

## **Cuscaden Announces Compelling Offer for SPH**

### **SPH Acknowledges that the Cuscaden Scheme is Superior to the Keppel Final Offer**

- *SPH and Cuscaden have entered into an Implementation Agreement*
- *Under the Cuscaden Scheme, each SPH shareholder has the option to choose to receive either:*
  - *Option 1: S\$2.360 per SPH share, paid fully in cash, OR*
  - *Option 2: S\$1.602 in cash and 0.782 SPH REIT units with an illustrative value of S\$2.400<sup>1</sup> per SPH share*
- *Cuscaden Scheme delivers compelling higher value and provides SPH shareholders flexibility to choose the option that best suits their individual investment needs*
- *Subject to IFA's opinion and in the absence of a Superior Competing Offer, the preliminary recommendation by SPH Independent Directors is for SPH shareholders to **vote AGAINST the Keppel Scheme and vote IN FAVOUR OF the Cuscaden Scheme***
- *No additional approvals from shareholders of Cuscaden and the consortium members are required*

**Singapore, 15 November 2021** – Cuscaden Peak Pte. Ltd. ("**Cuscaden**") today entered into an Implementation Agreement with Singapore Press Holdings ("**SPH**") to acquire all the issued and paid-up ordinary shares in the capital of SPH, by way of a scheme of arrangement ("**Cuscaden Scheme**").

The superior offer by Cuscaden is compelling, with each SPH shareholder having the opportunity to elect between (i) an All Cash Consideration or (ii) a Cash and Units Consideration, with both options having higher consideration value of up to S\$2.400<sup>1</sup> per share as well as higher proportion of cash consideration compared to the final offer by Keppel Pegasus Pte. Ltd. under its scheme of arrangement ("**Keppel Scheme**") of S\$2.351 per share ("**Keppel Final Offer**").

SPH acknowledges that the Cuscaden Scheme is superior to the Keppel Scheme. Subject to IFA's opinion and in the absence of a Superior Competing Offer, SPH Independent Directors preliminarily recommend to SPH shareholders to vote **AGAINST** the Keppel Scheme at the scheme meeting in relation to the Keppel Scheme; and vote **IN FAVOUR OF** the Cuscaden Scheme at the Cuscaden Scheme Meeting.

Cuscaden is working expeditiously with SPH for the transaction to complete by February 2022.

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<sup>1</sup> Illustrative value based on SPH REIT closing price of S\$1.020 per SPH REIT Unit as at 12 November 2021, being the Last Trading Day and as at 9 November 2021, being the date of the Keppel Revision Announcement

## The Cuscaden Scheme is Superior to the Keppel Scheme

Cuscaden recognises that each SPH shareholder has different investment objectives. It has tailored its offer to provide maximum flexibility and value certainty to suit SPH shareholders' individual investment needs.

SPH shareholders will be required to vote on the Cuscaden Scheme. **After the Cuscaden Scheme is approved, EACH SPH shareholder will have the opportunity to choose to receive EITHER:**

- **Option 1 – All Cash Consideration.** Provides SPH shareholders the opportunity to realise the value of their investment fully in cash with certainty, eliminating price volatility risk, minimising potential transaction costs and providing full flexibility on how to use or redeploy the proceeds;

### OR

- **Option 2 – Cash and Units Consideration.** Provides SPH shareholders the opportunity to participate through SPH REIT units in the recovery upside of the retail real estate sector at attractive dividend yields (historical average dividend yields in the c.5 per cent range)<sup>2</sup>, while still receiving a significantly higher cash component than has been offered in the Keppel Scheme.

For illustrative purposes only, the consideration options for each SPH shareholder under the Cuscaden Scheme ("**Cuscaden Scheme Consideration**") translate into a total value per SPH share as follows:

Offer details	Option 1: All Cash	Option 2: Cash and Units <sup>3</sup>
Cash Consideration payable by Cuscaden	S\$2.360	S\$1.602
SPH REIT DIS	NA	0.782 SPH REIT Units, valued at S\$0.798 <sup>4</sup> per SPH share
<b>Total Cuscaden Scheme Consideration</b>	<b>S\$2.360</b>	<b>S\$2.400</b>

Cuscaden is of the view that:

1. **Both options offered by Cuscaden are of superior value to that offered in the Final Keppel Offer**

<sup>2</sup> From Bloomberg, average dividend yields of SPH REIT from 30 July 2019 to 30 July 2021

<sup>3</sup> Default election option, in the absence or failure of any valid election or in the event of a failure of election

<sup>4</sup> Illustrative value based on SPH REIT closing price of S\$1.020 per SPH REIT Unit as at 12 November 2021, being the Last Trading Day and as at 9 November 2021, being the date of the Keppel Revision Announcement

2. **Both options offer a significantly higher cash consideration than the Keppel Final Offer, which only offers S\$0.868 in cash per share**

3. **The All Cash Consideration has no price volatility**

Since the initial announcement of the Keppel Scheme on 2 August 2021, the implied market value of the Keppel Scheme consideration fell to as low as S\$2.201<sup>5</sup> per share on 20 September 2021. In contrast, the All Cash Consideration has no monetisation risk and will also not attract brokerage fees.

4. **By offering each SPH shareholder a choice, the Cuscaden Scheme also enhances certainty on the value of consideration received**

Under the Keppel Scheme, SPH shareholders have only one option and will receive Keppel REIT and SPH REIT units regardless of their preference. SPH shareholders monetising a large volume of REIT units within a short period of time could create downward pressure on the traded prices, reducing the ultimate value that could be realised by SPH shareholders from the Keppel Scheme consideration.

### **Cuscaden Scheme is expected to be completed expeditiously**

Cuscaden is working to deliver transaction certainty for SPH shareholders. Regulatory approvals for the Cuscaden Scheme are similar to those required under the Keppel Scheme and all relevant applications have been submitted to all the relevant regulators.

Unlike the Keppel Scheme, the Cuscaden Scheme is not contingent on the approval of the offeror's shareholders.

### **Success of the Cuscaden Scheme is in SPH shareholders' hands**

SPH acknowledges that the Cuscaden Scheme is superior to the Keppel Scheme.

Subject to IFA's opinion and in the absence of a Superior Competing Offer, the preliminary recommendation of the Independent Directors of SPH is that shareholders vote **AGAINST** the Keppel Scheme and vote **IN FAVOUR OF** the Cuscaden Scheme.

**SPH shareholders who wish to benefit from the Cuscaden Scheme should attend (in person or in proxy) the Keppel Scheme Meeting to vote against the Keppel Scheme. This is because the voting results of the present and voting shareholders at the Keppel Scheme meeting will bind all SPH shareholders (including those who do not submit a vote).**

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<sup>5</sup> Assumes initial Keppel Scheme announced on 2 August 2021 retrospectively adjusted for an additional S\$0.200 per share as reflected in the Keppel Final Offer.

## **Possible Chain Offer for SPH REIT**

Under the Cuscaden Scheme, depending on the final proportion of SPH shareholders that elect between the two consideration options, a chain offer ("**SPH REIT Chain Offer**") for all of the units in SPH REIT may be triggered in compliance with the Take-overs and Mergers Code, if Cuscaden and its concert parties hold more than 30% of SPH REIT units (including those SPH REIT units held by the Company after the completion of the DIS).

As confirmed by SIC in its relevant ruling, the minimum offer price for the SPH REIT Chain Offer, if it is required to be made, will be S\$0.964 per SPH REIT unit. Cuscaden will not be obliged to offer a higher price.

## **Next Steps**

A Composite Document, including the recommendation of the Independent Directors along with the advice of the IFA on the Cuscaden Scheme, will be despatched in due course. Following this, a scheme meeting will be convened for SPH shareholders to vote on the Cuscaden Scheme. Cuscaden is working expeditiously for the transaction to complete by February 2022. More information will be published via the SPH website and the SGXNET.

Shareholders are reminded that if the Keppel Scheme meeting is convened prior to the Cuscaden Scheme meeting, shareholders who are in favour of **the Cuscaden Scheme** must also be present (in person or by proxy) at the Keppel Scheme meeting to **vote against the Keppel Scheme**.

Morgan Stanley Asia (Singapore) Pte. is the financial adviser to Cuscaden in respect of the Cuscaden Scheme.

## **Responsibility Statement**

The directors of Cuscaden (including any who may have delegated detailed supervision of the preparation of this media release) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this media release (excluding information relating to SPH or SPH REIT or any opinion expressed by SPH) are fair and accurate and that, where appropriate, no material facts which relate to Cuscaden have been omitted from this media release the omission of which would make any statement in this media release misleading. The directors of Cuscaden jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors of Cuscaden has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this media release. The directors of Cuscaden do not accept any responsibility for any information relating to SPH or SPH REIT or any opinion or rationale expressed by SPH.

**- END -**

***This media release should be read in conjunction with the full text of the Joint Announcement dated 15 November 2021. In the event of any inconsistency or conflict between this media release and Joint Announcement, the terms set out in the Joint Announcement shall prevail. Capitalised terms used but not otherwise defined herein shall have the meanings given to them in the Joint Announcement, which is available on [www.sgx.com](http://www.sgx.com).***

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### **About the Consortium Members of Cuscaden Peak**

**Tiga Stars Pte. Ltd. (“TSPL”)** is an investment holding company that is 70 per cent owned by HPL and the remaining 30 per cent held by Como Holdings Inc which is ultimately owned by Mr Ong Beng Seng. HPL is a Singapore-incorporated company listed on the Mainboard of the SGX-ST that engages in hotel ownership, management and operation, property development, and investment holding. The HPL group has interests in 39 hotels across 15 countries under prestigious hospitality brands and also manages its own portfolio of hotels under well-established brands. In addition, HPL also has established a distinctive track record in developing quality and premium residential and commercial properties in local and overseas markets including Australia, Japan, Thailand, the United Kingdom and the United States. Mr Ong Beng Seng is the Managing Director and deemed majority shareholder of HPL.

**Adenium Pte. Ltd (“APL”)** is a wholly owned subsidiary of CLA. CLA’s portfolio includes 100% shareholding in CapitaLand Limited, real estate assets in Australia, and investments in the life sciences sector. CapitaLand Limited is a diversified real estate group that is headquartered in Singapore. It engages in real estate development and investment, and holds a majority stake in the Singapore mainboard-listed CapitaLand Investment Limited. CLA is an independently managed portfolio company of Temasek Holdings (Private) Limited.

**Mapletree Fortress Pte. Ltd. (“MFPL”)** is an indirect, wholly-owned subsidiary of Mapletree. Mapletree is a Singapore-incorporated company which engages in real estate development, investment, capital and property management. As at 31 March 2021, it owns and manages S\$66.3 billion of office, retail, logistics, industrial, data centre, residential, and lodging properties. The Mapletree group currently manages four (4) Singapore-listed REITs and six (6) private equity real estate funds. Mapletree is an independently managed portfolio company of Temasek Holdings (Private) Limited.