

## ANNOUNCEMENT

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### PROPOSED ACQUISITION OF SHARES IN SINGAPORE PRESS HOLDINGS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT

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#### 1. INTRODUCTION

##### 1.1 The Proposed Transaction

Keppel Corporation Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce the proposed acquisition by its direct, wholly-owned subsidiary, Keppel Pegasus Pte. Ltd. (the "**Offeror**"), of all the issued and paid-up ordinary shares in the capital of Singapore Press Holdings Limited ("**SPH**" and such shares, the "**SPH Shares**") (excluding the treasury shares) by way of a scheme of arrangement (the "**Scheme**") 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 (the "**Code**" and such acquisition, the "**Proposed Transaction**").

For further details on the Proposed Transaction and the Scheme, please refer to the joint announcement released today by the Offeror and SPH titled "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" (the "**Joint Announcement**"), which is set out in the **Schedule** to this Announcement and a copy of which is available on the website of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") at [www.sgx.com](http://www.sgx.com). References to the Proposed Transaction and the Scheme and its terms and conditions in this Announcement should be read together with, and are subject to, the Joint Announcement. Unless otherwise defined herein, all capitalised terms have the meanings ascribed to them in the Joint Announcement.

##### 1.2 Chapter 10 of the Listing Manual

This Announcement is made in compliance with Chapter 10 of the listing manual of the SGX-ST ("**Listing Manual**") and should be read in conjunction with the Joint Announcement.

## 2. **INFORMATION ON SPH**

### 2.1 **SPH and its Principal Activities**

SPH is a company incorporated in Singapore on 4 August 1984 and was listed on the Mainboard of the SGX-ST on 20 December 1984.

SPH and its subsidiaries (collectively, the "**SPH Group**") have several business segments. The first is the media business, engaged in the publishing of newspapers, magazines and books in both print and digital editions. The SPH Group also owns other digital products, online classifieds, radio stations and outdoor media.

Under the retail and commercial segment, SPH owns approximately 65% in SPH REIT whose portfolio comprises three properties in Singapore, namely Paragon, The Clementi Mall and The Rail Mall. In Australia, SPH REIT holds an 85% stake in Figtree Grove Shopping Centre and a 50% stake in Westfield Marion Shopping Centre. SPH also owns a 70% interest in and operates The Seletar Mall, and holds a 50% stake in two joint venture companies which are developing an integrated development consisting of The Woodleigh Residences and The Woodleigh Mall.

Under the Purpose-Built Student Accommodation ("**PBSA**") segment, the Company is also an owner, manager and developer of a portfolio of PBSA in the United Kingdom (the "**UK**") and Germany, and currently operates two distinctive brands, Student Castle and Capitol Students.

SPH is also in the aged care sector in Singapore and Japan, and owns Orange Valley, one of Singapore's largest private nursing homes.

### 2.2 **The Media Business Restructuring**

On 6 May 2021, SPH announced (the "**Media Business Restructuring Announcement**") that SPH and SPH Media Holdings Pte Ltd (the "**Media HoldCo**"), a wholly-owned subsidiary of SPH, had entered into a business restructuring deed (the "**BRD**") to provide for (a) the transfer of the Media HoldCo for nominal consideration of S\$1 to SPH Media Trust, a not for profit company limited by guarantee; (b) the transfer of the media business of SPH (the "**Media Business**") to the Media HoldCo and its subsidiaries; and (c) SPH to make the other aspects of the SPH Contribution (as defined in the Media Business Restructuring Announcement) to assist with the operation and maintenance of the restructured Media Business following the closing of the proposed restructuring in accordance with the BRD (collectively, the "**Media Business Restructuring**").

The completion of the Media Business Restructuring is a Scheme Condition (as defined in paragraph 3.1 below). Please refer to the Media Business Restructuring Announcement for further details of the Media Business Restructuring.

### 2.3 **Board of Directors of SPH**

As at the date of this Announcement (the "**Announcement Date**"), the board of directors of SPH comprises the following:

- (a) Lee Boon Yang (Chairman, Non-Executive and Independent Director);
- (b) Ng Yat Chung (Chief Executive Officer, Executive and Non-Independent Director);
- (c) Janet Ang Guat Har (Non-Executive and Independent Director);
- (d) Bahren Shaari (Non-Executive and Independent Director);
- (e) Andrew Lim Ming-Hui (Non-Executive and Independent Director);
- (f) Lim Ming Yan (Non-Executive and Independent Director);
- (g) Quek See Tiat (Non-Executive and Independent Director);
- (h) Tan Chin Hwee (Non-Executive and Independent Director);
- (i) Tan Yen Yen (Non-Executive and Independent Director);
- (j) Tracey Woon (Non-Executive and Independent Director); and
- (k) Yeoh Oon Jin (Non-Executive and Independent Director).

## 2.4 Share Capital of SPH

As at the Announcement Date, SPH has:

- (a) an issued and paid-up share capital of S\$515,700,001 comprising 1,591,512,137 SPH Shares and 9,136,984 treasury shares, and S\$7,109,115 comprising 16,361,769 management shares of SPH (the "**Management Shares**") (excluding the treasury shares, the "**Current SPH Share Capital**"); and
- (b) 6,104,541 outstanding awards granted under the SPH Performance Share Plan 2016, pursuant to which up to a maximum of 10,201,655 SPH Shares may be issued and/or transferred to the eligible employees of the SPH Group (subject to the fulfilment of the terms and conditions set out in the SPH Performance Share Plan 2016).

As stated in the Media Business Restructuring Announcement, SPH will transfer 6,868,132 treasury shares (the "**Relevant SPH Shares**") to the Media HoldCo pursuant to the Media Business Restructuring.

## 3. THE PROPOSED TRANSACTION AND THE SCHEME

### 3.1 Scheme Conditions

In connection with the Proposed Transaction, the Offeror and SPH (collectively, the "**Parties**") have today entered into an implementation agreement (the "**Implementation Agreement**") setting out the terms and conditions on which the Parties will implement the Scheme. The

Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of certain conditions (the "**Scheme Conditions**") set out in the Implementation Agreement.

Pursuant to the Implementation Agreement, and subject to the Scheme becoming effective in accordance with its terms, all the SPH Shares held by the shareholders of SPH as at the Record Date<sup>1</sup> (the "**Eligible Shareholders**" and each, an "**Eligible Shareholder**") will be transferred to the Offeror:

- (a) fully paid-up;
- (b) free from any mortgage, assignment, debenture, lien, hypothecation, charge, pledge, adverse claim, title retention, easement, hire purchase, right to acquire, security agreement, security interest, option, power of sale, any right of pre-emption, first offer, first refusal or tag-along or drag-along or any third party right or interest or an agreement, arrangement or obligation to create any of the foregoing ("**Encumbrances**"); and
- (c) together with all rights, benefits and entitlements attaching thereto as at the date of the Joint Announcement and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by SPH to its shareholders on or after the date of the Joint Announcement, other than the Final FY2021 Dividend<sup>2</sup> and the DIS<sup>3</sup>.

For more information on the Scheme Conditions, please refer to the Joint Announcement.

### 3.2 Scheme Consideration

In accordance with the terms of the Scheme, subject to the satisfaction and/or waiver (as the case may be) of all the Scheme Conditions, all the Eligible Shareholders shall be entitled to receive, for each SPH Share:

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<sup>1</sup> For the purpose of this Announcement, the "**Record Date**" shall mean a record date to be announced by SPH on which the Transfer Books and the Register of Members of SPH will be closed in order to determine the entitlements of the Eligible Shareholders in respect of the Scheme and the DIS.

<sup>2</sup> The "**Final FY2021 Dividend**" is a cash dividend per SPH Share, in addition to the interim dividend of S\$0.03 per SPH Share declared by SPH on 30 March 2021 and paid to all shareholders of SPH on 21 May 2021, of an amount not exceeding a pay-out ratio of 75%, determined based on the operating profits of the Current SPH Group Companies (as defined below) for the financial year ending 31 August 2021, including the share of results from associates and joint ventures and net income from investments and excluding revaluation gains, gains on divestments of properties and any loss or impairment in relation to the Media Business Restructuring and any non-controlling interests, provided that the Final FY2021 Dividend shall not be lower than S\$0.02 or exceed S\$0.03 per SPH Share.

The Final FY2021 Dividend is not in any way indicative of any dividend that SPH may declare in the future and should not in any way be construed as a dividend forecast.

"**Current SPH Group Companies**" means SPH, all of its subsidiaries, joint ventures, trusts and Associated Companies taken as a whole, as set out in the Group Structure Chart appended to the Implementation Agreement, and includes any and all Divested Media Entities and the Media Business.

<sup>3</sup> See paragraph 3.2(b) of this Announcement.

- (a) from the Offeror (the "**Offeror Consideration**"):
- (i) a sum of S\$0.668 in cash (the "**Cash Consideration**" and the aggregate of such Cash Consideration received by the Eligible Shareholders, the "**Total Cash Consideration**"); and
  - (ii) 0.596 units in Keppel REIT which the Offeror will transfer or procure to be transferred to shareholders of SPH ("**K-REIT Units**" and the aggregate of such K-REIT Units received by the Eligible Shareholders, the "**Consideration Units**"); and
- (b) from SPH, 0.782 issued units in SPH REIT ("**SPH REIT Units**") by way of a distribution *in specie* (the "**DIS**"),
- (collectively, the "**Scheme Consideration**").

For more information on the Scheme Consideration and other terms of the Scheme, please refer to the Joint Announcement.

#### **4. RATIONALE FOR AND BENEFITS OF THE PROPOSED TRANSACTION**

The Proposed Transaction presents a unique opportunity for the Company to acquire a portfolio of businesses strategically aligned to the Company's focus areas under Vision 2030. As part of the Company's Vision 2030, the Company has committed to refocus its portfolio to be an integrated business, providing end-to-end solutions for sustainable urbanisation, with an asset management arm to fund the Group's growth and provide a platform for capital recycling. The Proposed Transaction is expected to accelerate the Company's Vision 2030 growth strategy.

- (a) The Company is uniquely positioned to enhance and unlock value of SPH's portfolio

The Proposed Transaction sits on familiar grounds where the Company has strong expertise in. SPH provides a quality portfolio of businesses and assets which are aligned with and complement three out of the Company's four focus areas of, asset management, urban development and connectivity. Through this acquisition, the Company will gain scale and capabilities across the three areas.

In particular, the asset management business will gain scale with projected assets under management ("**AUM**") growth of 27% from S\$37 billion to S\$47 billion. It will also harness operating synergies through managing SPH REIT within the larger Keppel asset management platform, as well as enter and expand into the PBSA and senior living sectors respectively. Given the Company's track record of creating and enhancing value in AUM managed, the Company is potentially able to unlock the latent value potential embedded within these businesses and assets.

The Proposed Transaction also enables the Company to consolidate ownership in its existing partnerships with SPH in M1 and Genting Lane data centre, enabling the Company to maximise synergies in these strategic assets.

Through value unlocking and harnessing synergies within the SPH platform, the overall Group will be boosted, accelerating its growth trajectory further.

(b) Expand into secular growth sectors (PBSA and senior living) and benefit from recovery in retail

The acquisition of SPH's PBSA business will provide the Company with an immediate and sizeable foothold within the highly resilient and fast growth PBSA sector in the UK and Germany, which are underpinned by rising domestic and international higher education demand. As a result, the UK PBSA portfolio has demonstrated rapid occupancy recovery in the current academic year with positive trajectory expected in the near term.

SPH's PBSA business segment, which operates under its owned flagship Capitol Students and Student Castle brands, is a leading PBSA owner and operator with a diversified portfolio of over 7,700 beds across 18 cities in the UK and Germany. There are 15 university partnerships in place<sup>4</sup>, where nomination agreements for beds have been entered into, thus providing stable income.

On top of the immediate scale achieved through the acquisition of the PBSA property portfolio, the Company also gains access to the integrated platform capabilities to develop, manage and operate PBSA assets in-house, providing the foundation for the Company (through Keppel Capital) to grow its presence within the education sector, an identified area of growth for Keppel Capital.

Additionally, SPH would enrich the Company's senior living solutions with the addition of nursing homes. It would provide visible operating synergies alongside the Company's current senior living business, and diversifies the Company's existing Watermark senior living business in the US through access to Singapore and Japan markets, providing the Company with sizeable international presence within the sector.

The acquisition of a stake in SPH REIT and full ownership of its REIT manager provides the Company with a natural platform to recycle its retail assets (including I12 Katong). Furthermore, the Company, through the quality portfolio of retail under SPH REIT, can tap into the recovery and growth of the Singapore retail market, which has seen a rebound to near pre-pandemic levels, evident from the recovery of SPH REIT's distribution in recent quarters to near pre-COVID-19 levels. With quality assets on hand, coupled with the Company's experience in asset management, SPH REIT provides a compelling organic recovery play that investors would be interested in.

(c) Builds scale in Asset Management platform

SPH would accelerate the Company's transition into an asset-light business model by driving growth and diversification in its Keppel Capital asset management platform. The Company's pro forma AUM is expected to grow by 27% from S\$37 billion to S\$47 billion, with expanded sector coverage into emerging PBSA and senior living sectors, as well as the recovering retail sector.

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<sup>4</sup> Based on the Results Presentation titled "1H FY2021 Financial Results" released by SPH on the website of the SGX-ST on 30 March 2021.

The enlarged sponsor pipeline through the Proposed Transaction also enhances growth prospects for Keppel Capital's fund ecosystem, offering visible asset recycling opportunities into Keppel Capital's stable of private funds and/or REITs/BTs. The combination of unlocking embedded value of recycled assets, third-party AUM creation and fund management fee growth will scale up Keppel Capital's platform in an asset-light manner.

Additionally, the Proposed Transaction presents the Company with the rare opportunity to acquire a strategic stake in SPH REIT and full ownership in its REIT manager. KCL will hold approximately 20% stakes in both Keppel REIT and SPH REIT post-transaction and is fully committed to support the growth of both REITs.

The Company will enjoy synergies in managing SPH REIT as part of the Company's larger asset management platform with higher AUM. On top of accretive fee-related and investment income, the inclusion of SPH REIT provides the Company with a retail-focused platform to facilitate greater certainty for future capital recycling of retail assets, further driving third party funds growth and increasing recurring fee-related income.

In the longer run, the Company could also explore opportunities to create further value for investors by growing the REIT's AUM and achieving benefits of scale through asset injections and other strategic initiatives. Further opportunities exist to unlock value in the attractive PBSA business through a potential future REIT listing or creation of private fund vehicle, further increasing AUM and driving fund management fee growth. The Company would be supportive of any strategic initiatives by Keppel REIT and SPH REIT that would benefit unitholders, including any initiative which would create a stronger, larger and integrated platform.

(d) Synergies and value upside through multiple levers

The Company has a strong track record of creating value and monetising assets. The Proposed Transaction offers multiple levers to create value upside for the Company through the following:

- (i) **Capital recycling:** Recycling of the pipeline property assets and other liquid investments provides gains from sales, with proceeds for potential redeployment to higher return investments identified by the Company.
- (ii) **Fund manager fees:** The scaling up of the Keppel Capital platform through asset recycling-driven AUM growth and potential securitisation of the PBSA and senior living business, will generate increased fund management fees and drive up the platform valuation. There is potential for future third-party AUM and fee creation through additional asset recycling into REITs and private funds under Keppel Capital.
- (iii) **Organic growth and synergies:** With exposure to the recovering PBSA and retail sectors coupled with the Company's expertise in asset management, net operating income contribution from the SPH assets is expected to improve post-transaction, driving organic recurring income growth.

Furthermore, the operating and scale synergies generated from consolidating control in strategic businesses such as M1 and the Genting Lane data centre development, as well as cross branding opportunities, will form another potential avenue for creating further value in the business.

- (iv) **Development pipeline:** The Woodleigh integrated development, which is expected to be completed in the near to medium term will provides upside in development proceeds to the Company upon completion and sale. The gain on sales proceeds collected can then be redeployed into new investments to further drive returns and increase shareholder value for the Company.
- (v) **Existing investments:** Private holdings within the SPH portfolio, whose value can be crystallised for future redeployment into other growth initiatives.

(e) Improves quality of earnings

The SPH portfolio, whose income is largely recurring based, is projected to immediately be earnings accretive on a pro forma basis and enhance the Company's quality of earnings based on the pro forma increase in recurring income contribution; the pro forma contribution of recurring income by the SPH portfolio to the Company's profit after tax and non-controlling interests ("**PATMI**") will increase from 51% to 56%<sup>5</sup>. Future recurring income growth will be through AUM scale and fee-based income growth in the asset management business.

Further improvement in the Company's quality of earnings could come from the concurrent land bank sales, asset monetisations and potential O&M exit under Vision 2030, coupled with investing into higher return initiatives through redeployed capital.

(f) Maintains balance sheet capacity to invest in other Vision 2030 opportunities

Pro forma gearing post-transaction is projected to be below 1x, and cash consideration could be funded using a combination of various sources, such as internal cash, bank borrowings, instruments with equity treatment, and/or bonds. Liquidity within the Group will still remain robust post-acquisition.

In the near term, the combination of the steady progress made under the Vision 2030 asset monetisation programme, steady recurring income from operations, as well as the planned capital recycling of the SPH assets while concurrently AUM to drive growth

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<sup>5</sup> (1) Recurring income excludes gain arising from the change in interest in Keppel REIT held by the Group and finance costs to be incurred due to cash consideration used to fund the transaction. (2) Based on (a) the KCL 1H2021 Results (as defined herein), (b) the SPH 1H2021 Results (as defined herein), (c) the SPH REIT 1H2021 Results (as defined herein), (d) information obtained during the course of due diligence, and taking into account (i) the financial effects of the Media Business Restructuring (but excluding restructuring adjustments such as the effect of the assumption of certain liabilities, costs and expenses on PATMI arising from the Media Business Restructuring) and (ii) the DIS on SPH based on the SPH 1H2021 Results. (3) This statement on growth in recurring income contribution is not intended as a profit forecast and should not be construed as such. This statement should not be interpreted to mean that its value in any future financial period will necessarily be greater than those for the relevant preceding financial period. (4) In computing the financial impact of the Proposed Transaction on pro forma recurring income contribution, financial statements with different half year ends were used (being 30 June 2021 for the Group and 28 February 2021 for the SPH Group).



in recurring fee-related income, will create debt headroom for the Company to reinvest in other growth initiatives while concurrently growing the Keppel Capital platform.

## 5. **CHAPTER 10 OF THE LISTING MANUAL**

Chapter 10 of the Listing Manual governs the continuing listing obligations of issuers in respect of acquisitions and disposals. Such transactions are classified into the following categories:

- (a) non-discloseable transactions;
- (b) discloseable transactions;
- (c) major transactions; and
- (d) very substantial acquisitions or reverse takeovers.

A transaction by the Offeror may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison, as set out in Rule 1006 of the Listing Manual:

- (i) the net asset value ("**NAV**") of the assets to be disposed of, compared with the Group's NAV;
- (ii) the net profits attributable to the assets acquired or disposed of, compared with the Group's net profits;
- (iii) the aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares;
- (iv) the number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue; and
- (v) the aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.

Where any of the relative figures computed on the bases set out above exceeds 5% but does not exceed 20%, the transaction is classified as a "discloseable transaction" under Chapter 10 of the Listing Manual. Where any of the relative figures computed on the bases set out above exceeds 20% but is less than 100%, the transaction is classified as a "major transaction" under Chapter 10 of the Listing Manual.

The relative figures for the Proposed Transaction computed on the bases set out in Rule 1006 are set out below.

## 5.1 Acquisition of the SPH Shares pursuant to the Proposed Transaction

Rule 1006	Bases	Relative Figures (%)
(a)	The NAV of the assets to be disposed of, compared with the Group's NAV.	N.A. <sup>(i)</sup>
(b)	The net profits attributable to the SPH Shares, compared with the Group's net profits <sup>(ii)</sup> .	15.1%
(c)	The aggregate value of the consideration given for the SPH Shares <sup>(iii)</sup> , compared with the Company's market capitalisation based on the total number of issued shares (excluding treasury shares) <sup>(iv)</sup> .	22.3%
(d)	The number of equity securities issued by the Company as consideration for the Proposed Transaction, compared with the number of equity securities previously in issue.	N.A. <sup>(v)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	N.A. <sup>(vi)</sup>

### Notes:

- (i) Rule 1006(a) of the Listing Manual does not apply to an acquisition of assets.
- (ii) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. The net profits attributable to the SPH Shares amount to approximately S\$78 million, derived based on (a) the SPH Group's unaudited consolidated financial statements for the half year ended 28 February 2021 (the "**SPH 1H2021 Results**"), (b) SPH REIT's unaudited consolidated financial statements for the half year ended 28 February 2021 (the "**SPH REIT 1H2021 Results**"), (c) information obtained during the course of due diligence, and taking into account (i) the financial effects of the Media Business Restructuring (but excluding restructuring adjustments such as the effect of the assumption of certain liabilities, costs and expenses on PATMI arising from the Media Business Restructuring) and (ii) the DIS on SPH based on the SPH 1H2021 Results. Based on the Group's unaudited results for the half year ended 30 June 2021 (the "**KCL 1H2021 Results**"), the Group's net profits amount to S\$516 million.
- (iii) The aggregate value of the consideration given for the SPH Shares was computed based on the aggregate Offeror Consideration, being the sum of the Total Cash Consideration and the implied value of the Consideration Units<sup>6</sup>. Assuming that the total number of SPH Shares is 1,617,010,890<sup>7</sup>, the aggregate value of the consideration given for the SPH Shares would amount to S\$2,237 million.

<sup>6</sup> Calculated based on the implied value of S\$0.715 per Consideration Unit (the "**Illustrative Consideration Unit Price**"). The Illustrative Consideration Unit Price is determined based on the last closing price per Consideration Unit with reference to 30 July 2021 (being the last trading day on which the Consideration Units were traded prior to the Announcement Date).

<sup>7</sup> Being the maximum number of SPH Shares as at the Record Date that shall be acquired by the Offeror in connection with the Proposed Transaction and the Scheme, pursuant to the terms of the Implementation Agreement.

- (IV) The Company's market capitalisation is approximately S\$10,013 million, calculated based on the total number of shares (excluding treasury shares) multiplied by the weighted average price of S\$5.503 per share on 30 July 2021, being the last market day preceding the Announcement Date.
- (V) The Proposed Transaction does not involve any issue of equity securities by the Company as consideration.
- (VI) Rule 1006(e) of the Listing Manual only applies to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

As the relative figure computed under Rule 1006(c) exceeds 20% but is less than 100%, pursuant to Rule 1014 of the Listing Manual, the acquisition of the SPH Shares pursuant to the Proposed Transaction constitutes a "major transaction" and is therefore subject to shareholders' approval in an extraordinary general meeting ("**EGM**").

## 5.2 Disposal of the Consideration Units pursuant to the Proposed Transaction

Rule 1006	Bases	Relative Figures (%)
(a)	The NAV of the Consideration Units, compared with the Group's NAV <sup>(i)</sup> .	9.4%
(b)	The net profits attributable to the Consideration Units, compared with the Group's net profits <sup>(ii)</sup> .	5.1%
(c)	The aggregate value of the consideration received for the Consideration Units <sup>(iii)</sup> , compared with the Company's market capitalisation based on the total number of issued shares (excluding treasury shares) <sup>(iv)</sup> .	11.5%
(d)	The number of equity securities issued by the Company as consideration for the Proposed Transaction, compared with the number of equity securities previously in issue.	N.A. <sup>(v)</sup>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	N.A. <sup>(vi)</sup>

### Notes:

- (i) Under Rule 1002(3)(a) of the Listing Manual, "net assets" means total assets less total liabilities. Based on the KCL 1H2021 Results, the carrying value of the Consideration Units (being 963,738,490 K-REIT Units out of a total of 3,676,395,817 K-REIT Units in issue as at the Announcement Date (the "**Total K-REIT Units**")) amounts to approximately S\$1,084 million. Based on the KCL 1H2021 Results, the Group's NAV amounts to S\$11,529 million.
- (ii) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Based on the net profit attributable to the Group for the half year ended 30 June 2021 from the Group's interest in Keppel REIT, the net profits attributable to the Consideration Units (being 963,738,490 K-REIT Units out of the Total K-REIT Units) amount to approximately S\$26 million. Based on the KCL 1H2021 Results, the Group's net profits amount to S\$516 million.

- (III) The aggregate value of the consideration received for the Consideration Units was computed based on the Illustrative Consideration Unit Price<sup>6</sup>. Assuming that the total number of SPH Shares is 1,617,010,890<sup>7</sup>, the aggregate value of the consideration received for the Consideration Units would amount to approximately S\$1,156 million.
- (IV) The Company's market capitalisation is approximately S\$10,013 million, calculated based on the total number of shares (excluding treasury shares) multiplied by the weighted average price of S\$5.503 per share on 30 July 2021, being the last market day preceding the Announcement Date.
- (V) The Proposed Transaction does not involve any issue of equity securities by the Company as consideration.
- (VI) Rule 1006(e) of the Listing Manual only applies to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

As the relative figures computed under Rules 1006(a), 1006(b) and 1006(c) exceed 5% but do not exceed 20%, pursuant to Rule 1010 of the Listing Manual, the disposal of the Consideration Units pursuant to the Proposed Transaction constitutes a "discloseable transaction" and in and of itself is not subject to shareholders' approval in an EGM. However, as mentioned in paragraph 5.1 above, the Proposed Transaction is subject to shareholders' approval in an EGM for the reasons set out therein.

## **6. FINANCIAL INFORMATION OF THE PROPOSED TRANSACTION**

### **6.1 Acquisition of the SPH Shares pursuant to the Proposed Transaction**

The illustrative NAV and net tangible asset ("**NTA**") value of SPH after the Media Business Restructuring, based on the Joint Announcement, are S\$3,354 million and S\$3,233 million respectively.

Based on the last closing price of S\$1.880 per SPH Share as of 30 July 2021 (being the last trading day on which the SPH Shares were traded prior to the Announcement Date), the latest available open market value of the SPH Shares (assuming that the total number of SPH Shares is 1,617,010,890<sup>7</sup>) is approximately S\$3,040 million.

The aggregate Offeror Consideration was arrived at after having taken into account, among others, the prevailing and historical market prices of SPH Shares, relevant precedent privatisation transactions, the valuation of assets of SPH as disclosed in the SPH Group's audited consolidated financial statements for the financial year ended 31 August 2020 ("**SPH FY2020 Results**") and the SPH 1H2021 Results, review of the SPH FY2020 Results and the SPH 1H2021 Results, and the pro forma financial impact of the DIS and the Media Business Restructuring on SPH.

The Company will finance the acquisition of the SPH Shares with (a) the payment of the Total Cash Consideration to the Eligible Shareholders from various sources including unutilised banking facilities and internal cash resources, factoring in market conditions and the intention to keep gearing below 1x; and (b) the transfer, or procurement of the transfer, of the Consideration Units the Company is currently interested in, to the Eligible Shareholders.

## 6.2 Disposal of the Consideration Units pursuant to the Proposed Transaction

Based on the last closing price of S\$1.200 per K-REIT Unit as of 30 July 2021 (being the last trading day on which the K-REIT Units were traded prior to the Announcement Date), the latest available open market value of the Consideration Units is approximately S\$1,156 million.

The value attributable to the Consideration Units to partially satisfy the Offeror Consideration is approximately S\$1,156 million<sup>8</sup>, and the excess over the carrying value of the Consideration Units is approximately S\$72 million. The amount of gain on disposal of the Consideration Units is approximately S\$72 million.

## 7. ILLUSTRATIVE FINANCIAL EFFECTS

7.1 **For illustrative purposes only**, the financial effects of the Proposed Transaction on the (a) NTA per share of the Company and (b) earnings per share ("**EPS**") of the Company, based on (i) the audited consolidated financial statements of the Company for the financial year ended 31 December 2020, being the most recently completed financial year for which audited financial statements of the Company are available as at the Announcement Date, (ii) the SPH FY2020 Results, being the most recently completed financial year for which audited financial statements of SPH are available as at the Announcement Date, (iii) SPH REIT's audited consolidated financial statements for the financial year ended 31 August 2020, (iv) information obtained during the course of due diligence, and taking into account (A) the financial effects of the Media Business Restructuring (but excluding restructuring adjustments such as the effect of the assumption of certain liabilities, costs and expenses on PATMI arising from the Media Business Restructuring for EPS) and (B) the DIS on SPH based on the SPH FY2020 Results, are set out in paragraphs (a) and (b) below.

In this regard, the said illustrative financial effects have been prepared on the following assumptions:

- (1) 963,738,490 K-REIT Units are transferred as Consideration Units to partially satisfy the Offeror Consideration;
- (2) SPH retained a 20% interest in the issued and outstanding SPH REIT Units following the DIS;
- (3) the potential impact of purchase price allocation under Singapore Financial Reporting Standard (International) 3 *Business Combinations* has not been taken into account; and
- (4) transaction costs for the Proposed Transaction have not been included.

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<sup>8</sup> Being the implied value of the Consideration Units, computed based on the Illustrative Consideration Unit Price and assuming 963,738,490 Consideration Units.

(a) NTA per share (Full Year 2020)

The pro forma financial effects on the consolidated NTA per share of the Company as at 31 December 2020, assuming the Proposed Transaction had been effected on 31 December 2020, are as follows:

	Before the Proposed Transaction	After the Proposed Transaction
NTA (S\$ million)	9,120	9,014 <sup>(i)</sup>
Number of issued shares of the Company (excluding treasury shares) ('000)	1,817,506	1,817,506
NTA per share (S\$)	5.02	4.96 <sup>(i)</sup>

**Note:**

- (i) In computing the financial impact of the Proposed Transaction on pro forma NTA, financial statements with different financial year ends were used (being 31 December 2020 for the Group and 31 August 2020 for the SPH Group).

(b) EPS (Full Year 2020)

The pro forma financial effects on the consolidated EPS of the Company as at 31 December 2020, assuming the Proposed Transaction had been effected on 1 January 2020, are as follows:

	Before the Proposed Transaction	After the Proposed Transaction
Net loss attributable to shareholders (S\$ million)	506	587 <sup>(i), (ii), (iii)</sup>
Weighted average number of issued shares of the Company (excluding treasury shares) ('000)	1,818,398	1,818,398
Loss per share (Singapore cents)	27.8	32.3 <sup>(i), (ii), (iii)</sup>

**Notes:**

- (i) Excludes the gain arising from the change in interest in Keppel REIT held by the Group. If the gain had been included, the net loss would be approximately S\$535 million, and loss per share would be approximately 29.4 cents.
- (ii) Excludes Restructuring Adjustments which include the effect of the assumption of certain liabilities, costs and expenses arising from the Media Business Restructuring.

- (III) In computing the financial impact of the Proposed Transaction on pro forma net loss and loss per share, financial statements with different financial year ends were used (being 31 December 2020 for the Group and 31 August 2020 for the SPH Group).

7.2 **For illustrative purposes only**, the financial effects of the Proposed Transaction on the (a) NTA per share of the Company for the half year ended 30 June 2021 and (b) EPS of the Company for the half year ended 30 June 2021, based on (i) the KCL 1H2021 Results, (ii) the SPH 1H2021 Results and the Joint Announcement, (iii) the SPH REIT 1H2021 Results, (iv) information obtained during the course of due diligence, and taking into account (A) the financial effects of the Media Business Restructuring (but excluding restructuring adjustments such as the effect of the assumption of certain liabilities, costs and expenses on PATMI arising from the Media Business Restructuring for EPS) and (B) the DIS on SPH based on the SPH 1H2021 Results, are set out in paragraphs (a) and (b) below.

In this regard, the said illustrative financial effects have been prepared on the following assumptions:

- (1) 963,738,490 K-REIT Units are transferred as Consideration Units to partially satisfy the Offeror Consideration;
  - (2) SPH retained a 20% interest in the issued and outstanding SPH REIT Units following the DIS;
  - (3) the potential impact of purchase price allocation under Singapore Financial Reporting Standard (International) 3 *Business Combinations* has not been taken into account; and
  - (4) transaction costs for the Proposed Transaction have not been included.
- (a) NTA per share (Half Year 2021)

The pro forma financial effects on the consolidated NTA per share of the Company as at 30 June 2021, assuming the Proposed Transaction had been effected on 30 June 2021, are as follows:

	<b>Before the Proposed Transaction</b>	<b>After the Proposed Transaction</b>
NTA (S\$ million)	9,521	9,435 <sup>(i)</sup>
Number of issued shares of the Company (excluding treasury shares) ('000)	1,819,589	1,819,589
NTA per share (S\$)	5.23	5.19 <sup>(i)</sup>

**Note:**

- (i) In computing the financial impact of the Proposed Transaction on pro forma NTA, financial statements with different half year ends were used (being 30 June 2021 for the Group and 28 February 2021 for the SPH Group).

(b) EPS (Half Year 2021)

The pro forma financial effects on the consolidated EPS of the Company as at 30 June 2021, assuming the Proposed Transaction had been effected on 1 January 2021, are as follows:

	Before the Proposed Transaction	After the Proposed Transaction
Net profit attributable to shareholders (S\$ million)	300	319 <sup>(I), (II), (III), (IV)</sup>
Weighted average number of issued shares of the Company (excluding treasury shares) ('000)	1,820,416	1,820,416
EPS (Singapore cents)	16.5	17.5 <sup>(I), (II), (III), (IV)</sup>

**Notes:**

- (I) Excludes the gain arising from the change in interest in Keppel REIT held by the Group. If the gain had been included, the net profit would have increased to approximately S\$391 million, and EPS would have increased to approximately 21.5 cents.
- (II) Excludes Restructuring Adjustments which include the effect of the assumption of certain liabilities, costs and expenses arising from the Media Business Restructuring.
- (III) This statement on growth in EPS is not intended as a profit forecast and should not be construed as such. This statement should not be interpreted to mean that its value in any future financial period will necessarily be greater than those for the relevant preceding financial period.
- (IV) In computing the financial impact of the Proposed Transaction on pro forma net profit and EPS, financial statements with different half year ends were used (being 30 June 2021 for the Group and 28 February 2021 for the SPH Group).

## **8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

8.1 As at the Announcement Date, none of the directors of the Company has any interest, direct or indirect, in the Proposed Transaction, other than through their respective shareholdings in the Company, save as disclosed below:

- (a) Danny Teoh has a direct interest in 8,911 K-REIT Units, representing less than 0.01% of the Total K-REIT Units;
- (b) Loh Chin Hua has a direct interest in 7,000 K-REIT Units, representing less than 0.01% of the Total K-REIT Units, and a deemed interest in 556,160 K-REIT Units<sup>9</sup>, representing approximately 0.02% of the Total K-REIT Units. Loh Chin Hua's spouse,

<sup>9</sup> Loh Chin Hua is deemed interested in the 556,160 K-REIT Units held in an account jointly owned by him and his spouse.



Trina Loh Soh Yong, is a director of SPH REIT Management Pte. Ltd., the manager of SPH REIT;

- (c) Teo Siong Seng has a deemed interest in 6,014 K-REIT Units<sup>10</sup>, representing less than 0.01% of the Total K-REIT Units; and
- (d) Penny Goh (nee Lee Yoke Sim Penny) is the Chairman and a director of Keppel REIT Management Limited, the manager of Keppel REIT. She has a direct interest in 20,000 SPH Shares, representing less than 0.01% of the Current SPH Share Capital, and 256,108 K-REIT Units, representing approximately 0.01% of the Total K-REIT Units.

8.2 As at the Announcement Date, based on publicly available information, the controlling shareholder of the Company, Temasek Holdings (Private) Limited, does not have any interest, direct or indirect, in the Proposed Transaction, other than through its shareholding in the Company, save as disclosed below:

- (a) a deemed interest in 2,834,379 management shares in SPH, representing approximately 17.32% of the total number of Management Shares and approximately 0.18% of the Current SPH Share Capital<sup>11</sup>; and
- (b) a deemed interest in 1,728,384,752 K-REIT Units, representing approximately 47.01% of the Total K-REIT Units<sup>12</sup>.

## 9. **NO DIRECTORS' SERVICE CONTRACTS**

No person is proposed to be appointed to the board of the Company as part of the Proposed Transaction or the Scheme, and no director's service contract is proposed to be entered into by the Company with any person in connection with the Proposed Transaction or the Scheme.

## 10. **EXTRAORDINARY GENERAL MEETING AND CIRCULAR TO SHAREHOLDERS**

The Company will convene an EGM to seek the approval of the shareholders of the Company for the Proposed Transaction. The circular to shareholders of the Company containing, *inter*

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<sup>10</sup> Teo Siong Seng is deemed interested in the 6,014 K-REIT Units held in the name of the Estate of Teo Woon Tiong, as he is one of the joint executors of the Estate.

<sup>11</sup> Temasek Holdings (Private) Limited holds a deemed interest in 2,834,379 Management Shares, through (a) Fullerton (Private) Limited, which holds 658,260 Management Shares; and (b) Singapore Telecommunications Limited, which holds 2,176,119 Management Shares. This represents approximately 17.32% of the total number of Management Shares as at the Announcement Date, being 16,361,769 Management Shares, and approximately 0.18% of the Current SPH Share Capital, being 1,607,873,906 shares.

<sup>12</sup> Temasek Holdings (Private) Limited holds a deemed interest in 1,728,384,752 K-REIT Units, through (a) the Company, which has an interest (both direct and deemed) in 46.263% of K-REIT Units; (b) Fullerton Fund Management Company Ltd, which has an interest in 0.507% of K-REIT Units as investment manager for various funds; (c) DBS Group Holdings Ltd, which has an interest in 0.239% of K-REIT Units through its wholly-owned subsidiary DBS Bank Ltd.; and (d) SeaTown Holdings Pte. Ltd., which has an interest in 0.003% of K-REIT Units on behalf of a client.

*alia*, details thereof and enclosing the notice of EGM in connection therewith, will be despatched to the shareholders of the Company in due course.

**11. FINANCIAL ADVISER**

J.P. Morgan (S.E.A.) Limited is the sole financial adviser to the Company in respect of the Proposed Transaction and the Scheme.

**12. DOCUMENT FOR INSPECTION**

A copy of the Implementation Agreement will be made available for inspection during normal business hours at the registered office of the Company at 1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632<sup>13</sup> from the Announcement Date up to and including the Effective Date.

**13. FURTHER ANNOUNCEMENTS**

The Company will make further announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in respect of the Scheme, the Implementation Agreement and/or other matters contemplated by this Announcement.

**14. RESPONSIBILITY STATEMENT**

The directors of the Company (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement which relate to the Company (excluding information relating to SPH, SPH REIT and Keppel REIT, save for the Company's unitholding interest in Keppel REIT) 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 SPH, 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 SPH, SPH REIT or Keppel REIT (save for the Company's unitholding interest in Keppel REIT).

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<sup>13</sup> Prior appointment will be required. Please contact the Company's Investor Relations at +65 6413 6436 or [investor.relations@kepcorp.com](mailto:investor.relations@kepcorp.com)

By Order of the Board

Caroline Chang / Kenny Lee  
Company Secretaries  
2 August 2021

*Any queries relating to this Announcement, the Proposed Transaction or the Scheme should be directed to:*

**J.P. Morgan (S.E.A.) Limited**  
Tel: +65 6882 2924

*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" 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 of the Company 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**

**Joint Announcement**

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION. THIS JOINT ANNOUNCEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO SELL, SUBSCRIBE FOR OR BUY SECURITIES IN ANY JURISDICTION, INCLUDING IN THE UNITED STATES. SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT.

**Singapore Press Holdings Limited**

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 198402868E)

**Keppel Pegasus Pte. Ltd.**

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 202125760H)

**JOINT ANNOUNCEMENT**

**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**

**1. INTRODUCTION**

**1.1 Scheme.** Singapore Press Holdings Limited (the “**Company**” or “**SPH**”) and Keppel Pegasus Pte. Ltd. (the “**Offeror**”), a wholly-owned subsidiary of Keppel Corporation Limited (“**Keppel**”), jointly announce that the Company and the Offeror are proposing to undertake a scheme of arrangement (the “**Scheme**”) pursuant to Section 210 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) involving:

**1.1.1 SPH REIT DIS:** a distribution *in specie* by the Company (the “**DIS**”) of such number of issued units in SPH REIT (“**SPH REIT Units**”) which will result in the shareholders of the Company (the “**Shareholders**” and each, a “**Shareholder**”) as at the Record Date<sup>1</sup> (the “**Eligible Shareholders**” and each, an “**Eligible Shareholder**”) receiving 0.782 SPH REIT Units (the “**Relevant SPH REIT Units**”) per Share (as defined below); and

**1.1.2 Acquisition:** upon the DIS taking effect, a proposed acquisition (the “**Acquisition**”) by the Offeror of all the issued and paid-up ordinary shares in the capital of the Company (the “**Shares**” and each, a “**Share**”) (excluding the treasury shares) as at the Record Date from the Eligible Shareholders.

**1.2 Eligible Shareholders’ Entitlement.** Assuming that the Scheme becomes effective, the total consideration to be received by an Eligible Shareholder for each Share (the “**Consideration**”), and the value of such Consideration, are as set out below:

<b>Consideration breakdown<sup>(1)</sup></b>	<b>Value per Share (S\$)</b>
0.782 SPH REIT Units <sup>(2)</sup>	0.716

<sup>1</sup> For the purpose of this Joint Announcement, the “**Record Date**” means a record date to be announced by the Company on which the Transfer Books and the Register of Members of the Company will be closed in order to determine the entitlements of the Eligible Shareholders in respect of the Scheme and the DIS.

Consideration breakdown <sup>(1)</sup>	Value per Share (S\$)
0.596 issued units in Keppel REIT (“ <b>Keppel REIT Units</b> ” and each, a “ <b>Keppel REIT Unit</b> ”) which the Offeror will transfer or procure to be transferred <sup>(3)</sup>	0.715
Cash Consideration (as defined below) payable by the Offeror	0.668
Total Consideration	2.099

**Notes:**

- (1) Assuming that the maximum number of Shares at the Record Date that shall be acquired by the Offeror in connection with the Acquisition and the Scheme shall not exceed 1,617,010,890 Shares based on the following:
- (i) 1,607,873,906 Shares comprising 1,591,512,137 Shares currently in issue and 16,361,769 Shares arising from the conversion of the Management Shares (as defined below);
  - (ii) 6,868,132 Relevant SPH Shares to be transferred to the Media HoldCo (as defined below) pursuant to the Media Business Restructuring (as defined below); and
  - (iii) 2,268,852 Shares that may be vested under the SPH Performance Share Plan 2016. Any Shares to be vested under the SPH Performance Share Plan 2016 in excess of the 2,268,852 Shares will be cash settled up to a cap of S\$4.0 million.
- (2) The value of the SPH REIT Units is determined based on the closing price of the SPH REIT Units on 30 July 2021, being the last full trading day (the “**Last Trading Day**”) immediately prior to the date of this Announcement (the “**Joint Announcement Date**”), being S\$0.915 per SPH REIT Unit.
- (3) The value of the Keppel REIT Units is determined based on the closing price of the Keppel REIT Units on the Last Trading Day, being S\$1.200 per Keppel REIT Unit.

Further information on the Eligible Shareholders’ entitlement to the Consideration is set out in **paragraph 1.5**.

**1.3 Scheme Conditions.** The Offeror and the Company have on 2 August 2021 entered into an implementation agreement (the “**Implementation Agreement**”) setting out the terms and conditions on which the Offeror and the Company will implement the Scheme. The Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of certain conditions (the “**Scheme Conditions**”) set out in the Implementation Agreement which are reproduced in **Schedule 1** to this Joint Announcement.

**1.4 Media Business Restructuring.** On 6 May 2021, the Company announced (the “**Media Business Restructuring Announcement**”) that the Company and SPH Media Holdings Pte Ltd (the “**Media HoldCo**”), a wholly-owned subsidiary of the Company, had entered into a business restructuring deed (the “**BRD**”) to provide for (i) the transfer of the Media HoldCo for nominal consideration of S\$1 to SPH Media Trust, a not for profit company limited by guarantee, (ii) the transfer of the media business of the Company (the “**Media Business**”) to the Media HoldCo and its subsidiaries, and (iii) the Company to make the other aspects of the SPH Contribution (as defined in the Media Business Restructuring Announcement) to assist with the operation and maintenance of the restructured Media Business following the closing of the proposed restructuring in accordance with the BRD (collectively, the “**Media Business**”).

**Restructuring**). The illustrative net asset value and net tangible asset value of the SPH group after the Media Business Restructuring, based on the 1H 2021 Results (as defined in the Media Business Restructuring Announcement) and the latest management assumptions, are S\$3,354 million and S\$3,233 million, respectively.

As set out in **Schedule 1** to this Joint Announcement, the completion of the Media Business Restructuring is a Scheme Condition. Please refer to the Media Business Restructuring Announcement for further details of the Media Business Restructuring.

## 1.5 Further Information on Eligible Shareholders' Entitlement to the Consideration

**1.5.1 Rounding Down.** The aggregate number of SPH REIT Units that is distributable by the Company to any Eligible Shareholder in respect of the Shares held by such Eligible Shareholder as at the Record Date will be rounded down to the nearest whole number and fractional entitlements shall be disregarded.

**1.5.2 Cash and Securities Consideration.** Following the DIS taking effect, all Shares held by the Eligible Shareholders will be transferred to the Offeror pursuant to the Acquisition, and the Offeror will (i) pay to each Eligible Shareholder S\$0.668 in cash (the "**Cash Consideration**") and (ii) transfer or procure the transfer of 0.596 Keppel REIT Units (the "**Securities Consideration**") to each Eligible Shareholder, for each Share. The aggregate number of Keppel REIT Units to be transferred to any Eligible Shareholder in respect of the Shares held by such Eligible Shareholder as at the Record Date will be rounded down to the nearest whole number and fractional entitlements shall be disregarded.

The Cash Consideration was determined after having taken into account, among others, the DIS and the entitlement of the Eligible Shareholders to receive Keppel REIT Units which are liquid securities traded on the SGX-ST (as defined below).

**1.5.3 Cash Consideration.** If any dividends, rights or other distributions are declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the date on which the Scheme becomes effective and binding in accordance with its terms (the "**Effective Date**") (other than the Final FY2021 Dividend<sup>2</sup> and the DIS) the Offeror reserves the right to reduce the Cash Consideration by the amount of such dividends, rights or other distributions. Accordingly, the Cash Consideration will not be reduced if any Final FY2021 Dividend is declared, paid or made by the Company. Shareholders should note there is no guarantee that the Company will declare a final dividend for the financial year ending 31 August 2021.

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<sup>2</sup> The "**Final FY2021 Dividend**" is a cash dividend per Share, in addition to the interim dividend of S\$0.03 per Share declared by the Company on 30 March 2021 and paid to Shareholders on 21 May 2021, of an amount not exceeding a pay-out ratio of 75 per cent., determined based on the operating profits of the Current SPH Group Companies (as defined below) for the financial year ending 31 August 2021, including the share of results from associates and joint ventures and net income from investments and excluding revaluation gains, gains on divestments of properties and any loss or impairment in relation to the Media Business Restructuring and any non-controlling interests, provided that the Final FY2021 Dividend shall not be lower than S\$0.02 or exceed S\$0.03 per Share.

The Final FY2021 Dividend is not in any way indicative of any dividend that the Company may declare in the future and should not in any way be construed as a dividend forecast.

The aggregate Cash Consideration that is payable by the Offeror to any Eligible Shareholder in respect of the Shares held by such Eligible Shareholder as at the Record Date will be rounded down to the nearest whole cent.

**1.5.4 Securities Consideration.** Each Keppel REIT Unit shall be transferred to the Eligible Shareholders:

- (i) fully paid up;
- (ii) free from any mortgage, assignment, debenture, lien, hypothecation, charge, pledge, adverse claim, title retention, easement, hire purchase, right to acquire, security agreement, security interest, option, power of sale, any right of pre-emption, first offer, first refusal or tag-along or drag-along or any third party right or interest or an agreement, arrangement or obligation to create any of the foregoing (“**Encumbrances**”); and
- (iii) together with all rights, benefits and entitlements attaching thereto as at the date of their transfer (and not as at the Joint Announcement Date) and thereafter attaching thereto, including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the Keppel REIT Manager (as defined below) on or after the date of their transfer (and not on or after the Joint Announcement Date).

The aggregate Securities Consideration which each Shareholder shall be entitled to receive pursuant to the Scheme, based on the number of Shares held by such Eligible Shareholder as at the Record Date, shall be rounded down to the nearest whole number, and fractional entitlements shall be disregarded.

**1.5.5 Odd Lot Trading Arrangements**

Eligible Shareholders should note that they may receive odd lots of Keppel REIT Units and/or SPH REIT Units pursuant to the Scheme and/or the DIS. Keppel will facilitate the trading of odd lots of Keppel REIT Units, and the Company will facilitate the trading of odd lots of SPH REIT Units, so that Shareholders who wish to round up or down their holdings to the nearest 100 Keppel REIT Units and/or nearest 100 SPH REIT Units can do so. Details of such arrangement will be set out in the Composite Document.

**1.5.6 Benchmarking the Consideration**

The implied premium of the Consideration over the relevant closing prices and volume weighted average price (“**VWAP**”) of the Shares are as follows:



**Implied Premium of the Consideration over the relevant closing price and VWAP as at 30 March 2021**

	<b>Share Price (S\$)</b>	<b>Premium of Consideration to Share Price (%)</b>
Closing price on 30 March 2021, being the date on which the Company released the announcement in respect of the undertaking of the strategic review (the “ <b>Strategic Review Announcement Date</b> ”)	1.500	39.9
VWAP of the Shares for the 1-month period up to and including the Strategic Review Announcement Date	1.375	52.7

**Implied Premium of the Consideration over the relevant closing price and VWAP as at the Last Trading Day**

	<b>Share Price (S\$)</b>	<b>Premium of Consideration to Share Price (%)</b>
Closing price on 30 July 2021, being the Last Trading Day	1.880	11.6
VWAP of the Shares for the 1-month period up to and including the Last Trading Day	1.806	16.2
VWAP of the Shares for the 3-month period up to and including the Last Trading Day	1.729	21.4
VWAP of the Shares for the 6-month period up to and including the Last Trading Day	1.621	29.5
Highest price achieved in the 52-week period up to and including the Last Trading Day	2.000	5.0
Lowest price achieved in the 52-week period up to and including the Last Trading Day	0.990	112.0

## 2. SPH'S AND KEPPEL'S RATIONALE FOR THE ACQUISITION AND THE SCHEME

2.1 The Acquisition and the Scheme is expected to provide strategic and financial benefits for SPH's and Keppel's shareholders as follows:

2.1.1 it is the outcome of the second stage of SPH's strategic review, after the Media Business Restructuring announced on 6 May 2021. The transaction is an opportunity for Shareholders to unlock and maximise value post-restructuring of the Media Business. Each Eligible Shareholder will receive the Consideration comprising the SPH REIT Units via the DIS, Keppel REIT Units and the Cash Consideration. The Consideration translates to an implied value of S\$2.099 per Share, representing a premium of 39.9 per cent. and 52.7 per cent. over the closing price of the Shares on the Strategic Review Announcement Date and the 1-month VWAP of the Shares up to and including the Strategic Review Announcement Date, respectively;

2.1.2 the receipt of SPH REIT Units and Keppel REIT Units would allow Shareholders to participate in the recovery upside of the retail and commercial sectors at attractive dividend yields; and

2.1.3 as part of Keppel's Vision 2030, Keppel has committed to refocus its portfolio to be an integrated business providing end-to-end solutions for sustainable urbanisation, with an asset management arm to fund the Keppel group's growth and provide a platform for capital recycling. The Acquisition and the Scheme are expected to accelerate Keppel's Vision 2030 growth strategy. Please refer to Keppel's announcement dated the same date as this Announcement, for further information.

## 3. INFORMATION ON THE COMPANY, SPH REIT, THE OFFEROR, KEPPEL AND KEPPEL REIT

### 3.1 Information on the Company and SPH REIT

#### 3.1.1 The Company

- (i) **Business.** The Company is a company incorporated in Singapore on 4 August 1984 and was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 December 1984.

The Company and its subsidiaries (collectively, the "Group" and "Group Company" means any one of the Company or its subsidiaries) has several business segments. The first is the media business, engaged in the publishing of newspapers, magazines and books in both print and digital editions. The Group also owns other digital products, online classifieds, radio stations and outdoor media.

Under the retail and commercial segment, the Company owns approximately 65 per cent. in SPH REIT whose portfolio comprises three properties in Singapore, namely Paragon, The Clementi Mall and The Rail Mall. In Australia, SPH REIT holds an 85 per cent. stake in Figtree Grove Shopping Centre and a 50 per cent. stake in Westfield Marion Shopping Centre. The Company also

owns and operates The Seletar Mall<sup>3</sup> and holds a 50 per cent. stake in two joint venture companies which are developing an integrated development consisting of The Woodleigh Residences and The Woodleigh Mall.

Under the Purpose-Built Student Accommodation (“**PBSA**”) segment, the Company is an owner, manager and developer of a portfolio of PBSA in the United Kingdom and Germany, and currently operates two distinctive brands, Student Castle and Capitol Students.

The Company is also in the aged care sector in Singapore and Japan, and owns Orange Valley, one of Singapore’s largest private nursing homes.

(ii) **Board.** As at the Joint Announcement Date, the board of directors of the Company comprises the following:

- (a) Lee Boon Yang (Chairman, Non-Executive and Independent Director);
- (b) Ng Yat Chung (Chief Executive Officer, Executive and Non-Independent Director);
- (c) Janet Ang Guat Har (Non-Executive and Independent Director);
- (d) Bahren Shaari (Non-Executive and Independent Director);
- (e) Andrew Lim Ming-Hui (Non-Executive and Independent Director);
- (f) Lim Ming Yan (Non-Executive and Independent Director);
- (g) Quek See Tiat (Non-Executive and Independent Director);
- (h) Tan Chin Hwee (Non-Executive and Independent Director);
- (i) Tan Yen Yen (Non-Executive and Independent Director);
- (j) Tracey Woon (Non-Executive and Independent Director); and
- (k) Yeoh Oon Jin (Non-Executive and Independent Director).

(iii) **Share Capital.** As at the Joint Announcement Date, the Company has:

- (a) an issued and paid-up share capital of S\$515,700,001 comprising 1,591,512,137 Shares and 9,136,984 treasury shares, and S\$7,109,115 comprising 16,361,769 management shares of the Company (the “**Management Shares**” and each, a “**Management Share**”); and
- (b) 6,104,541 outstanding awards granted under the SPH Performance Share Plan 2016 (the “**Outstanding SPH Share Awards**”), pursuant to which up to a maximum of 10,201,655 Shares may be issued and/or transferred to the eligible employees of the Group (subject to the

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<sup>3</sup> SPH owns a 70 per cent. interest in The Seletar Mall.

fulfilment of the terms and conditions set out in the SPH Performance Share Plan 2016).

As stated in the Media Business Restructuring Announcement, the Company will transfer 6,868,132 treasury shares (the “**Relevant SPH Shares**”) to the Media HoldCo pursuant to the Media Business Restructuring.

### 3.1.2 SPH REIT

- (i) **Business.** SPH REIT was listed on the Mainboard of the SGX-ST on 24 July 2013.

SPH REIT is a Singapore-based real estate investment trust established principally to invest, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for retail purposes in Asia-Pacific, as well as real estate-related assets.

As at 31 August 2020, SPH REIT’s portfolio comprises five quality and well-located commercial properties in Singapore and Australia. The three properties in Singapore total up to 962,851 sq ft net lettable area with an aggregate value of S\$3.3 billion, whereas the two properties in Australia<sup>4</sup> have an aggregate gross lettable area of 1,708,803 sq ft, and an aggregate value of A\$836.5 million.

- (ii) **Board.** As at the Joint Announcement Date, the board of directors of SPH REIT Management Pte. Ltd. (the “**SPH REIT Manager**”), the manager of SPH REIT, comprises the following:

- (a) Leong Horn Kee (Chairman, Non-Executive and Independent Director);
- (b) Soon Tit Koon (Non-Executive and Independent Director);
- (c) Trina Loh Soh Yong (Non-Executive and Independent Director);
- (d) Hoo Sheau Farn (Non-Executive and Independent Director);
- (e) Ng Yat Chung (Non-Executive and Non-Independent Director);
- (f) Chua Hwee Song (Non-Executive and Non-Independent Director);  
and
- (g) Ginney Lim May Ling (Non-Executive and Non-Independent Director).

- (iii) **Outstanding Units.** Based on publicly available information as at the Joint Announcement Date, SPH REIT has:

- (a) 2,785,164,072 SPH REIT Units outstanding; and

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<sup>4</sup> For the two properties in Australia, SPH REIT owns a 50 per cent. interest in Westfield Marion Shopping Centre and an 85 per cent. interest in Figtree Grove Shopping Centre.

- (b) 1,646,000 outstanding awards granted under SPH REIT's Performance Unit Award scheme, pursuant to which a maximum of 2,469,000 SPH REIT Units may be issued to eligible employees of the SPH REIT Manager and SPH Retail Property Management Services Pte. Ltd. (the "**SPH REIT Property Manager**") (subject to final achievement factor and fulfilment of the terms and conditions set out in SPH REIT's Performance Unit Award scheme).

As stated in the Media Business Restructuring Announcement, the Company will transfer 23,446,659 SPH REIT Units to Media HoldCo pursuant to the Media Business Restructuring.

## 3.2 Information on the Offeror, Keppel and Keppel REIT

### 3.2.1 The Offeror

- (i) **Business.** The Offeror is a company incorporated in Singapore on 23 July 2021 and is a wholly-owned subsidiary of Keppel. As at the Joint Announcement Date, the Offeror has a share capital of S\$1,000 comprising 1,000 ordinary shares.
- (ii) **Board.** As at the Joint Announcement Date, the board of directors of the Offeror comprises the following:
  - (a) Chan Hon Chew (Chief Financial Officer of Keppel);
  - (b) Tan Hua Mui Christina (Chief Executive Officer of Keppel Capital Holdings Pte Ltd);
  - (c) Lim Lu-Yi, Louis (Chief Executive Officer of Keppel Land Limited); and
  - (d) Chua Hsien Yang (Director (Group Mergers & Acquisitions) of Keppel).

### 3.2.2 Keppel

- (i) **Business.** Keppel is a company incorporated in Singapore and was listed on the Mainboard of the SGX-ST on 24 October 1980.

The principal activity of Keppel is that of an investment holding and management company. The principal activities of Keppel and its subsidiaries consist of:

- (a) design, construction, fabrication and repair of solutions for the offshore energy, infrastructure and marine sectors, including gas and renewables;
- (b) development, operation and maintenance of energy and environmental infrastructure;
- (c) property development and investment, as well as master development;
- (d) development, and operation of data centres, provision of logistics

solutions and provision of telecommunications services, retail sales of telecommunications equipment and accessories; and

- (e) management of private funds and listed real estate investment and business trusts.

Keppel is one of Singapore's flagship multinational companies with a global footprint in more than 20 countries. Keppel provides solutions for sustainable urbanisation, focusing on four key areas comprising energy and environment, urban development, connectivity and asset management. With sustainability at the core of its strategy, Keppel harnesses the strengths and expertise of its business units to develop, operate and maintain real assets, which meet the world's diverse urbanisation needs.

Keppel's business model, underpinned by collaboration across business units, provides an eco-system that allows it to create and capture value from all parts of the Keppel group, from the time of creation of an asset until after its injection into a Keppel-managed trust or fund, thus enabling the Keppel group to receive multiple income streams. The Keppel group's asset management arm allows it to tap on third party funds to co-invest in the development of assets across its business lines, and also provides a platform for capital recycling. This expands Keppel's capital base to seize opportunities without straining its balance sheet, and also creates pull through work for its business units. Keppel also earns multiple streams of recurring income throughout an asset's lifecycle by providing various services including asset development, operations and maintenance, as well as asset management. As at 31 December 2020, the Keppel group had approximately S\$32.11 billion in total assets.

- (ii) **Board.** As at the Joint Announcement Date, the board of directors of Keppel comprises the following:
  - (a) Danny Teoh (Chairman, Non-Executive and Independent Director);
  - (b) Loh Chin Hua (Executive and Non-Independent Director);
  - (c) Teo Siong Seng (Non-Executive and Non-Independent Director);
  - (d) Till Vestring (Non-Executive and Independent Director);
  - (e) Veronica Eng (Non-Executive and Independent Director);
  - (f) Jean-François Manzoni (Non-Executive and Independent Director);
  - (g) Tham Sai Choy (Non-Executive and Independent Director);
  - (h) Penny Goh (Non-Executive and Independent Director); and
  - (i) Shirish Apte (Non-Executive and Independent Director).

### 3.2.3 Keppel REIT

- (i) **Business.** Keppel REIT was listed by way of an introduction on 28 April 2006

on the Mainboard of the SGX-ST. Its objective is to deliver stable and sustainable returns as well as long-term growth for its unitholders by owning and investing in a portfolio of quality income-producing commercial real estate and real estate-related assets in Singapore and pan-Asia.

As at 31 December 2020, Keppel REIT had a market capitalisation of approximately S\$3.8 billion and assets under management of approximately S\$8.2 billion comprising 10 premium Grade A commercial assets which are strategically located in the key business districts of Singapore, Sydney, Melbourne, Brisbane and Perth in Australia, as well as Seoul in South Korea.

Keppel REIT is sponsored by Keppel Land Limited, a wholly-owned subsidiary of Keppel. It is managed by Keppel REIT Management Limited (“**Keppel REIT Manager**”), a wholly-owned subsidiary of Keppel Capital Holdings Pte Ltd (“**Keppel Capital**”). Keppel Capital is a premier asset manager with a diversified portfolio in real estate, infrastructure, data centre and alternative assets in key global markets.

(ii) **Board.** As at the Joint Announcement Date, the board of directors of the Keppel REIT Manager comprises the following:

- (a) Penny Goh (Chairman, Non-Executive and Non-Independent Director);
- (b) Ian Mackie (Non-Executive and Lead Independent Director);
- (c) Alan Rupert Nisbet (Non-Executive and Independent Director);
- (d) Mervyn Fong (Non-Executive and Independent Director);
- (e) Yoichiro Hamaoka (Non-Executive and Independent Director);
- (f) Tan Hua Mui Christina (Non-Executive and Non-Independent Director); and
- (g) Tan Swee Yiow (Non-Executive and Non-Independent Director).

(iii) **Outstanding Units.** Based on publicly available information as at the Joint Announcement Date, Keppel REIT has:

- (a) 3,676,395,817 Keppel REIT Units outstanding; and
- (b) S\$200,000,000 1.90 per cent. convertible bonds due 2024, which may be converted into Keppel REIT Units at the option of a convertible bond holder up to the close of business on 31 March 2024 or, if redeemed prior to 31 March 2024, no later than seven business days prior to the date fixed for redemption.

Unless previously redeemed, converted or purchased and cancelled, the convertible bonds will be redeemed five years from the issue date on 10 April 2024 at 100 per cent. of its nominal value together with accrued interest.

The convertible bonds may also be redeemed, in whole or in part, at the option of the trustee at any time after 10 April 2022 but not less than seven business days prior to the maturity date on 10 April 2024 (subject to the satisfaction of certain conditions).

## 4. THE SCHEME

**4.1 Scheme.** In accordance with the terms of the Scheme, subject to the satisfaction and/or waiver of all of the Scheme Conditions:

**4.1.1 DIS:** the Company will undertake a distribution *in specie* of such number of SPH REIT Units which will result in the Eligible Shareholders receiving 0.782 SPH REIT Units per Share.

The proposed terms of the DIS are set out in **paragraph 5**; and

**4.1.2 Acquisition:**

(i) all the Shares held by the Eligible Shareholders will be transferred to the Offeror:

(a) fully paid-up;

(b) free from all Encumbrances; and

(c) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company to the Eligible Shareholders on or after the Joint Announcement Date, other than the Final FY2021 Dividend and the DIS.

If any dividend, right or other distribution (other than the Final FY2021 Dividend and the DIS) is declared, paid or made by the Company to the Eligible Shareholders on or after the Joint Announcement Date and before the Effective Date, the Offeror reserves the right to reduce the Cash Consideration by the amount of such dividend, right or distribution. Accordingly, the Cash Consideration will not be reduced if any Final FY2021 Dividend is declared, paid or made by the Company; and

(ii) in consideration for such transfer, each of the Eligible Shareholders will be entitled to receive a Cash Consideration of S\$0.668 and Securities Consideration of 0.596 Keppel REIT Units for each Share held by such Eligible Shareholder as at the Record Date.

The Scheme and the DIS will be extended to all Shares (other than treasury shares) unconditionally issued or delivered pursuant to (1) the conversion of the Management Shares to Shares; (2) the valid conversion and/or vesting of any Outstanding SPH Share Awards granted pursuant to the SPH Performance Share Plan 2016; and (3) the transfer of the Relevant SPH Shares to the Media HoldCo pursuant to the Media Business Restructuring.



## 4.2 Scheme Conditions

**4.2.1 Scheme Conditions.** The Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the Scheme Conditions which are set out in **Schedule 1** to this Joint Announcement.

If each of the Scheme Conditions is satisfied (or, where applicable, waived) in accordance with the Implementation Agreement, the Scheme will come into effect on the date on which a copy of the order of the Court<sup>5</sup> pursuant to Section 210 of the Companies Act sanctioning the Scheme (the “**Scheme Court Order**”) has been lodged with the Accounting and Corporate Regulatory Authority of Singapore (“**ACRA**”) pursuant to Section 210(5) of the Companies Act.

### 4.2.2 Benefit of Scheme Conditions

- (i) **The Offeror's Benefit:** the Offeror alone may waive the Scheme Conditions in paragraphs (ix)(b) (in relation to any Prescribed Occurrence relating to any SPH Group Company (as defined in **Schedule 1** to this Joint Announcement) or Woodleigh JV (as defined in **Schedule 1** to this Joint Announcement)), (x) (in relation to any material breach of warranties by the Company) and (xii) (in relation to there having been no Material Adverse Effect (as defined in **Schedule 1** to this Joint Announcement)) of **Schedule 1** to this Joint Announcement. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by the Offeror. The Offeror may at any time and from time to time at its sole and absolute discretion waive in writing any such breach or non-fulfilment.
- (ii) **The Company's Benefit:** the Company alone may waive the Scheme Conditions in paragraphs (ix)(a) (in relation to any Prescribed Occurrence relating to the Offeror) and (xi) (in relation to any material breach of warranties by the Offeror) of **Schedule 1** to this Joint Announcement. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by the Company. The Company may at any time and from time to time at its sole and absolute discretion waive in writing any such breach or non-fulfilment.
- (iii) **Mutual Benefit:** any non-fulfilment of the Scheme Condition in paragraph (viii) (in relation to there being no illegality) of **Schedule 1** to this Joint Announcement is capable of being waived with the written consent of the Company and the Offeror (to the extent legally permissible).
- (iv) **Other Scheme Conditions:** for the avoidance of doubt, the Company and the Offeror (the “**Parties**” and each, a “**Party**”) have agreed that the Scheme Conditions in paragraphs (i) (in relation to approval of the Scheme by the Shareholders), (ii) (in relation to approval of the DIS by the Shareholders), (iii) (in relation to approval of the Acquisition by the shareholders of Keppel (“**Keppel Shareholders**”), (iv) (in relation to completion of the Media Business Restructuring), (v) (in relation to the grant of the Scheme Court Order), (vi) (in relation to the lodgement of the Scheme Court Order) and (vii) (in relation to

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<sup>5</sup> “**Court**” means the High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore.

Regulatory Approvals) of **Schedule 1** to this Joint Announcement are not capable of being waived by either Party or both Parties.

### 4.3 Termination

#### 4.3.1 Right to Terminate.

- (i) If any of the Scheme Conditions set out in paragraphs (i) (in relation to approval of the Scheme by the Shareholders), (ii) (in relation to approval of the DIS by the Shareholders), (iii) (in relation to the approval of the Acquisition by the Keppel Shareholders), (iv) (in relation to completion of the Media Business Restructuring), (v) (in relation to the grant of the Scheme Court Order), (vi) (in relation to the lodgement of the Scheme Court Order) or (vii) (in relation to Regulatory Approvals) of **Schedule 1** to this Joint Announcement is not satisfied, or if the Scheme has not become effective in accordance with its terms on or before 5.00 p.m. on the date falling six months from the Joint Announcement Date or such other date as may be agreed in writing between the Parties (the “**Cut-Off Date**”), either Party may immediately terminate the Implementation Agreement by notice in writing to the other Party.
- (ii) If the Scheme Condition set out in paragraph (viii) (in relation to there being no illegality) of **Schedule 1** to this Joint Announcement is not satisfied, or is incapable of being satisfied, or if applicable, has not been or will not be waived, on or before 5.00 p.m. on the Cut-Off Date, either Party may immediately terminate the Implementation Agreement by notice in writing to the other Party.
- (iii) If any of the Scheme Conditions set out in paragraph (ix)(b) (in relation to any Prescribed Occurrences relating to any SPH Group Company or Woodleigh JV), (x) (in relation to any material breach of warranties by the Company) or (xii) (in relation to there having been no Material Adverse Effect) of **Schedule 1** to this Joint Announcement is not satisfied, or is incapable of being satisfied, or if applicable, has not been or will not be waived, on or before 5.00 p.m. on the Cut-Off Date, the Offeror may terminate the Implementation Agreement by notice in writing to the Company.
- (iv) If any of the Scheme Conditions set out in paragraphs (ix)(a) (in relation to any Prescribed Occurrences relating to the Offeror) or (xi) (in relation to any material breach of warranties by the Offeror) of **Schedule 1** to this Joint Announcement is not satisfied, or is incapable of being satisfied, or if applicable, has not been or will not be waived, on or before 5.00 p.m. on the Cut-Off Date, the Company may terminate the Implementation Agreement by notice in writing to the Offeror.

For the avoidance of doubt, the Offeror and/or the Company (as the case may be) may only invoke the non-satisfaction of any of the Scheme Conditions to terminate the 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.

**4.3.2 Effect of Termination.** In the event of termination of the Implementation Agreement by either Party:

- (i) the Implementation Agreement shall cease to have any further force or effect (save for certain surviving provisions such as those relating to confidentiality, cost and expenses and governing law (the “**Surviving Provisions**”)); and
- (ii) neither Party shall have any further liability or obligation to the other Party (save for the Surviving Provisions).

**4.3.3 Consultation with Other Party.** In the event either Party intends to consult the SIC in relation to the termination of the 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.

**4.3.4 Remedies.** Notwithstanding any other provision of the Implementation Agreement, the Offeror acknowledges and agrees that the only remedies it has under the Implementation Agreement against the Company for any breach or non-compliance by the Company of the Implementation Agreement shall be the right to seek specific performance or other equitable remedies (which excludes, for the avoidance of doubt, any monetary relief), the right to the payment of the Break Fee (as defined below) and the right of termination of the Implementation Agreement.

#### **4.4 Approvals Required**

**4.4.1 Shareholders' Approvals and Court Sanction.** The Scheme will require, *inter alia*, the following approvals:

- (i) the approval of the Scheme by a majority in number of Shareholders representing not less than three-fourths in value of the Shares held by Shareholders present and voting either in person or by proxy at the meeting of the Shareholders (the “**Scheme Meeting**”) to be convened at the direction of the Court for the purpose of considering and, if thought fit, approving the Scheme (including any adjournment thereof) (the “**Scheme Resolution**”);
- (ii) the approval of the DIS by Shareholders at an extraordinary general meeting (the “**EGM**”) to be held by the Company (the “**DIS Resolution**”);
- (iii) the approval of the Acquisition by the Keppel Shareholders at an extraordinary general meeting to be held by Keppel;
- (iv) the approval of the Media Business Restructuring (including the conversion of each Management Share into one Share (the “**Conversion**”)) at an EGM to be held by the Company; and
- (v) the sanction of the Scheme by the Court.

In addition, the Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement and a copy of the Scheme Court Order has been lodged with ACRA.

**The Scheme Resolution and the DIS Resolution will be inter-conditional. In the event the Shareholders do not approve the Scheme Resolution and/or the DIS Resolution, the Scheme and the DIS will not proceed.**

**4.4.2 SIC Confirmations.** Pursuant to an application made by the Offeror to the SIC to seek certain rulings in relation to the Acquisition and the Scheme, the SIC had, on 30 July 2021, confirmed, *inter alia*, that:

- (i) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) to Rule 19 of the Singapore Code on Takeovers and Mergers (the “**Code**”) do not apply to the Scheme, subject to:
  - (a) the common substantial shareholders of the Offeror and its concert parties on the one hand, and the Company on the other hand, abstaining from voting on the Scheme;
  - (b) the Offeror and its concert parties abstaining from voting on the Scheme;
  - (c) the directors of the Company who are also directors of the Offeror abstaining from making a recommendation on the Scheme to Shareholders;
  - (d) the Composite Document containing advice to the effect that by voting for the Scheme, Shareholders are agreeing to the Offeror and its concert parties acquiring or consolidating effective control of the Company without having to make a general offer for the Company;
  - (e) the Composite Document disclosing the names of the Offeror and its concert parties, their current voting rights in the Company as of the latest practicable date and their voting rights in the Offeror and the Company after the Scheme;
  - (f) the Company appointing an independent financial adviser to advise Shareholders on the Scheme; and
  - (g) the Scheme being completed within six months from the Joint Announcement Date;
- (ii) the SIC has no objections to the Scheme Conditions;
- (iii) the declaration, making and payment of the DIS and the Final FY2021 Dividend (if any) will not be a breach by the Company of Note 3 to Rule 5 of the Code;
- (iv) with respect to Keppel REIT, the Keppel REIT Manager be permitted to elect to receive a portion of its fees (which may include base management fees, performance management fees, acquisition fees and divestment fees) in Keppel REIT Units if any such fees are due to be paid during the offer period in respect of the Scheme; and

- (v) the SIC has no objections to the Break Fee (as defined below).

**4.4.3 Other Regulatory Approvals.** In addition, the Scheme is subject to and conditional upon all the Regulatory Approvals (as set out in **Schedule 1** to this Joint Announcement) having been obtained or granted and remaining in full force and effect from the date such Regulatory Approvals are obtained or granted, up to the date falling on the business day immediately prior to the date on which the Scheme Court Order is lodged in accordance with Section 210(5) of the Companies Act (the “**Relevant Date**”), and where relevant, all applicable waiting periods in relation to the Regulatory Approvals having expired or been terminated.

**4.5 Switch Option.** Pursuant to the terms of the Implementation Agreement, subject to prior consultation with the SIC, in the event a Competing Offer (as defined below) is announced (whether or not such Competing Offer is pre-conditional), the Offeror shall have the right at its sole discretion to elect to proceed with the Acquisition by way of an Offer<sup>6</sup> (in lieu of proceeding with the Acquisition by way of the Scheme) (the “**Switch Option**”), at any time prior to the date on which the Scheme Meeting is to be held.

In such event, the Offeror will make the Offer on the same or better terms as those which apply to the Scheme, including the same or a higher consideration than the Consideration and conditional upon a level of acceptances to be determined with SIC’s consent.

If the Offeror exercises the Switch Option, the Parties have agreed that the Implementation Agreement (other than the Surviving Provisions) will terminate with effect from the date of announcement by or on behalf of the Offeror of the Offer, and neither Party shall have any claim against the other Party under the Implementation Agreement, save for any claim arising from any antecedent breach of the provisions of the Implementation Agreement or any breach of any obligation contained under the Surviving Provisions.

“**Competing Offer**” means any offer, proposal or expression of interest by any person other than the Offeror involving:

- (i) a sale, transfer or other disposal of any direct or indirect interest in some or all of the Shares exceeding 50 per cent. of all Shares, whether in a single transaction or series of related transactions;
- (ii) an allotment or issuance of securities (or convertible securities in respect of such securities) in any SPH Group Company (other than the Company) exceeding 50 per cent. of all such securities, as the case may be, immediately after such allotment or issuance, whether in a single transaction or series of related transactions;
- (iii) an acquisition of all or any substantial part of the business, assets, revenues and/or undertakings of the Company;
- (iv) an offer (whether partial or otherwise) for the Shares, which may result in any person other than the Offeror holding in excess of 50 per cent. of the Shares;

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<sup>6</sup> “**Offer**” means a voluntary conditional cash offer or a pre-conditional voluntary cash offer made for or on behalf of the Offeror to acquire all the Shares on such terms and conditions to be set out in the offer document issued for or on behalf of the Offeror.

- (v) a scheme of arrangement involving any SPH Group Company or the merger of any SPH Group Company with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure, stapling or otherwise) provided that, in the case of any SPH Group Company (other than the Company), such scheme of arrangement or merger is material to the SPH Group (taken as a whole);
- (vi) any agreement or other arrangement having an effect similar to any of the above; or
- (vii) a transaction or series of related transactions which would, or is reasonably likely to, preclude, restrict or frustrate the Acquisition and/or the Scheme.

**4.6 Break Fee.** The Company has agreed to pay S\$34,000,000, being an amount approximately equal to one per cent. of the aggregate Consideration, based on the last traded prices of the SPH REIT Units and the Keppel REIT Units on 30 July 2021, being the last trading day prior to the date of the Implementation Agreement, to the Offeror if there is a Superior Competing Offer (as defined below) and the Superior Competing Offer becomes or is declared effective or unconditional (in all respects) and/or is completed (or the equivalent in respect of any of the foregoing) (the “**Break Fee**”).

“**Superior Competing Offer**” means a *bona fide* Competing Offer that the Independent Directors (as defined below), acting in good faith, determine is of a higher financial value and more favourable to the Shareholders taking into account all aspects of such Competing Offer (including its conditions) than the Scheme or if the Switch Option is exercised by the Offeror, such final offer made by the Offeror.

**4.7 Composite Document.** Further information on the Scheme and the terms and conditions upon which the Scheme will be implemented by the Company and the Offeror, as well as the terms and conditions of the DIS, will be set out in a composite document to be issued by the Company to Shareholders containing, *inter alia*, details of the Scheme and the DIS (the “**Composite Document**”).

**4.8 Delisting.** Upon the Scheme becoming effective and binding, the Company will become a wholly-owned subsidiary of the Offeror and will, subject to the approval of the SGX-ST, be delisted from the Mainboard of the SGX-ST.

## **5. DIS**

### **5.1 Proposed Terms of the DIS**

**5.1.1 Method of Distribution.** The DIS will be effected by way of a special dividend of such number of SPH REIT Units which will result in the Eligible Shareholders receiving 0.782 SPH REIT Units per Share.

The DIS will be subject to the satisfaction and/or waiver of all of the Scheme Conditions (other than the lodgement of the Scheme Court Order). Pursuant to the DIS, the SPH REIT Units will be distributed to the Eligible Shareholders based on their respective shareholdings in the Company as at the Record Date.

**5.1.2 Eligible Shareholders.** Eligible Shareholders, being Shareholders who hold Shares as at the Record Date, will be entitled to the DIS.

**5.1.3 Effects of the DIS.** On completion of the DIS, the Company will have distributed to Eligible Shareholders such number of SPH REIT Units which will result in the Company retaining an approximately 20 per cent. interest in all the issued and outstanding units in SPH REIT.

Pursuant to the terms of the Scheme, the Acquisition will be completed after the completion of the DIS, following which the Company will become a wholly-owned subsidiary of the Offeror and be delisted from the SGX-ST.

**5.1.4 No Payment Required from Eligible Shareholders.** No payment will be required from Eligible Shareholders for the Relevant SPH REIT Units to be received from the DIS. The SPH REIT Units will be distributed free of encumbrances and together with all rights attaching thereto on and from the date the DIS is completed.

## **6. FINANCIAL ADVISERS**

**6.1 Financial Adviser to the Company.** Credit Suisse (Singapore) Limited is the financial adviser to the Company in respect of the Scheme.

**6.2 Financial Adviser to the Offeror.** J.P. Morgan (S.E.A.) Limited (the “**Offeror Financial Adviser**”) is the financial adviser to the Offeror in respect of the Scheme.

**6.3 Independent Financial Adviser to the Independent Directors.** An independent financial adviser (the “**IFA**”) will be appointed in due course to advise the directors of the Company who are considered to be independent for the purposes of the Scheme (the “**Independent Directors**”) for the purposes of making a recommendation to the Shareholders in connection with the Scheme.

Dr Lee Boon Yang was an Independent Non-Executive Director of Keppel from 1 May 2009 to 23 April 2021 and the Chairman of Keppel from 1 July 2009 to 23 April 2021. Given Dr Lee Boon Yang’s long tenure as Chairman of Keppel, and that he only recently stepped down from this role, Dr Lee Boon Yang would be perceived to be in an irreconcilable position of conflict in making any recommendations on the Scheme. As a matter of good corporate governance, Dr Lee Boon Yang has recused himself from any board deliberations relating to a recommendation on the Scheme, leading up to this Joint Announcement.

Full details of the Scheme including the recommendation of the Independent Directors along with the advice of the IFA will be included in the Composite Document.

## **7. CONFIRMATION OF FINANCIAL RESOURCES**

The Offeror Financial Adviser confirms that sufficient financial resources are available to the Offeror to satisfy in full the aggregate Cash Consideration payable by the Offeror for all the Shares to be acquired by the Offeror pursuant to the Acquisition.

## 8. RECORD DATE

Subject to the fulfilment (and/or waiver, if applicable) of the Scheme Conditions, the Company will, in due course, announce the Record Date in order to determine the entitlement of each Eligible Shareholder in respect of the Scheme and the DIS.

## 9. DOCUMENTS TO SHAREHOLDERS

**9.1 Composite Document.** The Composite Document (i) containing full details of the Scheme (including the recommendation of the Independent Directors along with the advice of the IFA on the Scheme) and the DIS and (ii) giving notice of (a) the Scheme Meeting to approve the Scheme and (b) the EGM to approve the DIS, will be despatched to Shareholders in due course.

**9.2 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 and the recommendations of the Independent Directors on the Scheme and DIS as well as the advice of the IFA set out in the Composite Document.

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

## 10. DISCLOSURE OF INTERESTS

**10.1 Company.** As at the Joint Announcement Date, the interests in Shares, Management Shares, SPH REIT Units and Keppel REIT Units held by the directors of the Company are set out below:

### Shares and Management Shares

Directors	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Management Shares	% <sup>(1)</sup>	No. of Management Shares	% <sup>(1)</sup>
Lee Boon Yang	88,000	0.006	-	-	4	n.m. <sup>(2)</sup>	-	-
Ng Yat Chung	301,058	0.019	-	-	8	n.m. <sup>(2)</sup>	-	-
Janet Ang Guat Har	45,000	0.003	4,250	n.m. <sup>(2)</sup>	4	n.m. <sup>(2)</sup>	-	-
Bahren Shaari	49,000	0.003	-	-	4	n.m. <sup>(2)</sup>	-	-
Andrew Lim Ming-Hui	56,000	0.004	-	-	4	n.m. <sup>(2)</sup>	-	-
Lim Ming Yan	33,000	0.002	-	-	4	n.m. <sup>(2)</sup>	-	-
Quek See Tiat	59,000	0.004	57,333	0.003	4	n.m. <sup>(2)</sup>	-	-
Tan Chin Hwee	47,000	0.003	-	-	4	n.m. <sup>(2)</sup>	-	-



Directors	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Management Shares	% <sup>(1)</sup>	No. of Management Shares	% <sup>(1)</sup>
Tan Yen Yen	42,000	0.003	-	-	4	n.m. <sup>(2)</sup>	-	-
Tracey Woon	16,000	0.001	-	-	4	n.m. <sup>(2)</sup>	-	-
Yeoh Oon Jin	-	-	-	-	4	n.m. <sup>(2)</sup>	-	-

### **SPH REIT Units and Keppel REIT Units**

Directors	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of SPH REIT Units	% <sup>(1)</sup>	No. of SPH REIT Units	% <sup>(1)</sup>	No. of Keppel REIT Units	% <sup>(3)</sup>	No. of Keppel REIT Units	% <sup>(3)</sup>
Lee Boon Yang	300,000	0.011	-	-	17,385	n.m. <sup>(2)</sup>	-	-
Ng Yat Chung	-	-	-	-	-	-	-	-
Janet Ang Guat Har	-	-	-	-	-	-	-	-
Bahren Shaari	-	-	-	-	-	-	-	-
Andrew Lim Ming-Hui	-	-	-	-	-	-	-	-
Lim Ming Yan	-	-	-	-	-	-	-	-
Quek See Tiat	-	-	-	-	22,800	n.m. <sup>(2)</sup>	86,960	0.002
Tan Chin Hwee	-	-	-	-	-	-	370,000	0.010
Tan Yen Yen	-	-	-	-	-	-	83,000	0.002
Tracey Woon	-	-	-	-	-	-	-	-
Yeoh Oon Jin	-	-	-	-	-	-	-	-

#### **Notes:**

- (1) All references to percentage shareholding of the issued share capital of the Company in this **paragraph 10.1** are based on the total issued Shares being 1,591,512,137 Shares (excluding 9,136,984 treasury shares) as at the Joint Announcement Date, and all references to percentage unitholding of the issued units of SPH REIT in this **paragraph 10.1** are based on a total of 2,785,164,072 SPH REIT Units in issue as at the Joint Announcement Date.
- (2) n.m. means not meaningful.
- (3) All references to percentage unitholding of the issued units of Keppel REIT in this **paragraph 10.1** are based on a total of 3,676,395,817 Keppel REIT Units in issue as at the Joint Announcement Date.

Save as disclosed in this Joint Announcement, no director of the Company has any interest in the Scheme or the DIS (other than by reason only of being a director or shareholder of the Company). The Company does not have any substantial Shareholders.

## 10.2 Offeror

**10.2.1 Holdings.** Save as disclosed in paragraphs 10.2.2 and 10.2.3 below and except for the Acquisition, as at the Joint Announcement Date, based on the latest information available to the Offeror, none of (i) Keppel; (ii) the Offeror; (iii) the directors of Keppel; (iv) the directors of the Offeror; and (v) the Offeror Financial Adviser (collectively, the “**Relevant Persons**” and each, a “**Relevant Person**”) owns, controls or has agreed to acquire any:

- (i) (a) Shares, (b) securities which carry voting rights in the Company, or (c) convertible securities, warrants, options or derivatives in respect of such Shares, or securities which carry voting rights in the Company;
- (ii) (a) SPH REIT Units, (b) securities which carry voting rights in SPH REIT, or (c) convertible securities, warrants, options or derivatives in respect of such SPH REIT Units, or securities which carry voting rights in SPH REIT; or
- (iii) (a) Keppel REIT Units, (b) securities which carry voting rights in Keppel REIT, or (c) convertible securities, warrants, options or derivatives in respect of such Keppel REIT Units, or securities which carry voting rights in Keppel REIT,

(collectively, the “**Relevant Securities**”).

**10.2.2 Holdings of Shares.** As at the Joint Announcement Date, based on the latest information available to the Offeror, the interests in the Shares held by the Relevant Persons are set out below:

Name of Relevant Person	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Penny Goh (nee Lee Yoke Sim Penny)	20,000	0.001	-	-
Chan Hon Chew <sup>(2)</sup>	-	-	12,000	n.m. <sup>(3)</sup>

**Notes:**

- (1) All references to percentage shareholding of the issued share capital of the Company in this **paragraph 10.2.2** are based on the total issued Shares being 1,591,512,137 Shares (excluding 9,136,984 treasury shares) as at the Joint Announcement Date.
- (2) Chan Hon Chew is deemed interested in the 12,000 Shares held by his spouse.
- (3) n.m. means not meaningful.

**10.2.3 Holdings of Keppel REIT Units.** As at the Joint Announcement Date, based on the latest information available to the Offeror, the interests in the Keppel REIT Units held

by the Relevant Persons are set out below:

Name of Relevant Person	Direct Interest		Deemed Interest	
	No. of Keppel REIT Units	% <sup>(1)</sup>	No. of Keppel REIT Units	% <sup>(1)</sup>
Keppel Corporation Limited <sup>(2)</sup>	200	n.m. <sup>(7)</sup>	1,700,825,658	46.260
Danny Teoh	8,911	n.m. <sup>(7)</sup>	-	-
Loh Chin Hua <sup>(3)</sup>	7,000	n.m. <sup>(7)</sup>	556,160	0.015
Penny Goh (nee Lee Yoke Sim Penny)	256,108	0.007	-	-
Teo Siong Seng <sup>(4)</sup>	-	-	6,014	n.m. <sup>(7)</sup>
Chan Hon Chew <sup>(5)</sup>	1,100	n.m. <sup>(7)</sup>	1,875	n.m. <sup>(7)</sup>
Christina Tan Hua Mui	12,000	n.m. <sup>(7)</sup>	-	-
Chua Hsien Yang	69,228	0.002	-	-
Lim Lu-Yi, Louis <sup>(6)</sup>	-	-	157,083	0.004

**Notes:**

- (1) All references to percentage unitholding of the issued units of Keppel REIT in this **paragraph 10.2.3** are based on a total of 3,676,395,817 Keppel REIT Units in issue as at the Joint Announcement Date.
- (2) Keppel Corporation Limited is deemed interested in the Keppel REIT Units held by its wholly-owned subsidiaries, namely the (i) 1,476,216,367 Keppel REIT Units held by Keppel REIT Investment Pte. Ltd.; (ii) 67,679,423 Keppel REIT Units held by Keppel REIT Management Limited; and (c) 156,929,868 Keppel REIT Units held by Keppel Capital Investment Holdings Pte. Ltd.
- (3) Loh Chin Hua is deemed interested in the 556,160 Keppel REIT Units held in an account jointly owned by him and his spouse.
- (4) Teo Siong Seng is deemed interested in the 6,014 Keppel REIT Units held in the name of the Estate of Teo Woon Tiong, as he is one of the joint executors of the Estate.
- (5) Chan Hon Chew is deemed interested in the 1,875 Keppel REIT Units held by his spouse.
- (6) Lim Lu-yi, Louis is deemed interested in the 157,083 Keppel REIT Units held by his spouse.
- (7) n.m. means not meaningful.

**10.2.4 Security Arrangements.** As at the Joint Announcement Date, none of the Relevant Persons has (i) granted a security interest relating to any Relevant Securities to another person, whether through a charge, pledge or otherwise; (ii) borrowed any Relevant Securities from another person (excluding borrowed Relevant Securities which have been on-lent or sold); or (iii) lent any Relevant Securities to another person.

**10.2.5 Irrevocable Commitment.** As at the Joint Announcement Date, none of the Relevant Persons has received any irrevocable commitment or undertaking from any party to

vote and/or procure the voting of Shares to approve the Scheme and any other matter necessary to implement the Scheme.

**10.2.6 Confidentiality.** In the interests of confidentiality, save for the Relevant Persons, the Offeror has not made enquiries in respect of certain other parties who are or may be deemed to be acting in concert with it in connection with the Scheme. Similarly, in the interests of confidentiality, the Offeror Financial Adviser has not made any enquiries in respect of the other members of its group. Further enquiries will be made of such persons subsequent to this Joint Announcement and the relevant disclosures will be made in due course and in the Composite Document.

## **11. OVERSEAS SHAREHOLDERS**

**11.1 Scheme.** The applicability of the Scheme and the DIS to Shareholders whose addresses are outside Singapore, as shown on the Register of Members of the Company, or as the case may be, in the records of The Central Depository (Pte) Limited (each such Shareholder, an “**Overseas Shareholder**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Where there are potential restrictions on sending the Composite Document to any overseas jurisdiction, the Offeror reserves the right not to send such document to the Overseas Shareholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme and the DIS are being proposed to all Shareholders (including the Overseas Shareholders), including those to whom the Composite Document will not be, or may not be, sent, provided that the Composite Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme and/or the DIS is not being proposed or made in any jurisdiction in which the introduction or implementation of the Scheme and/or the DIS would not be in compliance with the laws of such jurisdiction.

Further, where the directors of the Company are of the view that the distribution of the SPH REIT Units to any Overseas Shareholders pursuant to the DIS may infringe any relevant foreign law or may necessitate compliance with conditions or requirements which they, in their sole discretion, regard as onerous by reason of costs, delay or otherwise, the SPH REIT Units which such Overseas Shareholders would have been entitled to pursuant to the DIS (the “**Overseas Shareholders’ Entitlement**”) will not be distributed to such Overseas Shareholders. Instead, the Overseas Shareholders’ Entitlement shall be transferred to such person(s) as the directors of the Company may appoint, to sell the SPH REIT Units and thereafter to distribute the net proceeds proportionately among such Overseas Shareholders.

Further details in relation to Overseas Shareholders will be contained in the Composite Document.

**11.2 Cautionary Note. Overseas Shareholders who are in doubt about their positions should consult their own professional advisers in the relevant jurisdictions.**

## **12. NEWSPAPER AND PRINTING PRESSES ACT**

Shareholders should note that under the Newspaper and Printing Presses Act, Chapter 206 of

Singapore, no person shall, without the approval of the Minister:

- (i) become a substantial shareholder of the Company; or
- (ii) enter into any agreement or arrangement (whether oral or in writing, express or implied) to act together with any other person with respect to the acquisition, holding or the exercise of rights in relation to, in aggregate more than five per cent. of the Shares.

In the event that Shareholders wish to deal in the Shares, they should seek their own professional advice and consult with their own stockbrokers.

### **13. DOCUMENT FOR INSPECTION**

A copy of the Implementation Agreement will be made available for inspection during normal business hours at the registered office of the Company from the Joint Announcement Date up until the Effective Date.

### **14. RESPONSIBILITY STATEMENTS**

- 14.1 Company.** The directors of the Company (including any who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Joint Announcement in each case which relate to the Company (excluding information relating to the Offeror, Keppel, Keppel REIT, SPH REIT or any opinion expressed by the Offeror or Keppel (save for the Company's unitholding interest in SPH REIT)) are fair and accurate and that, where appropriate, no material facts which relate to the Company have been omitted from this Joint Announcement, and 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 the Offeror or Keppel, 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 Joint Announcement. The directors of the Company do not accept any responsibility for any information relating to the Offeror, Keppel, Keppel REIT, SPH REIT or any opinion expressed by the Offeror or Keppel (save for the Company's unitholding interest in SPH REIT).

- 14.2 Offeror.** The directors of the Offeror (including any who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Joint Announcement in each case, which relate to the Offeror (excluding information relating to the Company, SPH REIT, Keppel REIT or any opinion expressed by the Company (save for Keppel's unitholding interest in Keppel REIT)) are fair and accurate and that, where appropriate, no material facts which relate to the Offeror have been omitted from this Joint Announcement, and the directors of the Offeror jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, 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 Joint

Announcement. The directors of the Offeror do not accept any responsibility for any information relating to the Company, SPH REIT, Keppel REIT or any opinion expressed by the Company (save for Keppel's unitholding interest in Keppel REIT).

**2 August 2021**

By order of the board of directors

By order of the board of directors

**SINGAPORE PRESS HOLDINGS LIMITED**

**KEPPEL PEGASUS PTE. LTD.**

*Any queries relating to this Joint Announcement, the Scheme or the DIS should be directed to one of the following:*

**Singapore Press Holdings Limited**

**Keppel Pegasus Pte. Ltd.**

**Credit Suisse (Singapore) Limited**

**J.P. Morgan (S.E.A.) Limited**

Tel: +65 6212 2000

Tel: +65 6882 2924

*Forward-Looking Statements*

*All statements other than statements of historical facts included in this Joint 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” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s or the Company’s (as the case may be) 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 of the Offeror and the Company should not place undue reliance on such forward-looking statements, and neither the Offeror nor the Company undertakes any obligation to update publicly or revise any forward-looking statements.*

## SCHEDULE 1 SCHEME CONDITIONS

All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the Joint Announcement Date up until the Effective Date. All references to Clauses and Schedules below refer to the clauses and schedules of the Implementation Agreement.

Pursuant to Clause 3.1 of the Implementation Agreement, the Acquisition and the Scheme are conditional upon the satisfaction (or, where applicable, the waiver) of the following conditions precedent to the implementation of the Scheme:

- (i) **Approval by Shareholders for the Scheme:** the approval of the Scheme by a majority in number representing three-fourths in value of the Shareholders present and voting at the Scheme Meeting pursuant to the requirements of Section 210(3AB) of the Companies Act;
- (ii) **Approval by Shareholders for the DIS:** the approval by the Shareholders at the EGM for a distribution *in specie* by the Company of the Relevant SPH REIT Units to each Shareholder as at the Record Date as part of the Consideration;
- (iii) **Approval by Keppel Shareholders for the Acquisition:** the approval by the Keppel Shareholders at an extraordinary general meeting to be held by Keppel for the Acquisition;
- (iv) **Completion of the Media Business Restructuring:** the completion of the Media Business Restructuring (including the Conversion on or prior to the Record Date) on or prior to the Record Date;
- (v) **Court Order:** the grant of the Scheme Court Order by the Court and such court order having become final;
- (vi) **ACRA Lodgement:** the lodgement of the Scheme Court Order with ACRA in accordance with Section 210(5) of the Companies Act;
- (vii) **Regulatory Approvals:** (a) all the Regulatory Approvals<sup>7</sup> having been obtained or granted and remaining in full force and effect from the date such Regulatory Approvals are obtained or granted, up to the Relevant Date, and (b) where relevant, all applicable waiting periods in relation to the Regulatory Approvals having expired or been terminated;

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<sup>7</sup> These comprise (a) confirmation from the SIC that (i) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) to Rule 19 of the Code do not apply to the Scheme; (ii) the SIC has no objections to the Scheme Conditions; (iii) the declaration, making and payment of the DIS and the Final FY2021 Dividend if any, will not be a breach by the Company of Note 3 to Rule 5 of the Code; (iv) with respect to Keppel REIT, Rule 11.3 of the Code be waived, and the Keppel REIT Manager be permitted to elect to receive a portion of its fees (which may include base management fees, performance management fees, acquisition fees and divestment fees) in Keppel REIT if any such fees are due to be paid during the offer period in respect of the Scheme; and (v) the SIC has no objections to the Break Fee; (b) approval-in-principle from the SGX-ST of the Composite Document and for the proposed delisting of the Company from the SGX-ST after the Scheme becomes effective and binding in accordance with its terms; (c) approval-in-principle from the SGX-ST of the Keppel Circular; (d) approval from the Monetary Authority of Singapore necessary for a change in control of the SPH REIT Manager arising from the Scheme; and (e) clearance from the Foreign Investment Review Board under the Australian Foreign Acquisitions and Takeovers Act 1975.

- (viii) **No Illegality:** between the date of the Implementation Agreement and up to the Relevant Date, no order, injunction, judgment or decree issued by any Governmental Authority or other legal restraints or prohibition preventing the consummation of the Acquisition or implementation of the Scheme shall be in effect;
- (ix) **No Prescribed Occurrence:** between the date of the Implementation Agreement and up to the Relevant Date, no Prescribed Occurrence in relation to (a) the Offeror; or (b) any SPH Group Company or Woodleigh JV<sup>8</sup>, in each case, occurring other than as required or contemplated by the Implementation Agreement or the Scheme;
- (x) **Company Warranties:** there having been no material breach by the Company of its warranties given under the Implementation Agreement as at the date of the Implementation Agreement and as at the Relevant Date as though made on and as at each such date, except to the extent any warranty given by it expressly relates to an earlier date (in which case as at such earlier date), in each such case, which has resulted in a Material Adverse Effect<sup>9</sup> and not been

<sup>8</sup> **"SPH Group"** means the Company, its subsidiaries and Subsidiary Trusts taken as a whole, as set out in the Group Structure Chart appended to the Implementation Agreement, and **"SPH Group Company"** means any one of the Company, such subsidiaries or Subsidiary Trusts, but in each case excluding any and all Divested Media Entities or the Media Business.

**"Divested Media Entities"** means the Target Companies (as defined in the Media Business Restructuring Announcement), the Media HoldCo and the PropCos (as defined in the Media Business Restructuring Announcement).

**"Subsidiary Trusts"** means the trusts listed as subsidiaries of the Company in the annual report of the Company for the financial year ended 31 August 2020, which includes, for the avoidance of doubt, the following trusts: (i) Figtree Trust, (ii) Figtree Holding Trust, (iii) Marion Sub Trust, (iv) Marion Advertising Trust, (v) SPH REIT, (vi) SPH REIT Australia Trust, (vii) SPH REIT Marion Trust, (viii) SPH REIT Moelis Australia Trust, (ix) Straits Capitol Trust and (x) Straits Silver Trust.

**"Woodleigh JVs"** means WR 3 Pte. Ltd., The Woodleigh Mall Pte. Ltd. and the subsidiaries of WR3 Pte. Ltd., each, a **"Woodleigh JV"**.

<sup>9</sup> **"Material Adverse Effect"** means any one or more fact, matter, event, circumstance, condition, effect, occurrence or change which, whether individually or in the aggregate, has or have the effect of causing a diminution in the consolidated net asset value of the Current SPH Group Companies by more than S\$540,299,000, being 15 per cent. of the consolidated net asset value of the Current SPH Group Companies (as referred to in the unaudited consolidated financial statements of the Current SPH Group Companies for the half-year ended 28 February 2021 as announced by the Company on the SGXNET on 30 March 2021 (the **"Management Accounts"**)) attributable to Shareholders as at 28 February 2021, determined by reference to the later of the (i) latest publicly released consolidated financial statements of the Current SPH Group Companies prior to the Relevant Date and (ii) Relevant Statement as at the Relevant Statement Date, provided that the following shall not be taken into account in determining if there has been, and shall not constitute, a Material Adverse Effect:

- (i) the Final FY2021 Dividend and DIS; and
- (ii) any diminution not exceeding S\$250,000,000 in the consolidated net asset value of the Current SPH Group Companies as a result of the Media Business Restructuring.

**"Current SPH Group Companies"** means the Company, all of its subsidiaries, joint ventures, trusts and Associated Companies taken as a whole, as set out in the Group Structure Chart appended to the Implementation Agreement, and includes any and all Divested Media Entities and the Media Business.

**"Relevant Statement"** means the unaudited consolidated management balance sheet prepared using the same accounting policies and methods of computation with those applied in the preparation of the Management Accounts, setting out the consolidated (i) net asset value of the Relevant SPH Group Companies attributable to Shareholders and (ii) Net Debt of the Relevant SPH Group Companies (excluding SPH REIT) and Media Business NAV, in each case at the Relevant Statement Date.

**"Relevant SPH Group Companies"** means the Company, all of its subsidiaries, joint ventures, trusts and associated companies taken as a whole, as set out in the Group Structure Chart appended to the Implementation Agreement, and excludes any and all Divested Media Entities and the Media Business.



substantially remedied as of the Relevant Date and is material in the context of the Scheme;

- (xi) **Offeror Warranties:** there having been no material breach by the Offeror of its warranties given under the Implementation Agreement as at the date of the Implementation Agreement and as at the Relevant Date as though made on and as at each such date, except to the extent any warranty given by it expressly relates to an earlier date (in which case as at such earlier date), in each such case, which has not been substantially remedied as of the Relevant Date and is material in the context of the Scheme; and
- (xii) **No Material Adverse Effect:** there having been no occurrence of any Material Adverse Effect from the date of the Implementation Agreement up to the Relevant Date (both inclusive).

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**"Relevant Statement Date"** means the end of the calendar month in which the Media Business Restructuring is completed.

## SCHEDULE 2 PRESCRIBED OCCURRENCES

All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the Joint Announcement Date up until the Effective Date. All references to Clauses and Schedules below refer to clauses and schedules of the Implementation Agreement.

### **Part 1 – Prescribed Occurrence in relation to the Offeror.**

“**Prescribed Occurrence**” means, in relation to the Offeror, any of the following:

1. **Injunction:** an injunction or other order issued against the Offeror by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by the Offeror;
2. **Resolution for Winding Up:** the Offeror resolving that it be wound up;
3. **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or any other similar officer of the Offeror;
4. **Order of Court for Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of the Offeror;
5. **Composition:** the Offeror entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
6. **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of the Offeror;
7. **Insolvency:** the Offeror becoming or being deemed by applicable Laws or a court to be insolvent or being unable to pay its debts when they fall due or stops or suspends or threatens to stop or suspend payment of its debts of a material amount as they fall due;
8. **Cessation of Business:** the Offeror ceases or threatens to cease for any reason to carry on business in the usual and ordinary course;
9. **Change in Control:** the Offeror ceases to be controlled by Keppel;
10. **Investigations and Proceedings:** if the Offeror or any of their directors is or will be the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding; or
11. **Analogous Event:** any event occurs which, under applicable Laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

## Part 2– Prescribed Occurrence in relation to any SPH Group Company or Woodleigh JV

“**Prescribed Occurrence**”, in relation to any SPH Group Company or Woodleigh JV, means any of the following (other than (i) any matter set out in Clause 7.3 of the Implementation Agreement, (ii) any act pursuant to the BRD subject to paragraphs 7, 11 and 12 of Part 2 of **Schedule 2** of this Joint Announcement, (iii) as required or contemplated by the Implementation Agreement or the Scheme, (iv) as consented to in writing by the Offeror or (v) (a) any dividends declared, paid or made by any SPH Group Company (other than the Company) or Woodleigh JV to the Company or a SPH Group Company wholly-owned by the Company, (b) the entry into of any intercompany loans between the Company or a SPH Group Company wholly-owned by the Company, on the one hand, and the Company or a SPH Group Company wholly-owned by the Company, on the other hand (“**Intercompany Loans**”) or (c) the capitalisation of any Intercompany Loans into newly allotted and issued shares of a wholly-owned SPH Group Company which is the borrower under such Intercompany Loan):

1. **Conversion of Shares:** any SPH Group Company converting all or any of its shares into a larger or smaller number of shares;
2. **Share Buy-back:** any SPH Group Company or Woodleigh JV (i) undertaking any share buy-backs pursuant to its existing share buy-back mandate; or (ii) entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under the Companies Act or the equivalent companies or securities legislation;
3. **Alteration of Share Capital:** save for the issuance or allotment of Shares or units (as the case may be) pursuant to outstanding grants awarded under the SPH Performance Share Plan 2016 or the SPH REIT Performance Unit Award scheme or the Conversion, or as payment of fees (which may include base management fees, performance management fees, acquisition fees and divestment fees) by SPH REIT in the form of units to the SPH REIT Manager or the SPH REIT Property Manager, any SPH Group Company or Woodleigh JV resolving to reduce or otherwise alter its share capital in any way;
4. **Allotment of Shares or Units:** save for the issuance or allotment of Shares or units (as the case may be) pursuant to outstanding grants awarded under the SPH Performance Share Plan 2016 or the SPH REIT Performance Unit Award scheme or the Conversion, or as payment of fees (which may include base management fees, performance management fees, acquisition fees and divestment fees) by SPH REIT in the form of units to the SPH REIT Manager or the SPH REIT Property Manager, any SPH Group Company or Woodleigh JV making an allotment of, or granting an option to subscribe for, any shares, units or securities convertible into shares or units or agreeing to make such an allotment or to grant such an option or convertible security;
5. **Issuance of Debt Securities:** any SPH Group Company or Woodleigh JV issuing, or agreeing to issue, convertible notes or other debt securities, save as permitted in paragraph 8 of Part 2 of **Schedule 2** of this Joint Announcement;
6. **Dividends:** any SPH Group Company or Woodleigh JV declaring, making or paying any dividends or any other form of distribution to its shareholders, except for the DIS, the Final FY2021 Dividend or distributions by SPH REIT to its unitholders;
7. **Media Business Restructuring**

The Net Debt of the Relevant SPH Group Companies (excluding SPH REIT) determined by reference to the Relevant Statement, exceeding the amount represented by (i)

S\$1,730,000,000 less (ii) the proceeds of any sale or disposal of any real property, assets or securities by the Relevant SPH Group Companies (excluding SPH REIT) from the date of the Implementation Agreement up to (and including) the Relevant Date (if any);

## **8. Borrowings, Indebtedness**

Other than in respect of SPH REIT, any SPH Group Company or Woodleigh JV incurring any additional borrowings or indebtedness, including by way of the issuance of bonds, notes or other debt securities (whether or not convertible or exchangeable into shares or units and whether or not accounted for as equity), save for:

- 8.1.1 the refinancing of any debt obligations prior to their due date (including any refinancing for the purpose of redeeming the SPH Notes);
- 8.1.2 any borrowing or indebtedness incurred to fund any capital expenditure permitted in paragraph 12 of Part 2 of **Schedule 2** of this Joint Announcement or any acquisition permitted in paragraph 13 of Part 2 of **Schedule 2** of this Joint Announcement; and
- 8.1.3 any drawdowns on existing debt facilities (including under the SPH Programme) or any new borrowing or indebtedness incurred, in each case, in relation to working capital requirements, not exceeding S\$25 million in the aggregate.

## **9. Guarantees, Indemnities**

Other than in respect of SPH REIT, any SPH Group Company or Woodleigh JV:

- 9.1.1 entering into any guarantee, indemnity or other arrangement to secure any obligation of any person; or
- 9.1.2 creating any Encumbrance over any of its assets or undertakings,

in each case, save in the ordinary course of business or in respect of any borrowings or indebtedness permitted in paragraph 8 of Part 2 of **Schedule 2** of this Joint Announcement.

## **10. Hedging**

Other than in respect of SPH REIT, any SPH Group Company or Woodleigh JV entering into any material hedging and other derivative or off-balance sheet transactions, save with respect to any interest rate, currency or cash-flow hedging for an underlying exposure which is permitted in paragraph 8 of Part 2 of **Schedule 2** of this Joint Announcement.

## **11. Expenditure**

Other than in respect of SPH REIT, any SPH Group Company or Woodleigh JV incurring any costs, expenses and/or expenditure, save for the Approved Capex, Approved Expenses or the provision of rent relief to tenants.

## **12. Capital Expenditure**

Other than in respect of SPH REIT, any SPH Group Company or Woodleigh JV making or incurring any capital expenditure, save for:

- 12.1.1 any Approved Capex; and
- 12.1.2 any capital expenditure arising from or relating to cases of emergency.

**13. Acquisitions and Disposals**

Any SPH Group Company or Woodleigh JV:

- 13.1.1 (i) entering into, undertaking or completing any Material Acquisition or (ii) receiving any notice of compulsory acquisition or intended acquisition of land affecting or which may affect any of the Properties (a) in whole, or (b) in part, which would or is reasonably likely to result in a Material Adverse Effect;
- 13.1.2 except for the sale of units in The Woodleigh Residences in accordance with terms as agreed by the mortgagees in respect thereof, entering into, undertaking or completing any Material Disposal; or
- 13.1.3 creating any Encumbrance (except for any Encumbrances under existing debt financing) over or granting any easements over any Property (i) in whole or (ii) in part, which would or is reasonably likely to result in a Material Adverse Effect.

**14. Real Property**

Any SPH Group Company or Woodleigh JV:

- 14.1.1 except in relation to the development of The Woodleigh Mall and The Woodleigh Residences in accordance with terms as agreed by the mortgagee in respect thereof, applying for any planning permission or sub-division of any Property (save in respect of any Approved Capex);
- 14.1.2 carrying out any alteration or addition to any Property which has not been approved or budgeted for as at the date of the Implementation Agreement, save for any fitting out works, renovation works or tenant's works carried out by an Occupier pursuant to an Occupation Agreement, in each case which is reasonably likely to result in a Material Adverse Effect (save in respect of any Approved Capex);
- 14.1.3 amending, modifying or varying any Title Document; or
- 14.1.4 releasing the Head Lessor, grantor or issuer under any Title Document from any of its obligations, failing to exercise any rights or powers of termination under any Title Document or waiving any breaches of any Title Document.

**15. Injunction:** an injunction or other order issued against any SPH Group Company or Woodleigh JV by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by any SPH Group Company or Woodleigh JV;

**16. Resolution for Winding Up:** any SPH Group Company or Woodleigh JV (other than in relation to the SPH Group Companies set out in **Schedule 6** of the Implementation Agreement) resolving that it be wound up;

17. **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial **manager**, provisional judicial manager and/or any other similar officer of any SPH Group Company or Woodleigh JV (other than in relation to the SPH Group Companies set out in **Schedule 6** of the Implementation Agreement);
18. **Order of Court for Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of any SPH Group Company or Woodleigh JV (other than in relation to the SPH Group Companies set out in **Schedule 6** of the Implementation Agreement);
19. **Composition:** any SPH Group Company or Woodleigh JV (other than in relation to the SPH Group Companies set out in **Schedule 6** of the Implementation Agreement) entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
20. **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of any SPH Group Company or Woodleigh JV (other than in relation to the SPH Group Companies set out in **Schedule 6** of the Implementation Agreement);
21. **Insolvency:** any SPH Group Company or Woodleigh JV (other than in relation to the SPH Group Companies set out in **Schedule 6** of the Implementation Agreement) becoming or being deemed by applicable Laws or a court to be insolvent or being unable to pay its debts when they fall due or stops or suspends or threatens to stop or suspend payment of its debts of a material amount as they fall due;
22. **Cessation of Business:** any SPH Group Company or Woodleigh JV (other than in relation to the SPH Group Companies set out in **Schedule 6** of the Implementation Agreement) ceases or threatens to cease for any reason to carry on business in the usual ordinary course (other than, for the avoidance of doubt, the Media Business); or
23. **Analogous Event:** any event occurs which, under applicable Laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).