautionary Note. Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information in the composite document in relation to the Cuscaden Scheme and the recommendation of the Independent Directors on the Cuscaden Scheme and its related DIS, as well as the advice of the IFA set out in the composite document in relation to the Cuscaden Scheme.

Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

4. COMMENCEMENT OF ARBITRATION PROCEEDINGS BY KEPPEL PEGASUS AGAINST TERMINATION OF KEPPEL IMPLEMENTATION AGREEMENT

The Board would also like to update Shareholders that the Company has received a notice of arbitration from Keppel Pegasus, alleging that the Company has no right to seek a termination of, or to terminate, the Keppel Implementation Agreement, and seeking various reliefs against the Company, including specific performance of the Company's alleged obligations under the Keppel Implementation Agreement.

The Company will vigorously defend its position in the appropriate forum.

5. RESPONSIBILITY STATEMENT

The directors of the Company (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. The directors of the Company jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from Keppel Pegasus, Keppel, Cuscaden or the IFA, the sole responsibility of the directors of the Company 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 Company do not accept any responsibility for any information relating to Keppel Pegasus, Keppel, Keppel REIT, SPH REIT, Cuscaden or any opinion expressed by Keppel Pegasus, Keppel, Cuscaden or the IFA (save for the Company's unitholding interest in SPH REIT).

By Order of the Board

SINGAPORE PRESS HOLDINGS LIMITED

Ginney Lim May Ling
Company Secretary
9 February 2022