

CIRCULAR DATED 17 AUGUST 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your shares in Singapore Press Holdings Limited (the “Company”), you should immediately inform the purchaser, transferee, bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of EGM (as defined herein) and accompanying Proxy Form) may be accessed on SGXNet and the Company’s website at https://investor.sph.com.sg/agm_egm.html.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

This Circular has been made available on SGXNet and the Company’s website and may be accessed at the URL https://investor.sph.com.sg/agm_egm.html. A printed copy of this Circular will NOT be despatched to members (as defined herein), but will be made available on request. Please refer to paragraph 12.3 for further information on how to request for a printed copy of this Circular.

As a precautionary measure due to the current COVID-19 situation in Singapore, members will not be able to attend the EGM (as defined herein) in person. Instead, alternative arrangements have been put in place to allow members to participate at the EGM by (a) watching the EGM proceedings via “live” audio-and-video webcast or listening to the EGM proceedings via “live” audio feed, (b) submitting questions in advance of, or “live” at, the EGM, and/or (c) voting by appointing the Chairman of the EGM as proxy at the EGM. Please refer to paragraphs 12 and 13 of this Circular for further information, including the steps to be taken by members to participate at the EGM.

Members should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act (as defined herein) and any regulations promulgated thereunder (including the COVID-19 Order (as defined herein)) as well as other guidelines issued by the relevant authorities) as the COVID-19 situation in Singapore evolves. Members are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNet.



Singapore Press Holdings Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198402868E)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (1) PROPOSED RESTRUCTURING OF THE MEDIA BUSINESS; AND**
- (2) PROPOSED CONVERSION AND PROPOSED ADOPTION OF A NEW CONSTITUTION.**

Financial Adviser



Credit Suisse (Singapore) Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197702363D)

Financial Adviser to the Board of Directors



Evercore Asia (Singapore) Pte. Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201321328D)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	7 September 2021 at 2:30 p.m. (Singapore time)
Last date and time to pre-register online to attend the EGM	:	7 September 2021 at 2:30 p.m. (Singapore time)
Date and time of EGM	:	10 September 2021 at 2:30 p.m. (Singapore time)
Place of EGM	:	The EGM will be held by way of electronic means. Please refer to paragraphs 12 and 13 of this Circular for further details

CONTENTS

	Page
DEFINITIONS	3
LETTER TO SHAREHOLDERS	11
1. Introduction	11
2. Background, Rationale and Benefits for the Proposed Restructuring	15
3. Information on the Media HoldCo, the Management Shareholders and the Media Business	17
4. Principal Terms of the Proposed Restructuring	23
5. Relative Figures	25
6. Financial Effects	26
7. Financial Advice to the Board of Directors on the Proposed Restructuring	27
8. The Proposed Conversion and Proposed Adoption of a New Constitution	29
9. Newspaper Act	34
10. Interests of Directors and Controlling Shareholders	34
11. Directors' Service Contracts	35
12. Extraordinary General Meeting	35
13. Actions to be taken by Members	37
14. Directors' Recommendations	40
15. Directors' Responsibility Statement	41
16. Consents	42
17. Documents for Inspection	42
APPENDIX A – EVERCORE LETTER	A-1
APPENDIX B – SUMMARY OF VALUATION REPORT	B-1
APPENDIX C – PROVISIONS IN THE EXISTING CONSTITUTION WHICH HAVE BEEN REMOVED OR AMENDED/UPDATED IN THE NEW CONSTITUTION	C-1
APPENDIX D – THE NEW CONSTITUTION	D-1
APPENDIX E – PRO FORMA FINANCIALS	E-1

CONTENTS

APPENDIX F – ADDITIONAL INFORMATION ON THE SPH CONTRIBUTION VALUE . .	F-1
APPENDIX G – ADDITIONAL INFORMATION ON THE PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED RESTRUCTURING ON SPH	G-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	H-1
PROXY FORM	

DEFINITIONS

In this Circular, the following definitions apply throughout unless the context requires otherwise:

“1H 2021 Results”	:	The unaudited financial statements of the Group for 1H FY2021
“1H FY2021”	:	Financial half-year ended 28 February 2021
“Acquisition”	:	The proposed acquisition by the Offeror of all the Shares (excluding the treasury shares) as at the Record Date from the Eligible Shareholders, upon the DIS taking effect
“Announcement Date”	:	6 May 2021
“Approved Shareholders”	:	Persons who have received the written approval of the Minister referred to in the Newspaper Act to hold Management Shares
“Associated Companies”	:	Has the meaning given in paragraph 3.4 of this Circular
“Board”	:	The board of Directors of the Company as at the Latest Practicable Date
“BRD”	:	The business restructuring deed dated 6 May 2021 entered into between SPH and the Media HoldCo, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 17 August 2021
“CLG”	:	SPH Media Trust, a not for profit company limited by guarantee incorporated in Singapore on 19 July 2021, where the profits of CLG are reinvested into its business and not distributed to its shareholders
“Closing”	:	Closing of the Proposed Restructuring in accordance with the BRD
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“Company” or “SPH”	:	Singapore Press Holdings Limited
“Composite Document”	:	The composite document to be issued by the Company to Shareholders containing, <i>inter alia</i> , details of the Scheme and the DIS
“Consideration”	:	The total consideration to be received by an Eligible Shareholder for each Share, assuming that the Scheme becomes effective

DEFINITIONS

“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“Court”	:	The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore
“COVID-19 Act”	:	The COVID-19 (Temporary Measures) Act 2020 of Singapore, as amended, modified or supplemented from time to time
“COVID-19 Order”	:	The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 of Singapore, as amended, modified or supplemented from time to time
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“DIS”	:	The distribution <i>in specie</i> by the Company of such number of SPH REIT Units which will result in the Eligible Shareholders receiving 0.782 SPH REIT Units per Share
“EGM”	:	The extraordinary general meeting of the Company to be held by way of electronic means on 10 September 2021 at 2:30 p.m., notice of which is set out on pages H-1 to H-5 of this Circular
“Eligible Shareholders”	:	Shareholders as at the Record Date
“EPS”	:	Earnings per Share
“Evercore”	:	Evercore Asia (Singapore) Pte. Ltd.
“Evercore Letter”	:	The letter from Evercore to the Board of Directors of the Company dated 17 August 2021 which is set out in Appendix A of this Circular
“Existing Constitution”	:	The Constitution of the Company which is in force as at the Latest Practicable Date
“Financial Adviser”	:	Credit Suisse (Singapore) Limited, the financial adviser to the Company in relation to the Proposed Restructuring, and in relation to its strategic review to consider options for its various businesses
“FY2018”	:	Financial year ended 31 August 2018
“FY2019”	:	Financial year ended 31 August 2019

DEFINITIONS

“FY2020”	:	Financial year ended 31 August 2020
“Group”	:	The Company and its subsidiaries
“IFA”	:	Evercore Asia (Singapore) Pte. Ltd., who has been appointed as the independent financial adviser to advise the Independent Directors for the purposes of making a recommendation to the Shareholders in connection with the Scheme
“Independent Directors”	:	The directors of the Company who are considered to be independent for the purposes of the Scheme
“Independent Valuer”	:	Knight Frank Pte Ltd, the independent property valuer commissioned by the Company to establish the fair market value for the Key Leases
“Investors”	:	Investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act)
“Joint Announcement”	:	The joint announcement by SPH and the Offeror in respect of the Scheme
“Joint Announcement Date”	:	2 August 2021, being the date of the Joint Announcement
“JSS”	:	The Jobs Support Scheme
“Keppel”	:	Keppel Corporation Limited
“Keppel REIT”	:	Keppel REIT, a real estate investment trust constituted in the Republic of Singapore pursuant to a trust deed dated 28 November 2005, as amended, modified or supplemented from time to time
“Keppel REIT Units”	:	Issued units in Keppel REIT
“Key Appointment Resolution”	:	A resolution on the appointment or dismissal of a director or any member of the staff of the Company
“Key Leases”	:	The leases entered into by Singapore News and Publications Limited and Singapore Newspaper Services Private Limited (being the respective lessees under the respective leases of the properties located at 1000 Toa Payoh North, Singapore 318994 and 2 Jurong Port Road, Singapore 619088)
“Key Properties”	:	The properties located at 1000 Toa Payoh North, Singapore 318994 and 2 Jurong Port Road, Singapore 619088

DEFINITIONS

“Last Trading Day”	:	30 July 2021, being the last full trading day immediately prior to the Joint Announcement Date
“Latest Practicable Date”	:	The latest practicable date prior to the finalisation of this Circular, being 11 August 2021
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“MAC CP”	:	The condition precedent to Closing that there be no Material Adverse Change since the date of the BRD
“Management Shareholders”	:	Holders of the Management Shares
“Management Shares”	:	Management shares of the Company
“Material Adverse Change”	:	<p>Any change, event, circumstance or effect that results in:</p> <ul style="list-style-type: none">(I) a decrease in the aggregate net asset value (as at the date of Closing) of the Target Companies and the Associated Companies of more than 25 per cent. from the aggregate net asset value as stated in the pro forma accounts as at 28 February 2021 (excluding the Minimum Cash Balance, any government grants and the value of the Relevant SPH REIT Units and the Relevant SPH Shares), but any such decrease shall disregard and exclude any depreciation of the Key Properties; and(II) a decrease in the aggregate revenue (as at the date of Closing and on a last twelve months basis) of the Target Companies and the Associated Companies of more than 25 per cent. from the aggregate annual revenue for the financial year ended 31 August 2020, as stated in the pro forma accounts, but such aggregate revenue shall disregard and exclude any revenue contribution from the Associated Companies, <p>provided that any such decrease resulting from or attributable to general economic conditions, conditions affecting the industry and market relating to the media industry generally or the passing of, or any change in any law, rule, regulation or administrative practice of any government, governmental department, agency or regulatory body shall not be capable of resulting in a Material Adverse Change</p>
“Media Business”	:	The media business of SPH to be transferred to the Media HoldCo and its subsidiaries

DEFINITIONS

“Media HoldCo”	:	SPH Media Holdings Pte. Ltd.
“Media OpCo”	:	SPH Media Limited
“Media Segment”	:	The Company’s media financial reporting segment
“members”	:	Shareholders and Investors
“Minimum Cash Balance”	:	An aggregate minimum amount of S\$80 million in cash, as adjusted in accordance with the terms of the BRD and excluding any government grants, in the bank accounts of the Media HoldCo and/or the Target Companies
“Minister”	:	The Minister referred to in the Newspaper Act
“NAV”	:	Net asset value
“New Constitution”	:	The new Constitution proposed to be adopted by the Company, as set out in Appendix D of this Circular
“Newspaper Act”	:	The Newspaper and Printing Presses Act, Chapter 206 of Singapore, as amended, modified or supplemented from time to time
“Notice of EGM”	:	The notice of EGM which is set out on pages H-1 to H-5 of this Circular
“NTA”	:	Net tangible assets
“Offeror”	:	Keppel Pegasus Pte. Ltd., a wholly-owned subsidiary of Keppel Corporation Limited
“Ordinary Shares”	:	Ordinary shares of the Company
“PATMI”	:	Profit after tax and minority interests
“PBSA”	:	Purpose-built student accommodation
“Pro Forma Financials”	:	The consolidated profit or loss statements relating to the Media Business
“PropCos”	:	Two wholly-owned subsidiaries to be incorporated by the Media HoldCo
“Proposed Adoption of a New Constitution”	:	The proposed adoption of the New Constitution as the Constitution of the Company
“Proposed Conversion”	:	The proposed conversion of each Management Share held by a Management Shareholder into one Ordinary Share pursuant to Article 64(2) of the Existing Constitution

DEFINITIONS

“Proposed Restructuring”	:	The proposed restructuring comprising (a) the transfer of the Media HoldCo for nominal consideration of S\$1 to the CLG, (b) the transfer of the Media Business to the Media HoldCo and its subsidiaries, and (c) SPH to make the other aspects of the SPH Contribution to assist with the operation and maintenance of the restructured Media Business following Closing
“Proposed Transactions”	:	The Proposed Restructuring, the Proposed Conversion and the Proposed Adoption of a New Constitution
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“Record Date”	:	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
“Registration Cut-Off Time”	:	2:30 p.m. on 7 September 2021
“Relevant SPH REIT Units”	:	23,446,659 units in SPH REIT
“Relevant SPH Shares”	:	6,868,132 Ordinary Shares
“Restructuring Adjustments”	:	The assumption of certain liabilities, costs and expenses potentially arising from the Proposed Restructuring, including but not limited to the contribution of the net assets of the Media Business, retention of certain liabilities with SPH, professional fees, and other restructuring costs
“Scheme”	:	The scheme of arrangement pursuant to Section 210 of the Companies Act proposed to be undertaken by SPH and the Offeror
“Scheme Meeting”	:	The meeting of the Shareholders 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)
“Securities Account”	:	The securities account maintained by a depositor with CDP but not including a securities sub-account maintained with a depository agent
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
“SGXNet”	:	Singapore Exchange Network

DEFINITIONS

“ SGX-ST ”	:	Singapore Exchange Securities Trading Limited
“ Share Registrar ”	:	Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), the share registrar of the Company
“ Shareholders ”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to those Shares and where the context so admits, mean the depositors whose Securities Accounts are credited with those Shares. Any reference to Shares held by or the shareholding of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“ Shares ”	:	Ordinary Shares and Management Shares
“ SPH Contribution ”	:	Has the meaning given in paragraph 3.5 of this Circular
“ SPH Contribution Value ”	:	The aggregate value of the SPH Contribution, being S\$356.8 million
“ SPH REIT ”	:	SPH REIT, a real estate investment trust constituted in the Republic of Singapore pursuant to a trust deed dated 9 July 2013, as amended, modified or supplemented from time to time
“ SPH REIT Units ”	:	Issued units in SPH REIT
“ S\$ ” or “ cents ”	:	The lawful currency for the time being of the Republic of Singapore
“ Target Companies ”	:	Has the meaning given in paragraph 3.4 of this Circular
“ Target Shares ”	:	Has the meaning given in paragraph 3.4 of this Circular
“ Third Party Consents CP ”	:	The condition precedent to Closing that certain third party consents be obtained
“ Valuation Report ”	:	The independent valuations of the Key Leases conducted by the Independent Valuer, an independent property valuer commissioned by SPH to establish the fair market value for the Key Leases primarily using the direct comparison method
“ % ” or “ per cent. ”	:	Per centum or percentage

The terms “**depositor**”, “**depository agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “**subsidiaries**” and “**related corporations**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

DEFINITIONS

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or the Listing Manual and not otherwise defined in this Circular shall have the same meaning ascribed to it under the Companies Act, the SFA or the Listing Manual, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day or date in this Circular shall be a reference to a time of day or date, as the case may be, in Singapore unless otherwise stated.

Any discrepancies in the tables in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS



Singapore Press Holdings Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198402868E)

Board of Directors:

Lee Boon Yang (*Chairman, Non-Executive and Independent Director*)
Ng Yat Chung (*Chief Executive Officer, Executive and Non-Independent Director*)
Janet Ang Guat Har (*Non-Executive and Independent Director*)
Bahren Shaari (*Non-Executive and Independent Director*)
Andrew Lim Ming-Hui (*Non-Executive and Independent Director*)
Lim Ming Yan (*Non-Executive and Independent Director*)
Quek See Tiat (*Non-Executive and Independent Director*)
Tan Chin Hwee (*Non-Executive and Independent Director*)
Tan Yen Yen (*Non-Executive and Independent Director*)
Tracey Woon (*Non-Executive and Independent Director*)
Yeoh Oon Jin (*Non-Executive and Independent Director*)

Registered Office:

1000 Toa Payoh North
News Centre
Singapore 318994

17 August 2021

To: The Shareholders of
Singapore Press Holdings Limited

Dear Sir/Madam

- (1) **PROPOSED RESTRUCTURING OF THE MEDIA BUSINESS; AND**
- (2) **PROPOSED CONVERSION AND PROPOSED ADOPTION OF A NEW CONSTITUTION**

1. INTRODUCTION

1.1 Proposed Restructuring of the Media Business

SPH announced on 6 May 2021 (the “**Announcement Date**”) 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 incorporated in Singapore on 19 July 2021 (the “**CLG**”), (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 to assist with the operation and maintenance of the restructured Media Business following closing of the proposed restructuring in accordance with the BRD (“**Closing**”) (collectively, the “**Proposed Restructuring**”).

LETTER TO SHAREHOLDERS

Upon Closing, the business of the Company will comprise:

- (a) **Property Business:** 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 a 70 per cent. stake in and operates The Seletar Mall 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;
- (b) **Purpose-Built Student Accommodation (“PBSA”):** 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; and
- (c) **Aged Care:** The Company is in the aged care sector in Singapore and Japan, and owns Orange Valley, one of Singapore’s largest private nursing homes.

Notwithstanding that none of the relative figures under Chapter 10 of the Listing Manual exceed 20 per cent., as the Proposed Restructuring would result in the disposal of a principal business of the Company, the Board has determined that the Proposed Restructuring should be subject to the approval of the Shareholders at an extraordinary general meeting (“EGM”) to be convened.

1.2 Proposed Conversion and Proposed Adoption of a New Constitution

In connection with, and following Closing, the Company (which is currently regulated as a “newspaper company” under the Newspaper and Printing Presses Act, Chapter 206 of Singapore (the “**Newspaper Act**”)) is proposing to:

- (a) convert each management share in the capital of the Company (“**Management Share**”) held by a Management Shareholder into one ordinary share in the capital of the Company (“**Ordinary Share**”) pursuant to Article 64(2) of the Existing Constitution (the “**Proposed Conversion**”); and
- (b) adopt a new Constitution (“**New Constitution**”), which will consist of the Existing Constitution with amendments to remove the special features of a “newspaper company” (including the provisions relating to Management Shares) (the “**Proposed Adoption of a New Constitution**”),

as it is envisaged that the provisions of the Newspaper Act will no longer apply to the Company following Closing.

Further details on the Proposed Conversion and Proposed Adoption of a New Constitution are set out in paragraph 8 of this Circular.

1.3 Proposed Privatisation of SPH

SPH and Keppel Pegasus Pte. Ltd. (the “**Offeror**”), a wholly-owned subsidiary of Keppel Corporation Limited (“**Keppel**”), jointly announced (the “**Joint Announcement**”) on 2 August 2021 (the “**Joint Announcement Date**”) that SPH and the Offeror are proposing to undertake a scheme of arrangement (the “**Scheme**”) pursuant to Section 210 of the Companies Act involving:

- (a) **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 as

LETTER TO SHAREHOLDERS

at the Record Date (the “**Eligible Shareholders**” and each, an “**Eligible Shareholder**”) receiving 0.782 SPH REIT Units per Ordinary Share; and

- (b) **Acquisition:** upon the DIS taking effect, a proposed acquisition (the “**Acquisition**”) by the Offeror of all the Ordinary Shares (excluding the treasury shares) as at the Record Date from the Eligible Shareholders.

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

Consideration breakdown ⁽¹⁾	Value per Ordinary Share (S\$)
0.782 SPH REIT Units ⁽²⁾	0.716
0.596 issued units in Keppel REIT (“ Keppel REIT Units ” and each, a “ Keppel REIT Unit ”) which the Offeror will transfer or procure to be transferred ⁽³⁾	0.715
Cash consideration payable by the Offeror	0.668
Total Consideration	2.099

Notes:

- (1) Assuming that the maximum number of Ordinary 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 Ordinary Shares based on the following:
- (i) 1,607,873,906 Ordinary Shares comprising 1,591,512,137 Ordinary Shares in issue as at the Joint Announcement Date and 16,361,769 Ordinary Shares arising from the Proposed Conversion;
 - (ii) 6,868,132 Ordinary Shares to be transferred to the Media HoldCo pursuant to the Proposed Restructuring; and
 - (iii) 2,268,852 Ordinary Shares that may be vested under the SPH Performance Share Plan 2016. Any Ordinary Shares to be vested under the SPH Performance Share Plan 2016 in excess of the 2,268,852 Ordinary 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 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.

As set out in **Schedule 1** to the Joint Announcement, the Scheme is conditional upon, *inter alia*, the completion of the Proposed Restructuring (including the conversion of the Management Shares into Ordinary Shares).

Additionally, the Scheme is also conditional upon, *inter alia*, the following approvals:

- (a) the approval of the Scheme by a majority in number of Shareholders representing not less than three-fourths in value of the Ordinary 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 Court¹ for the purpose of considering and, if thought fit, approving the Scheme (including any adjournment thereof);

¹ The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore.

LETTER TO SHAREHOLDERS

- (b) the approval of the DIS by Shareholders at an extraordinary general meeting to be held by the Company at or around the time of the Scheme Meeting;
- (c) the approval of the Acquisition by the shareholders of Keppel at an extraordinary general meeting to be held by Keppel; and
- (d) the sanction of the Scheme by the Court.

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**”).

The recommendation of the directors of the Company who are considered to be independent for the purposes of the Scheme (the “**Independent Directors**”), along with the advice of Evercore Asia (Singapore) Pte. Ltd. (“**Evercore**”), who have been appointed as the Company’s independent financial adviser (the “**IFA**”) to advise the Independent Directors for the purposes of making a recommendation to the Shareholders in connection with the Scheme, will be included in the Composite Document.

Please refer to the Joint Announcement for further details of the Scheme.

1.4 Financial Adviser to SPH

SPH has appointed Credit Suisse (Singapore) Limited as its financial adviser in relation to the Proposed Restructuring, and in relation to its strategic review to consider options for its various businesses².

1.5 Financial Adviser to the Board of Directors

SPH has appointed Evercore to advise the Board of Directors as to whether the Proposed Restructuring is, from a financial point of view, in the overall interests of the Company and its Shareholders.

1.6 Legal Adviser to SPH

SPH has appointed Allen & Gledhill LLP as its legal adviser in relation to the Proposed Restructuring, the Proposed Conversion and the Proposed Adoption of a New Constitution (collectively, the “**Proposed Transactions**”).

1.7 EGM

The Company is convening the EGM to be held by way of electronic means on 10 September 2021 at 2:30 p.m., notice of which is set out on pages H-1 to H-5 of this Circular, to seek Shareholders’ approval for the Proposed Transactions.

² As announced by SPH on 30 March 2021.

LETTER TO SHAREHOLDERS

1.8 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information relating to the Proposed Transactions, and to seek Shareholders' approval for the following proposals at the EGM:

- (a) the Proposed Restructuring, which will be proposed as an ordinary resolution; and
- (b) the Proposed Conversion and Proposed Adoption of a New Constitution, which will be proposed as a special resolution.

1.9 Conditionality

The ordinary resolution relating to the Proposed Restructuring is not conditional upon the passing of the special resolution relating to the Proposed Conversion and Proposed Adoption of a New Constitution. However, the special resolution relating to the Proposed Conversion and Proposed Adoption of a New Constitution is conditional upon the passing of the ordinary resolution relating to the Proposed Restructuring and Closing. The reason for this is because if the Proposed Restructuring is not approved or Closing does not take place, the Company will remain a "newspaper company" under the Newspaper Act, and subject to the requirements to include certain provisions into its Constitution and maintain Management Shares in its capital. The Proposed Conversion and Proposed Adoption of a New Constitution will therefore be unnecessary in this scenario.

Additionally, as described in paragraph 1.3 above, the Scheme is conditional upon, *inter alia*, the completion of the Proposed Restructuring (including the conversion of the Management Shares into Ordinary Shares). If the ordinary resolution relating to the Proposed Restructuring, and/or the special resolution relating to the Proposed Conversion and Proposed Adoption of a New Constitution are not passed, a condition precedent to the Scheme will not be satisfied.

2. BACKGROUND, RATIONALE AND BENEFITS FOR THE PROPOSED RESTRUCTURING

SPH believes the Proposed Restructuring will be beneficial to the Group for the following reasons:

- (a) The media industry has faced unprecedented disruption in recent years. Traditional print media is undergoing secular decline, with a shift of consumer preference in favour of digital media. This is a global trend, not unique to Singapore or SPH and further accelerated by COVID-19. Whilst SPH has succeeded in increasing digital circulation, monetisation is increasingly challenging as competition for digital revenue has intensified and SPH's Media Business now competes with much larger players. Digital subscription and digital advertising have been unable to offset the decline in print advertising and print circulation revenues.
- (b) SPH's Media Segment operating revenue has been decreasing in the past five years due largely to a decline in print advertising and print subscription revenue. A summary of the effects of the Pro Forma Financials for each of FY2020 and 1H FY2021 is set out in Appendix G of this Circular.
- (c) SPH's Media Segment has since fallen into the red. It recorded its first-ever pre-tax loss of S\$11.4 million for the financial year ended 31 August 2020. If not for the Jobs Support Scheme ("JSS"), the loss would have been a deeper S\$39.5 million. For the six months ended 28 February 2021, the Media Segment incurred a pre-tax loss of S\$9.7 million, excluding the grant from the JSS.

LETTER TO SHAREHOLDERS

- (d) With the decline in advertising revenue expected to continue at a similar pace to the last five years in the medium term, the Media Business will continue to face severe financial challenges.
- (e) Over the past five years, SPH increased its spending in technology, product development and data analytics talent by 48 per cent. to more than S\$20 million a year and invested S\$35 million in digital content and audience development talent in the newsrooms. Beyond manpower, SPH also increased investment, in the form of operating expenses and capital expenditure, on new consumer-facing digital platforms and products, averaging more than S\$20 million a year over the past five years. In a highly competitive media landscape, further investment will be needed to strengthen the Media Business' digital content creation and product development capabilities. Investments take time to show results and the Media Business is likely to remain loss-making in the immediate future. In addition, there is no assurance that SPH's investments will result in a turnaround of the Media Business. Overall, the growth in digital revenues remains uncertain and digital revenues are not expected to be able to offset the decline in print revenues.
- (f) SPH has undertaken strict cost management measures in recent years to mitigate the effect of the declining advertising revenue. However, further cost cuts to reduce losses may impair the Media Business' ability to maintain quality journalism. On a historical basis, the cost base required to operate the Media Business amounted to approximately S\$500 million and S\$208 million for FY2020 and 1H FY2021 respectively. Combined with the expected decline in advertising revenue, the losses of the Media Business may continue and widen.
- (g) A not-for-profit structure will allow the Media Business to seek funding from a range of public and private sources with a shared interest in supporting quality journalism and credible information. Under the Proposed Restructuring, the Media Business will gain the resources to focus on transformation efforts and quality journalism, as well as to invest in talent and new technology to strengthen its digital capabilities. This will ensure that the public will continue to benefit from quality information and credible news from trusted media titles and newsrooms, across different platforms and in vernacular languages.
- (h) The Proposed Restructuring also provides certainty that the Company will no longer be exposed to the Media Business going forward and removes any future funding requirements and potential losses due to the Media Business. Based on the illustrative FY2020 pro forma financial effects in Appendix G, before taking into account the one-off losses from the assumption of certain liabilities, costs and expenses potentially arising from the Proposed Restructuring, including but not limited to the contribution of the net assets of the Media Business, retention of certain liabilities with SPH, professional fees, and other restructuring costs ("**Restructuring Adjustments**"), the loss after tax attributable to Shareholders (ex-grants) would improve meaningfully from S\$111.8 million to S\$72.3 million. In addition, based on the illustrative FY2020 pro forma financial effects in Appendix G, while the operating revenue of the Group would reduce from S\$865.7 million to S\$420.5 million, the Group would no longer be exposed to the ongoing costs of the Media Business, and the pro forma operating profit (ex-grants) of the Group for the same period would correspondingly improve meaningfully from S\$82.1 million to S\$121.7 million.

LETTER TO SHAREHOLDERS

The Media Business plays a critical function in Singapore with the provision of quality news and information to the public, in particular in the vernacular languages. Given this public role, winding up the media business or selling it off are not feasible options. In addition, winding up the media business may incur potentially heavy financial costs, and any sale of the media business would also require regulatory approval.

Following Closing, SPH will gain greater financial flexibility to tailor its capital and shareholding structure to seize strategic growth opportunities across the other businesses in order to maximise returns for Shareholders. Further, the Proposed Restructuring is the first step in the ongoing strategic review, and SPH continues to explore strategic options in respect of its other businesses to unlock and maximise shareholder value for all Shareholders upon completion of the Proposed Restructuring.

Shareholders should note that, as described in paragraph 1.3 above, the Scheme is conditional upon, *inter alia*, the completion of the Proposed Restructuring. If the ordinary resolution relating to the Proposed Restructuring is not passed, a condition precedent to the Scheme will not be satisfied and the Scheme will not proceed.

3. INFORMATION ON THE MEDIA HOLDCO, THE MANAGEMENT SHAREHOLDERS AND THE MEDIA BUSINESS

3.1 Incorporation of the Media HoldCo and the Media OpCo

- (a) In connection with the Proposed Restructuring, SPH had on 5 May 2021 incorporated the Media HoldCo in Singapore as a wholly-owned subsidiary with an issued and paid up share capital of S\$1, and had on 14 June 2021 also incorporated SPH Media Limited (the “**Media OpCo**”) in Singapore as a wholly-owned subsidiary with an issued and paid up share capital of S\$1.
- (b) The principal activity of the Media HoldCo is to acquire and hold the Media Business. The Media HoldCo will be the holding entity for all of the Target Companies (including Media OpCo), the Associated Companies, as well as two wholly-owned subsidiaries to be incorporated by the Media HoldCo (the “**PropCos**”).
- (c) The Media OpCo will be the operating entity and newspaper company to receive the business transfer of media assets, employees, and intellectual property rights held by SPH and four other entities, being (i) SPH Data Services Pte Ltd; (ii) SPH Magazines Pte. Ltd.; (iii) SPH Radio Private Limited; and (iv) Zaobao.com Ltd. As these entities hold assets other than the media assets, the Media OpCo’s principal activity is to acquire and hold only the relevant media assets which will be acquired by the CLG.
- (d) Additionally:
 - (i) prior to Closing, SPH will transfer the Media HoldCo to the CLG;
 - (ii) prior to Closing, SPH will transfer the Media Business (excluding portions of the Media Business that have already been incorporated in the other Target Companies and the Associated Companies), as described in paragraph 3.1(c) above, to the Media OpCo; and
 - (iii) on Closing, SPH shall transfer the Media OpCo to the Media HoldCo,in each case, in accordance with the terms of the BRD.

LETTER TO SHAREHOLDERS

3.2 Information on the CLG

- (a) In connection with the Proposed Restructuring, the CLG has been incorporated as a company limited by guarantee with The Great Eastern Life Assurance Company Limited, Oversea-Chinese Banking Corporation Limited, NTUC Income Insurance Co-Operative Ltd, Singapore Telecommunications Limited, DBS Bank Ltd., United Overseas Bank Limited, National University of Singapore, Fullerton (Private) Limited and Nanyang Technological University as its members. The liability of each member of the CLG in the event of the winding up of the CLG is limited to S\$1.
- (b) The principal activity of the CLG is to acquire and hold the Media HoldCo.

3.3 The Management Shareholders

As at the latest practicable date prior to the finalisation of this Circular, being 11 August 2021 (the “**Latest Practicable Date**”), the holders of Management Shares (“**Management Shareholders**”) are:

Name	Number of Management Shares held	% ⁽¹⁾
Lee Boon Yang	4	n.m. ⁽²⁾
Ng Yat Chung	8	n.m. ⁽²⁾
Janet Ang Guat Har	4	n.m. ⁽²⁾
Bahren Shaari	4	n.m. ⁽²⁾
Andrew Lim Ming-Hui	4	n.m. ⁽²⁾
Lim Ming Yan	4	n.m. ⁽²⁾
Quek See Tiat	4	n.m. ⁽²⁾
Tan Chin Hwee	4	n.m. ⁽²⁾
Tan Yen Yen	4	n.m. ⁽²⁾
Tracey Woon	4	n.m. ⁽²⁾
Yeoh Oon Jin	4	n.m. ⁽²⁾
DBS Bank Ltd	1,554,362	9.500
Oversea-Chinese Banking Corporation Ltd	2,748,829	16.800
The Great Eastern Life Assurance Company Limited	3,698,297	22.603
United Overseas Bank Ltd	1,316,578	8.047
Singapore Telecommunications Limited	2,176,119	13.300
Fullerton (Private) Limited	658,260	4.023
National University of Singapore	876,797	5.359
NTUC Income Insurance Cooperative Limited	2,674,219	16.344
Nanyang Technological University	658,260	4.023

LETTER TO SHAREHOLDERS

Notes:

- (1) Based on the total number of 16,361,769 Management Shares in issue as at the Latest Practicable Date and rounded to the nearest three (3) decimal places.
- (2) n.m. means not meaningful.

It is envisaged that following Closing, the provisions of the Newspaper Act will no longer apply to the Company, including without limitation the requirement where the Company shall, in the case of any issuance of new Shares, issue additional Management Shares to maintain in its capital such number of Management Shares as is equal to one per cent. or more of its issued and paid-up capital. Consequently, following Closing and subject to the passing of the special resolution to approve the Proposed Conversion and Proposed Adoption of a New Constitution, the Company will effect the Proposed Conversion by converting each Management Share held by a Management Shareholder into one Ordinary Share pursuant to Article 64(2) of the Existing Constitution. Closing is conditional upon the satisfaction of certain conditions precedent. Shareholders may refer to paragraph 4.2 for further information.

3.4 The Media Business

The “**Media Business**” refers to the businesses of (a) publishing, printing and distributing newspapers; (b) publishing and distributing magazines; (c) providing multimedia content and services; (d) providing advertising services, including outdoor advertising services; (e) providing radio broadcasting services; (f) providing online classifieds services; and (g) publishing and distributing books carried on by SPH and its subsidiaries as at the date of the BRD, but excluding certain businesses to be agreed between the Company and the Media HoldCo.

The “**Target Shares**” refer to the issued share capital of the Target Companies and the Associated Companies.

The “**Target Companies**” are the following companies which are directly or indirectly wholly-owned by SPH:

- (i) the Media OpCo;
- (ii) New Beginnings Management Consulting (Shanghai) Company Limited;
- (iii) Singapore Press Holdings (Overseas) Limited;
- (iv) Straits Digital Innovation Co, Ltd;
- (v) SPH (Americas) Pte Ltd;
- (vi) Focus Publishing Ltd; and
- (vii) Red Anthill Ventures Pte. Ltd.

LETTER TO SHAREHOLDERS

The “**Associated Companies**” are the following companies in which SPH does not hold, directly or indirectly, more than 50 per cent. of the shares, being:

- (a) Target Media Culcreative Pte. Ltd., in which SPH has an indirect shareholding interest of 21 per cent.;
- (b) Singapore Media Exchange Pte. Ltd., in which SPH has an indirect shareholding interest of 50 per cent.;
- (c) AsiaOne Online Pte. Ltd., in which SPH has an indirect shareholding interest of 49 per cent.; and
- (d) DC Frontiers Pte. Ltd., in which SPH has an indirect shareholding interest of 21.11 per cent.

The consolidated profit or loss statements relating to the Media Business (“**Pro Forma Financials**”) reflect the financial information of the Media Business (inclusive of the leases entered into by Singapore News and Publications Limited and Singapore Newspaper Services Private Limited (being the respective lessees under the respective leases of the properties located at 1000 Toa Payoh North, Singapore 318994 and 2 Jurong Port Road, Singapore 619088) (the “**Key Leases**”, and such properties, the “**Key Properties**”), assuming the Media Business had been formed on 1 September 2017. In arriving at the Pro Forma Financials, certain adjustments have been made to the Company’s media financial reporting segment (the “**Media Segment**”), which are further elaborated upon in Appendix E of this Circular. For the avoidance of doubt, the Pro Forma Financials as presented on a historical and illustrative basis include certain adjustments applied for the purposes of the Proposed Restructuring, and hence will differ from the historical financials of SPH’s Media Segment.

3.5 SPH Contribution

SPH will contribute certain assets to the CLG to assist and facilitate the CLG’s operation and maintenance of the Media Business following Closing. This comprises:

- (i) the Target Shares, 23,446,659 units in SPH REIT (the “**Relevant SPH REIT Units**”) and 6,868,132 Ordinary Shares (the “**Relevant SPH Shares**”) to the Media HoldCo;
- (ii) the Key Leases to the PropCos; and
- (iii) an aggregate minimum amount of S\$80 million in cash, as adjusted in accordance with the terms of the BRD and excluding any government grants (the “**Minimum Cash Balance**”) to the Media HoldCo and/or the Target Companies, for nominal consideration,

(collectively, the “**SPH Contribution**”).

LETTER TO SHAREHOLDERS

The aggregate value of the SPH Contribution being S\$356.8 million (the “**SPH Contribution Value**”) is based on the following:

- (a) the net asset value (“**NAV**”) of the Target Shares of S\$98.8 million, as at 28 February 2021, based on the unaudited financial statements of the Group for the financial half-year ended 28 February 2021 (the “**1H FY2021**”, and the unaudited financial statements, the “**1H 2021 Results**”), and taking into account the assumption of certain liabilities, costs and expenses potentially arising in relation to the Proposed Restructuring, a breakdown of which is provided in Appendix F of this Circular;
- (b) the market value of the Key Leases of S\$142.5 million, as at 4 June 2021, based on independent valuations of the Key Leases conducted by Knight Frank Pte Ltd (the “**Independent Valuer**”), an independent property valuer commissioned by SPH to establish the fair market value for the Key Leases primarily using the direct comparison method (collectively, the “**Valuation Report**”). A summary of the Valuation Report is set out in Appendix B of this Circular³;
- (c) the net asset value of the Relevant SPH REIT Units of S\$21.4 million, as at 28 February 2021, based on the 1H 2021 Results. On completion of the SPH Contribution, SPH will hold approximately 65.4 per cent. of SPH REIT on a pro forma basis, assuming that 2,781,991,878 units in SPH REIT were outstanding as at 28 April 2021 and the Company owns 1,819,141,038 units in SPH REIT after the SPH Contribution⁴;
- (d) the net asset value of the Relevant SPH Shares of S\$14.1 million, as at 28 February 2021, based on the 1H 2021 Results. This represents approximately 0.4 per cent. of the Company’s total issued share capital based on the Company’s aggregate issued share capital of 1,607,873,906 Ordinary Shares and Management Shares as at 28 February 2021; and
- (e) the Minimum Cash Balance of S\$80 million (as adjusted in accordance with the terms of the BRD).

Shareholders are also to note that there will not be any moratorium imposed on the Relevant SPH REIT Units and the Relevant SPH Shares to be transferred to the CLG as part of the SPH Contribution.

The SPH Contribution Value, assuming the Key Leases were to be valued at the net asset value as at 28 February 2021, is S\$262.3 million.

The SPH Contribution was arrived at after considering various factors, including:

- (i) the potentially significant and recurring losses of the Media Business going forward and the potential funding requirements of the Media Business for the next few years;
- (ii) the limited strategic options imposed under the Newspaper Act upon the Company with regard to its ownership of the Media Business; and

³ The net asset value of the Key Leases as at 28 February 2021 is S\$48.0 million.

⁴ For avoidance of doubt, this includes SPH REIT Units issued on 28 April 2021 in respect of the base fee component of the management fee payable to SPH REIT Management Pte. Ltd. for the period from 1 December 2020 to 28 February 2021.

LETTER TO SHAREHOLDERS

- (iii) the recognition of SPH Media's contribution for generating the resources that funded the growth of the Group's non-media businesses and investments.

3.6 Valuation of the SPH Contribution

- (a) Based on the 1H 2021 Results:
 - (i) the book value and the net tangible asset ("NTA") value of the Target Shares as at 28 February 2021 are S\$98.8 million and S\$98.4 million respectively, taking into account the assumption of certain liabilities, costs and expenses potentially arising in relation to the Proposed Restructuring;
 - (ii) the book value and the NTA value of the Key Leases as at 28 February 2021 is S\$48.0 million;
 - (iii) the book value and the NTA value of the Relevant SPH REIT Units as at 28 February 2021 is S\$21.4 million. This represents a premium of approximately 4.6 per cent. over the market value of the Relevant SPH REIT Units implied by the one-day volume weighted average price of units in SPH REIT, when the book value as at 28 February 2021 is assessed against the volume-weighted average price of units in SPH REIT for trades done on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 5 May 2021 (being the full market day immediately prior to the Announcement Date). The book value of the Relevant SPH REIT Units, which is higher than the market value as described in the preceding sentence, is assumed in determining the SPH Contribution Value. There is no fair value gain or loss on the Company's current accounts based on the determination of fair values arising from the SPH Contribution; and
 - (iv) the book value and the NTA value of the Relevant SPH Shares as at 28 February 2021 is S\$14.1 million. This represents a premium of approximately 14.9 per cent. over the market value of the Relevant SPH Shares implied by the one-day volume weighted average price of the Ordinary Shares, when the book value as at 28 February 2021 is assessed against the volume-weighted average price of the Ordinary Shares for trades done on the SGX-ST on 5 May 2021 (being the full market day immediately prior to the Announcement Date). The book value of the Relevant SPH Shares, which is higher than the market value as described in the preceding sentence, is assumed in determining the SPH Contribution Value. There is no fair value gain or loss on the Company's current accounts based on the determination of fair values arising from the SPH Contribution.
- (b) Based on the Valuation Report, the market value of the Key Leases as at 4 June 2021 is S\$142.5 million. There is no fair value gain or loss on the Company's books, given that the Key Leases are held at historical cost less depreciation on the Company's books.
- (c) Based on the volume-weighted average price for trades done on the SGX-ST on 5 May 2021, being the full market day immediately prior to the Announcement Date:
 - (i) the latest available open market value of the Relevant SPH REIT Units is S\$20.4 million; and

LETTER TO SHAREHOLDERS

- (ii) the latest available open market value of the Relevant SPH Shares is S\$12.3 million.
- (d) The Minimum Cash Balance is an aggregate minimum amount of S\$80 million (as adjusted in accordance with the terms of the BRD) in cash in the bank accounts of the Media HoldCo and/or the Target Companies, as may be agreed by SPH and the Media HoldCo in writing as at Closing. The Minimum Cash Balance will be funded by SPH from both internal and/or external sources of funds to be drawn down from existing facilities entered into by SPH.
- (e) Based on the 1H 2021 Results, the net profit attributable to the Media Segment is S\$3.1 million⁵.
- (f) Based on the terms of the Proposed Restructuring and the 1H 2021 Results, the Group's loss after taxation attributable to Shareholders is S\$167.5 million after taking into consideration the loss implied by the SPH Contribution amounting to S\$262.3 million, assuming the book value of the Key Leases, Relevant SPH REIT Units and Relevant SPH Shares as at 28 February 2021.

Based on the 1H 2021 Results, as at 28 February 2021, the NAV per Share of SPH was S\$2.24 before the Proposed Restructuring, and S\$2.08 assuming the Proposed Restructuring had been effected on 28 February 2021.

4. PRINCIPAL TERMS OF THE PROPOSED RESTRUCTURING

4.1 Principal Terms

Under the BRD, the Media Business shall be restructured as follows:

- (a) SPH agrees to transfer the Media Business in accordance with the terms of the BRD;
- (b) SPH agrees to transfer, or procure the transfer of (as may be applicable), and the Media HoldCo agrees to accept the transfer of, the Target Shares;
- (c) subject to the approval of JTC Corporation, SPH agrees to procure Singapore News and Publications Limited and Singapore Newspaper Services Private Limited (being the respective lessees under Key Leases of the Key Properties) to assign, and the Media HoldCo agrees to procure the PropCos to accept the assignment of, the Key Leases⁶, subject to the terms and conditions of the respective Key Leases; and
- (d) SPH agrees to transfer, and the Media HoldCo agrees to accept the transfer of the Relevant SPH REIT Units and the Relevant SPH Shares. The Relevant SPH Shares are currently held as treasury shares and will be transferred to the Media HoldCo. Further, SPH shall ensure that the bank accounts of the Media HoldCo and/or the Target Companies have the Minimum Cash Balance as at Closing,

in each case, for nil or nominal consideration.

⁵ Excluding the JSS grant income, the net loss attributable to the Media Segment would be S\$9.7 million.

⁶ Including the buildings situated within the Key Properties.

LETTER TO SHAREHOLDERS

4.2 Conditions

Closing is conditional upon the satisfaction of the following conditions precedent:

- (a) the obtaining of certain third party consents (the “**Third Party Consents CP**”) comprising:
 - (i) the approval of JTC Corporation for the assignment of the Key Leases to the PropCos; and
 - (ii) the approval of the Minister for Communications and Information and/or the Info-communications Media Development Authority for the termination of the newspaper permits, printing press licences and radio broadcasting licences held by SPH and SPH Radio Private Limited, and for new newspaper permits, printing press licences and radio broadcasting licences to be granted to the Media OpCo, and such other matters as may be agreed between SPH and the Media HoldCo;
- (b) the completion of a pre-Closing restructuring of the Media Business;
- (c) the passing at a general meeting of SPH of an ordinary resolution to approve the Proposed Restructuring in accordance with the terms of the BRD; and
- (d) there being no Material Adverse Change since the date of the BRD (the “**MAC CP**”).

The Media HoldCo may waive the MAC CP but not any other condition precedent.

4.3 Transfer of Intellectual Property in the name “Singapore Press Holdings”

Under the Proposed Restructuring, SPH shall transfer or procure the transfer of all rights, title and interests in the name “Singapore Press Holdings”, including all trademarks and domain names relating thereto, to the Media OpCo at Closing.

The Media HoldCo shall procure the Media OpCo to grant a royalty-free licence to SPH for the use of the name “Singapore Press Holdings”, “SPH” and their respective derivatives, including all trademarks and domain names relating thereto, as SPH’s corporate name, on the basis, *inter alia*, that SPH shall seek Shareholders’ approval for a change of its corporate name to a name which shall not include or refer to the name “Singapore Press Holdings” or its derivatives, at each successive annual general meeting of SPH following Closing, until such Shareholders’ approval has been obtained.

In view of the Scheme and the Offeror’s ability to change the corporate name of the Company following completion of the Scheme, the Company will not be seeking Shareholders’ approval for a change of its corporate name to a name which shall not include or refer to the name “Singapore Press Holdings” or its derivatives at the EGM.

LETTER TO SHAREHOLDERS

5. RELATIVE FIGURES

5.1 Chapter 10 of the Listing Manual

Under Rule 1006 of the Listing Manual, a transaction (as defined in the Listing Manual) may be categorised as a (a) non-discloseable transaction, (b) discloseable transaction, (c) major transaction or (d) very substantial acquisition or reverse takeover, depending on the size of the relative figures computed on the bases set out thereunder. Rule 1014(1) of the Listing Manual states that where an acquisition of assets is one where any of the relative figures computed on the bases set out in Rule 1006 is 20 per cent. or more, the transaction is classified as a major transaction.

5.2 Relative Figures under Rule 1006

Based on the 1H 2021 Results, the relative figures in relation to the Proposed Restructuring computed on the bases as set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%)⁽⁷⁾
(a)	Net asset value of the assets to be disposed of, compared with net asset value of the Group ⁽¹⁾	6.9
(b)	Net profits attributable to the assets disposed of, compared with net profits of the Group ⁽²⁾	2.3
(c)	Aggregate value of the consideration given or received ⁽³⁾ , compared with the Company's market capitalisation based on the total number of Shares excluding treasury shares and Management Shares ⁽⁴⁾	12.5
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue ⁽⁵⁾	0.4
(e)	Aggregate value or amount of proved or probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves ⁽⁶⁾	Not applicable

Notes:

- (1) The net asset value of the assets to be disposed of is calculated based on the sum of the net asset values of the Target Shares, the Key Leases, the Relevant SPH REIT Units, and the Minimum Cash Balance.
- (2) The net profits attributable to the assets disposed of is calculated based on the net profit attributable to the Media Business as set out in the 1H 2021 Results. The Media Business would have posted a loss if the JSS grant was excluded as at 1H FY2021. Shareholders are to note that the latest audited FY2020 results posted a loss of S\$11.4 million, and losses are expected to widen given the background and rationale as set out in paragraph 2 of this Circular.
- (3) The aggregate value of the consideration given is the SPH Contribution Value, assuming market value of the Key Leases as at 4 June 2021.
- (4) The market capitalisation of the Company of approximately S\$2,850.4 million was determined by multiplying 1,591,512,137 Shares (excluding treasury shares and Management Shares) of the Company by the volume-weighted average market price of approximately S\$1.791 per Share as at the market day immediately preceding the Announcement Date.

LETTER TO SHAREHOLDERS

- (5) Notwithstanding that the Proposed Restructuring does not involve an acquisition, in the interests of full disclosure, the relative figure under Rule 1006(d) of the Listing Manual has been calculated based on the number of Relevant SPH Shares.
- (6) Rule 1006(e) of the Listing Manual is not applicable as the Company is not a mineral, oil or gas company.
- (7) Rounded to the nearest one (1) decimal place.

Notwithstanding that none of the relative figures above exceed 20 per cent., as the Proposed Restructuring would result in the disposal of a principal business of the Company, the Board has determined that the Proposed Restructuring should be subject to the approval of the Shareholders at the EGM.

6. FINANCIAL EFFECTS

6.1 General

- (a) For illustrative purposes only, the financial effects of the Proposed Restructuring on the Company as set out below are prepared based on the Group's audited consolidated financial statements for the financial year ended 31 August 2020 ("FY2020") (being the latest announced consolidated full-year financial statements of the Group) and subject to the following key assumptions:
 - (i) the effect of the Proposed Restructuring on the Company's NTA per Share is based on the assumption that the Proposed Restructuring had been effected at the end of FY2020;
 - (ii) the effect of the Proposed Restructuring on the Company's earnings per Share ("EPS") for FY2020 is based on the assumption that the Proposed Restructuring had been effected at the beginning of FY2020;
 - (iii) the Media HoldCo is transferred to the CLG; and
 - (iv) the effect of the assumption of certain liabilities, costs and expenses potentially arising from the Proposed Restructuring, including but not limited to the contribution of the net assets of the Media Business, retention of certain liabilities with SPH, professional fees, and other restructuring costs (the "**Restructuring Adjustments**").
- (b) The financial effects as set out below are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of the Company or the Group.

6.2 Net Tangible Asset

	Before the Proposed Restructuring	After the Proposed Restructuring
NTA (S\$'000)	3,181,766	2,924,483
Number of Shares (excluding treasury shares) ('000)	1,606,936	1,613,804
NTA per Share (S\$)	1.98	1.81

LETTER TO SHAREHOLDERS

6.3 Earnings per Share

	Before the Proposed Restructuring	After the Proposed Restructuring
Profit after taxation attributable to Shareholders (S\$'000), before taking into account the Restructuring Adjustments	(83,676) ⁽¹⁾	(72,312)
Profit after taxation attributable to Shareholders (S\$'000), after taking into account the Restructuring Adjustments	(83,676) ⁽¹⁾	(344,100)
Distribution for perpetual securities	(24,502)	(24,502)
Weighted average number of Shares (excluding treasury shares) ('000)	1,609,414	1,616,282
EPS (S\$), before taking into account the Restructuring Adjustments	(0.07) ⁽²⁾	(0.06)
EPS (S\$), after taking into account the Restructuring Adjustments	(0.07) ⁽²⁾	(0.23)

Notes:

- (1) Excluding the JSS grant income attributable to the Media Business amounting to S\$28.1 million in FY2020, profit after taxation attributable to Shareholders before the Proposed Restructuring would have been a loss of S\$111.8 million.
- (2) Excluding the JSS grant income attributable to the Media Business amounting to S\$28.1 million in FY2020, EPS before the Proposed Restructuring would have been a loss of S\$0.08.

7. FINANCIAL ADVICE TO THE BOARD OF DIRECTORS ON THE PROPOSED RESTRUCTURING

- 7.1** SPH has appointed Evercore to advise the Board of Directors of the Company as to whether the Proposed Restructuring is, from a financial point of view, in the overall interests of the Company and its Shareholders.

A copy of the letter from Evercore to the Board of Directors of the Company dated 17 August 2021 is set out in Appendix A of this Circular ("**Evercore Letter**"). Shareholders are advised to read this Circular and the Evercore Letter carefully. In particular, the considerations taken into account by Evercore in arriving at its opinion are set out at paragraph 5 of the Evercore Letter.

- 7.2** The following is an extract from paragraph 7 of the Evercore Letter and should be read by Shareholders in conjunction with, and in the full context of the Circular and Evercore Letter. Unless otherwise defined or the context otherwise requires, all terms used in the extract below shall have the same meanings as defined in the Evercore Letter.

LETTER TO SHAREHOLDERS

“In rendering our Opinion, we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints of any specific Shareholder and we neither assume any responsibility for, nor hold ourselves out as advisers to, any person other than the Directors.

Our Opinion is only based on financial analyses and does not incorporate any assessment of commercial, legal, tax, regulatory or other matters. Our Opinion also does not incorporate an assessment of the price at which the Shares may trade following the success or failure of the Proposed Restructuring. Such factors are beyond the ambit of our review and do not fall within our terms of reference in connection with the Proposed Restructuring.

Based upon and subject to the foregoing, we are of the opinion that, as at the Latest Practicable Date, the Proposed Restructuring, from a financial point of view, is IN THE OVERALL INTERESTS of the Company and the Shareholders for the following key reasons:

- (a) *The Proposed Restructuring provides certainty for the Company and the Shareholders that they will not incur the potentially significant and recurring losses of the Media Business.*
- (b) *Compared to the strategic option of retaining the Media Business, the Proposed Restructuring is more favourable, in terms of the financial resources that the Company needs to commit.*
- (c) *The Proposed Restructuring presents key benefits to the Company and the Shareholders, including:*
 - (i) *Allowing the Company to set a clear strategic direction with a focus on the real estate sector and related segments of student accommodation and aged care, whilst eliminating the Company’s exposure to business risk and uncertainties associated with the Media Business;*
 - (ii) *Subject to the Shareholders approving the amendments to the Existing Constitution, paving the way for Ordinary Shareholders to have voting rights that are directly commensurate with the percentage of Shares they hold in the Company in all matters, including the appointment or dismissal of a Director, an important matter relating to the corporate governance of the Company; and*
 - (iii) *Subject to the Shareholders approving the amendments to the Existing Constitution, creating an opportunity for Shareholders or investors to own more than 5% of the Shares in the Company without the need for approval from the Minister, thereby expanding the strategic options and possibilities available to the Company.*

We wish to highlight that, if the Shareholders do not vote for the Proposed Restructuring at the EGM, there is no certainty that the option of a Proposed Restructuring or any other superior options would present themselves in the future, and the Company would then bear the potentially significant and recurring losses of the Media Business going forward, given the limited feasible options for the Media Business described in paragraph 5.4.

LETTER TO SHAREHOLDERS

Accordingly, from a financial point of view, we advise the Directors to recommend that the Shareholders VOTE IN FAVOUR of the Proposed Restructuring.

We wish to emphasise that we have been appointed to render our Opinion as of the Latest Practicable Date. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Company, or the impact and viability of alternative business strategies. This Letter is addressed to the Directors for their benefit in connection with and for the purpose of their consideration of the Proposed Restructuring, and should not be relied on for any other purpose. Nothing herein shall confer, be deemed or is intended to confer, any right or benefit to any third party. The recommendations made by the Directors to the Shareholders in relation to the Proposed Restructuring remain the responsibility of the Directors. This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter. No other person may use, reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose, at any time, and in any manner, except with Evercore's prior written consent in each specific case."

7.3 Independent Valuer

In connection with the Proposed Restructuring, the Company has engaged Knight Frank Pte Ltd as the Independent Valuer to assess and determine the market value of the Key Leases. Shareholders may refer to paragraph 3.5 and Appendix B of this Circular for details of the Valuation Report. The Company wishes to highlight that the difference between the book value and the market value of the Key Leases does not have any effect on the current books of the Company as the Key Leases are held at historical cost less depreciation on the Company's books.

8. THE PROPOSED CONVERSION AND PROPOSED ADOPTION OF A NEW CONSTITUTION

8.1 Background and Rationale

SPH is currently regulated as a "newspaper company" under the Newspaper Act and as such, its Existing Constitution incorporates provisions which cater to the special features of a "newspaper company", including without limitation the requirement to (i) have Management Shares which can only be held by persons ("**Approved Shareholders**") who have received the written approval of the Minister referred to in the Newspaper Act (the "**Minister**")⁷; and (ii) maintain such number of Management Shares as is equal to one per cent. or more of the issued and paid-up share capital of the Company.

Ordinary Shareholders and Management Shareholders are entitled to one vote for each Share, except that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, Management Shareholders are entitled either on a poll or show of hands to 200 votes for each Management Share held in accordance with the provisions of the Newspaper Act. Management Shares are not quoted on the SGX-ST or on any other stock exchange.

⁷ The holders of Management Shares as at the Latest Practicable Date are disclosed at paragraph 3.3 of this Circular.

LETTER TO SHAREHOLDERS

SPH believes the Proposed Conversion and Proposed Adoption of a New Constitution will be beneficial to the Group for the following reasons. If the special resolution relating to the Proposed Conversion and Proposed Adoption of a New Constitution is passed at the EGM, with effect from and subject to Closing:

- (a) SPH will no longer be required to ensure that not less than one per cent. of all issued Shares shall consist of Management Shares. The removal of this requirement will facilitate the raising of equity capital by the Company to fund the future plans of the Company, and strategic investors may be more inclined to invest substantially into the Company, with a view to generating greater returns for the Shareholders.
- (b) The current Management Shares will be converted into Ordinary Shares and such Ordinary Shares would not be subject to the restrictions which apply to the transferability of the Management Shares. The removal of these restrictions will facilitate any future corporate actions involving the Shares intended to unlock Shareholders' value and generate greater returns for the Shareholders.
- (c) The holders of Management Shares will no longer have super-voting rights in respect of their Management Shares in relation to any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company. The removal of these super-voting rights may result in strategic investors being more inclined to invest substantially into the Company, and will facilitate any future corporate actions involving the Shares intended to unlock Shareholders' value and generate greater returns for the Shareholders as their removal would mean that existing Shareholders and potential investors will now have voting rights which are directly commensurate with the percentage of Shares they hold in the Company.
- (d) The shareholding limits prescribed under the Newspaper Act will no longer apply to the Shareholders or any potential investors into the Company. The removal of these shareholding limits will facilitate any future corporate actions involving the Shares intended to unlock Shareholders' value and generate greater returns for the Shareholders, and will remove a potential disincentive for strategic investors to invest substantially into the Company.
- (e) The relevant requirements relating to the Directors will no longer apply, including the requirement for the Directors to hold Management Shares, subject to the approval of the Minister. The removal of these requirements will facilitate any future corporate actions involving the Shares intended to unlock Shareholders' value and generate greater returns for the Shareholders, and will remove a potential disincentive for strategic investors to invest substantially into the Company.

Shareholders are reminded that as the special resolution to approve the Proposed Conversion and Proposed Adoption of a New Constitution is conditional upon the passing of the ordinary resolution to approve the Proposed Restructuring and Closing, the Proposed Conversion and Proposed Adoption of a New Constitution will NOT be effected unless the ordinary resolution to approve the Proposed Restructuring is passed, and Closing occurs.

LETTER TO SHAREHOLDERS

The ordinary resolution relating to the Proposed Restructuring is not conditional upon the passing of the special resolution relating to the Proposed Conversion and Proposed Adoption of a New Constitution. If the ordinary resolution to approve the Proposed Restructuring is passed, but the special resolution to approve the Proposed Conversion and Proposed Adoption of a New Constitution is not passed, the Company will proceed with the Proposed Restructuring but the Existing Constitution (including the provisions conferring super-voting rights in respect of the Management Shares in relation to any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company) will not be amended.

Shareholders should also note that, as described in paragraph 1.3 above, the Scheme is conditional upon, *inter alia*, the conversion of the Management Shares into Ordinary Shares. If the special resolution relating to the Proposed Conversion and Proposed Adoption of a New Constitution is not passed, a condition precedent to the Scheme will not be satisfied.

8.2 Proposed Conversion and Proposed Adoption of a New Constitution

It is envisaged that following Closing, the provisions of the Newspaper Act will no longer apply to SPH, and the Company is accordingly proposing to, subject to and contingent upon (a) Shareholders' approval for the Proposed Restructuring being obtained and (b) Closing:

- (a) remove the Management Shares by converting each Management Share held by a Management Shareholder as at Closing into one Ordinary Share pursuant to Article 64(2) of the Existing Constitution⁸; and
- (b) adopt the New Constitution, which will consist of the Existing Constitution with amendments to remove the special features of a "newspaper company" (including the provisions relating to Management Shares), as described in greater detail in paragraph 8.3 below,

in each case, with effect from Closing.

Shareholders are being asked to approve the Proposed Conversion and Proposed Adoption of a New Constitution in a single special resolution as both proposals are inter-dependent and inter-linked, so as to form one significant proposal following from the Newspaper Act no longer applying to the Company upon Closing. Accordingly, as both proposals are being combined in a single special resolution, Shareholders will not be able to vote on the Proposed Conversion without also voting on the Proposed Adoption of a New Constitution in the same manner, and *vice versa*.

An application will be made to the SGX-ST for the listing and quotation of the Ordinary Shares into which the Management Shares are to be converted, subject to the special resolution relating to the Proposed Conversion and Proposed Adoption of a New Constitution being passed at the EGM.

⁸ Article 64(2) of the Existing Constitution permits the Company to convert the Management Shares into Ordinary Shares by special resolution.

LETTER TO SHAREHOLDERS

8.3 Summary of Amendments to the Existing Constitution

The following is a summary of the provisions of the Existing Constitution which will be removed in the New Constitution (and the consequential amendments/updates arising):

- (a) **Provisions relating to Management Shares.** The following provisions of the Existing Constitution relate to Management Shares and will be removed in the New Constitution:
- (i) Article 8(1), which provides that not less than one per cent. of all issued Shares shall consist of Management Shares, and that Management Shares shall not (1) be offered, before issue, to ordinary shareholders, and (2) be quoted or dealt in on a stock exchange in Singapore or elsewhere;
 - (ii) Article 8(2), which provides (*inter alia*) that one per cent. of every issue of shares must consist of Management Shares;
 - (iii) Article 9, which provides that the holders of Ordinary Shares and Management Shares shall rank *pari passu* in respect of all dividends and distributions declared by the Company and in respect of all bonus and rights issues made by the Company as well as in the right to return of capital and to participation in all surplus assets of the Company in the event of a winding up;
 - (iv) Article 10, which provides that Management Shares may not, except with the approval of the Minister pursuant to the Newspaper Act, be dealt in or in any way mortgaged by the holders thereof;
 - (v) Article 11, which provides that no member shall continue to hold Management Shares if the approval of the Minister pursuant to Section 10 of the Newspaper Act is revoked, that from the date of such revocation the affected member shall cease to have any voting rights under the Management Shares, and that the Company shall, as soon as practicable thereafter, arrange for such member to be issued with one Ordinary Share in exchange for each Management Share held by him;
 - (vi) Article 14(i), which provides that no Management Shares shall be issued except to Approved Shareholders;
 - (vii) Article 32(2), which provides that no Management Share shall be transferred to anyone other than an Approved Shareholder;
 - (viii) Articles 82(1) and 87(2), which provide that any resolution on the appointment or dismissal of a director or any member of the staff of the Company which is put to the vote of a general meeting shall be decided on a poll at which each holder of Management Shares shall have two hundred votes for each Management Share held by him, but that holders of Management Shares shall in all other respects have the same voting rights as the holders of Ordinary Shares; and
 - (ix) Article 93(2), which provides (*inter alia*) that a member holding Management Shares may appoint more than two proxies to attend, speak and vote at general meetings in respect of Management Shares held by him.

Consequential amendments will be made to Articles 14(ii), 16, 34(v) and (vi), 43, 55, 58, 64(2), 82(2), 87(1)(ii)(a) and 93(1)(i) to remove references to Management Shares and/or to update them following from the above.

LETTER TO SHAREHOLDERS

- (b) **Provisions relating to Prescribed Limits.** Article 12, which provides (*inter alia*) that no person can, whether alone or together with his associates (as defined in the Newspaper Act), hold or control voting shares in the Company in excess of the shareholding limits prescribed under the Newspaper Act without first obtaining the approval of the Minister⁹, will be removed in the New Constitution.
- (c) **Provisions relating to Directors.** The following provisions of the Existing Constitution relate to the restrictions on the appointment of Directors under the Newspaper Act and will be removed in the New Constitution:
- (i) Article 100(2), which provides that no person shall be appointed a Director unless (1) he is a citizen of Singapore, or (2) not being such a citizen, he has been granted approval under the Newspaper Act to become a Director;
 - (ii) Article 102, which provides (*inter alia*) that Directors who are appointed or who wish to remain in office after 12 May 1989 shall, within two months of such appointment or 12 May 1989, subscribe for at least one Management Share. This Article will be replaced with a new provision in the New Constitution which states that a Director shall not be required to hold any shares of the Company by way of qualification, but that a Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings; and
 - (iii) Articles 114(ix), (x) and (xi), which provide that the office of a Director shall be vacated (1) if he ceases to be a Singapore citizen or any approval granted under the Newspaper Act to his acting as a Director is revoked, (2) if, being a Director appointed before 12 May 1989, he fails to obtain the approval of the Minister to hold Management Shares within two months of 12 May 1989 (or such approval is subsequently revoked), or (3) if, being a Director appointed after 12 May 1989, he fails to obtain the approval of the Minister to hold Management Shares within two months of such appointment (or such approval is subsequently revoked).
- (d) **Other Provisions.** The following provisions of the Existing Constitution will also be amended/updated in the New Constitution as a consequence of the above:
- (i) Article 1, which is the “Interpretation” section, will be amended to remove the definitions of “Approved Shareholder”, “Management Shares”, “Minister”, “Newspaper Act” and “Prescribed Limits”;
 - (ii) Article 13(2), which provides that the Company may issue shares for which no consideration is payable, will be amended to remove the reference to this being subject to the provisions of the Newspaper Act;
 - (iii) Article 14, which relates to the allotment of shares, will be amended to remove the reference to this being subject to the Newspaper Act; and
 - (iv) Article 71, which relates to the convening and requisitioning of extraordinary general meetings, will be amended to remove the reference to the convening of extraordinary general meetings as provided by Section 10(8) of the Newspaper Act.

⁹ The Newspaper Act prohibits (a) any person from being a substantial shareholder of a newspaper company, (b) any person, whether alone or together with his associates (as defined in the Newspaper Act), from holding or controlling 12 per cent. of the voting shares of a newspaper company, and (c) any person from being an indirect controller (as defined in the Newspaper Act) of a newspaper company, without first obtaining the approval of the Minister.

LETTER TO SHAREHOLDERS

8.4 Appendices C and D

The text of the provisions in the Existing Constitution which have been removed in the New Constitution, or which have been amended or updated in the New Constitution, are set out in Appendix C of this Circular and the amendments are blacklined. The New Constitution is set out in Appendix D of this Circular. The proposed adoption of the New Constitution is subject to Shareholders' approval.

9. NEWSPAPER ACT

It is envisaged that following Closing, the provisions of the Newspaper Act will no longer apply to SPH. Prior to Closing, Shareholders should note that under the Newspaper Act no person shall, without the approval of the Minister:

- (a) become a substantial Shareholder of SPH; or
- (b) 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 5 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.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

10.1 Directors' Interests in Ordinary Shares. The interests of the Directors in Ordinary Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

Director	Direct Interest		Deemed Interest	
	Number of Ordinary Shares	% ⁽¹⁾	Number of Ordinary Shares	% ⁽¹⁾
Lee Boon Yang	88,000	0.006	–	–
Ng Yat Chung	301,058	0.019	–	–
Janet Ang Guat Har	45,000	0.003	4,250	n.m. ⁽²⁾
Bahren Shaari	49,000	0.003	–	–
Andrew Lim Ming-Hui	56,000	0.004	–	–
Lim Ming Yan	33,000	0.002	–	–
Quek See Tiat	59,000	0.004	57,333	0.003
Tan Chin Hwee	47,000	0.003	–	–
Tan Yen Yen	42,000	0.003	–	–
Tracey Woon	16,000	0.001	–	–
Yeoh Oon Jin	–	–	–	–

Notes:

(1) Based on the total number of 1,591,512,137 Shares in issue (excluding treasury shares and the Management Shares) as at the Latest Practicable Date and rounded to the nearest three (3) decimal places.

(2) n.m. means not meaningful.

LETTER TO SHAREHOLDERS

10.2 Directors' Interests in Management Shares. The interests of the Directors in Management Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

Director	Direct Interest		Deemed Interest	
	Number of Management Shares	% ⁽¹⁾	Number of Management Shares	% ⁽¹⁾
Lee Boon Yang	4	n.m. ⁽²⁾	–	–
Ng Yat Chung	8	n.m. ⁽²⁾	–	–
Janet Ang Guat Har	4	n.m. ⁽²⁾	–	–
Bahren Shaari	4	n.m. ⁽²⁾	–	–
Andrew Lim Ming-Hui	4	n.m. ⁽²⁾	–	–
Lim Ming Yan	4	n.m. ⁽²⁾	–	–
Quek See Tiat	4	n.m. ⁽²⁾	–	–
Tan Chin Hwee	4	n.m. ⁽²⁾	–	–
Tan Yen Yen	4	n.m. ⁽²⁾	–	–
Tracey Woon	4	n.m. ⁽²⁾	–	–
Yeoh Oon Jin	4	n.m. ⁽²⁾	–	–

Notes:

(1) Based on the total number of 16,361,769 Management Shares in issue (excluding treasury shares) as at the Latest Practicable Date.

(2) n.m. means not meaningful.

10.3 Directors' Interests in the Proposed Transactions. None of the Directors has any interest, direct or indirect, in the Proposed Transactions, other than through their holding of Ordinary Shares or Management Shares or in their capacity as Management Shareholders.

10.4 Controlling Shareholders. SPH has no controlling Shareholders.

11. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Restructuring. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

12. EXTRAORDINARY GENERAL MEETING

12.1 Date and Time of EGM

The EGM, notice of which is set out on pages H-1 to H-5 of this Circular, will be held by way of electronic means on 10 September 2021 at 2:30 p.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary and special resolutions set out in the notice of EGM which is set out on pages H-1 to H-5 of this Circular ("**Notice of EGM**").

LETTER TO SHAREHOLDERS

12.2 No In-Person Attendance at EGM

As a precautionary measure due to the current COVID-19 situation in Singapore, members will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow members to participate at the EGM by:

- (a) watching the EGM proceedings via “live” audio-and-video webcast or listening to the EGM proceedings via “live” audio feed;
- (b) submitting questions in advance of, or “live” at, the EGM; and/or
- (c) voting by appointing the Chairman of the EGM as proxy at the EGM.

Please refer to paragraph 13 of this Circular for further details on the alternative arrangements for the EGM.

In addition, members should note that the Company may make further changes to its EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 (Temporary Measures) Act 2020 of Singapore (the “**COVID-19 Act**”) and any regulations promulgated thereunder (including the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 of Singapore (the “**COVID-19 Order**”)) as well as other guidelines issued by the relevant authorities) as the COVID-19 situation in Singapore evolves. Members are advised to keep abreast of any such changes as may be announced by the Company from time to time on Singapore Exchange Network (“**SGXNet**”).

12.3 No Despatch of Printed Copies of Circular, Notice of EGM and Proxy Form

In line with the provisions under the COVID-19 Order, no printed copies of this Circular, the Notice of EGM and the proxy form in respect of the EGM (“**Proxy Form**”) will be despatched to members.

Copies of this Circular, the Notice of EGM and the Proxy Form have been uploaded on SGXNet and are now also available on the Company’s website at the following link: https://investor.sph.com.sg/agm_egm.html. A member will need an Internet browser and PDF reader to view these documents on SGXNet and the Company’s designated website.

A member may request for a printed copy of each of this Circular, the Notice of EGM and the Proxy Form by submitting the request to the Company’s Share Registrar (“**Share Registrar**”), Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), by post to 80 Robinson Road, #11-02, Singapore 068898 or via email to sg.is.sphproxy@sg.tricorglobal.com. To be valid, the request must:

- (a) be addressed to Singapore Press Holdings Limited c/o the Company’s Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.);
- (b) state the following:
 - (i) the document(s) requested;

LETTER TO SHAREHOLDERS

- (ii) the full name of the member;
 - (iii) the mailing address of the member;
 - (iv) the manner in which the member holds Shares (e.g., via The Central Depository (Pte) Limited (“**CDP**”), CPF/SRS and/or scrip); and
 - (v) the member’s CDP Securities Account No. (if his or her Shares are held through CDP); and
- (c) be received by the Company’s Share Registrar no later than 5 September 2021.

Shareholders are advised to read this Circular carefully in order to decide whether they should vote in favour of or against the ordinary and special resolutions in relation to the Proposed Transactions to be proposed at the EGM.

13. ACTIONS TO BE TAKEN BY MEMBERS

13.1 Alternative Arrangements

Alternative arrangements have been put in place to allow members to participate at the EGM as follows:

(a) Registration to attend the EGM

The proceedings of the EGM will be conducted by way of electronic means.

Members will be able to watch these proceedings through a “live” audio-and-video webcast via their mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed via telephone.

In order to do so, members must follow these steps:

- (i) Shareholders and CPF and SRS investors who wish to follow the proceedings through a “live” audio-and-video webcast via their mobile phones, tablets or computers or listen to the proceedings through a “live” audio-only feed via telephone must pre-register at the URL https://investor.sph.com.sg/agm_egm.html no later than 2:30 p.m. on 7 September 2021 (“**Registration Cut-Off Time**”) (being 72 hours before the time fixed for the EGM). Following verification, an email containing instructions on how to access the “live” audio-and-video webcast and audio-only feed of the proceedings of the EGM will be sent to authenticated Shareholders and CPF and SRS investors by 2:30 p.m. on 9 September 2021.
- (ii) Shareholders and CPF and SRS investors who do not receive any email by 2:30 p.m. on 9 September 2021, but have registered by the Registration Cut-Off Time, should contact the Company by email at support@varietycommunications.com before 12:00 p.m. on 10 September 2021.
- (iii) Investors holding Shares through depository agents (other than CPF and SRS investors) must contact their respective depository agents as soon as possible to indicate their interest in order for the depository agents to make the necessary arrangements for them to participate in the “live” broadcast of the EGM.

LETTER TO SHAREHOLDERS

(b) Submission of questions in advance of, or “live” at, the EGM

Members may submit substantial and relevant questions related to the ordinary and special resolutions to be tabled for approval at the EGM in advance of, or “live” at, the EGM.

(i) All questions to be submitted in advance of the EGM must be submitted by 2:30 p.m. on 7 September 2021 (being 72 hours before the time fixed for the EGM) in the following manner:

(A) (for Shareholders and CPF and SRS investors who have pre-registered to observe and/or listen to the EGM) online via the pre-registration website at the URL https://investor.sph.com.sg/agm_egm.html;

(B) by email to the Company at agmegm@sph.com.sg; or

(C) by post to:

Singapore Press Holdings Limited
1000 Toa Payoh North,
News Centre,
Singapore 318994,

Attention: Investor Relations Department,

and when submitting questions via email or by post, members must also state the following:

(I) the full name of the member;

(II) the mailing address of the member;

(III) the manner in which the member holds Shares (e.g., via CDP, CPF/SRS and/or scrip); and

(IV) the member’s CDP Securities Account No. (if his or her Shares are held through CDP).

(ii) Members can also ask the Chairman of the EGM substantial and relevant questions related to the ordinary and special resolutions to be tabled for approval at the EGM, “live” at the EGM, by typing in and submitting their questions through the “live” chat function via the audio-and-video webcast platform. Shareholders and CPF and SRS investors who wish to ask questions “live” at the EGM must pre-register at the URL https://investor.sph.com.sg/agm_egm.html, so that an email containing instructions on how to access the “live” webcast of the proceedings of the EGM can be sent to them following verification. Investors holding Shares through depository agents (other than CPF and SRS investors) who wish to submit questions to the Chairman of the EGM “live” at the EGM should contact their respective depository agents as soon as possible to indicate their interest in order for the depository agents to make the necessary

LETTER TO SHAREHOLDERS

arrangements for them to participate in the “live” broadcast of the EGM. Members will not be able to ask questions “live” at the EGM via the audio feed of the EGM proceedings.

- (iii) The Company will endeavour to address all substantial and relevant questions (which are related to the ordinary and special resolutions to be tabled for approval at the EGM) as received from members prior to the EGM in accordance with this paragraph 13.1 by publishing its responses to such questions on SGXNet and the Company’s website at the URL https://investor.sph.com.sg/agm_egm.html prior to the EGM. During the EGM itself, the Company will address as many substantial and relevant questions (which are related to the ordinary and special resolutions to be tabled for approval at the EGM) which have not already been addressed prior to the EGM, as well as those received “live” at the EGM itself, as it can. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
- (iv) The Company will, within one month after the date of the EGM, publish the minutes of the EGM on SGXNet and the Company’s website, and the minutes will include the responses to the questions which are addressed at the EGM itself.
- (v) Members will have a limited time to ask questions at the EGM “live” during the webcast, and therefore it is important for members who pre-register their participation in the “live” broadcast of the EGM to submit their questions in advance of the EGM.

(c) Voting by proxy only

Members will not be able to vote online on the ordinary and special resolutions to be tabled for approval at the EGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their votes, they must submit a Proxy Form to appoint the Chairman of the EGM to vote on their behalf:

- (i) Shareholders (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
- (ii) The Proxy Form must be submitted to the Company in the following manner:
 - (A) if submitted by post, by lodging it with the Company’s Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road, #11-02, Singapore 068898; or
 - (B) if submitted electronically, by:
 - (I) submitting it via email to the Company’s Share Registrar at sg.is.sphproxy@sg.tricorglobal.com; or
 - (II) uploading it to the Company’s website at https://investor.sph.com.sg/agm_egm.html,

LETTER TO SHAREHOLDERS

in each case, by 2:30 p.m. on 7 September 2021 (being 72 hours before the time fixed for the EGM).

- (iii) Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (other than CPF and SRS investors) who wish to vote should approach their relevant intermediaries as soon as possible to specify their voting instructions. CPF and SRS investors who wish to vote should approach their respective CPF agent banks or SRS operators to submit their voting instructions by 5:00 p.m. on 31 August 2021.

13.2 Depositors

Pursuant to Section 81SJ of the SFA, a depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP, as at 72 hours before the time fixed for the EGM.

14. DIRECTORS' RECOMMENDATIONS

14.1 Proposed Restructuring

Having reviewed and considered, *inter alia*, the terms, rationale and financial effects of the Proposed Restructuring, as well as the advice and opinion of Evercore, the Directors are of the opinion that the Proposed Restructuring is in the interests of the Company and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Restructuring, as set out in the Notice of EGM.

14.2 Proposed Conversion and Proposed Adoption of a New Constitution

Having reviewed and considered, *inter alia*, the rationale for the Proposed Conversion and Proposed Adoption of a New Constitution, the Directors are of the opinion that the Proposed Conversion and Proposed Adoption of a New Constitution are in the interests of the Company and accordingly recommend that Shareholders vote in favour of the special resolution relating to the Proposed Conversion and Proposed Adoption of a New Constitution, as set out in the Notice of EGM.

14.3 No Super-Voting Rights

For the avoidance of doubt, the holders of Management Shares do not have super-voting rights in respect of their Management Shares in relation to the ordinary and special resolutions set out in the Notice of EGM and each Management Share will only carry one vote in relation thereto.

14.4 Voting Rights of Management Shareholders

The Directors wish to highlight that the Management Shareholders will not be abstaining from voting on the ordinary resolution relating to the Proposed Restructuring and the special resolution relating to the Proposed Conversion and Proposed Adoption of a New Constitution for the following reasons:

- (a) in relation to the ordinary resolution relating to the Proposed Restructuring, notwithstanding that the corporate Management Shareholders are or will also be the

LETTER TO SHAREHOLDERS

initial members of the CLG, they will not derive any financial benefit as a member of the CLG as a result of the Proposed Restructuring. The CLG is a not-for-profit entity and the Management Shareholders are not entitled to receive any dividends or other distributions from the CLG despite being members of the CLG. Additionally, the Management Shareholders are not controlling Shareholders of the Company, and the Proposed Restructuring is not an interested person transaction under the Listing Manual. Accordingly, there is no conflict and the Management Shareholders need not abstain from voting on the ordinary resolution to approve the Proposed Restructuring; and

- (b) in relation to the special resolution relating to the Proposed Conversion and Proposed Adoption of a New Constitution:
 - (i) the Proposed Conversion and the Proposed Adoption of a New Constitution are largely disadvantageous to the Management Shareholders. As a result of the Proposed Conversion and the Proposed Adoption of a New Constitution, the Management Shareholders will no longer enjoy the supermajority rights conferred on holders of Management Shares under the Existing Constitution, (a) including the supermajority voting right conferred on each holder of Management Shares in relation to a vote on the appointment or dismissal of a director or any member of the staff of the Company (the “**Key Appointment Resolution**”) pursuant to Article 82(1) of the Existing Constitution (i.e. each holder of Management Shares shall have two hundred votes for each Management Share held on any Key Appointment Resolution); and (b) the appointment of more than two proxies at any general meeting pursuant to Article 93(2) of the Existing Constitution; and
 - (ii) there is no divergence of interests between the Management Shareholders and the other Shareholders on the special resolution. As the Scheme is conditional on the conversion of the Management Shares into Ordinary Shares, it is in the interests of both Management Shareholders and the other Shareholders to approve the special resolution relating to the Proposed Conversion and Proposed Adoption of a New Constitution if the condition relating to the conversion of the Management Shares in respect of the Scheme is to be satisfied.

15. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, and the Company and its subsidiaries which are relevant to the Proposed Transactions, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

LETTER TO SHAREHOLDERS

16. CONSENTS

16.1 Consent from Financial Adviser

Credit Suisse (Singapore) Limited, the Financial Adviser, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, and all references thereto, in the form and context in which they are respectively included in this Circular.

16.2 Consent from Evercore

Evercore Asia (Singapore) Pte. Ltd., the Financial Adviser to the Board of Directors, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Evercore Letter and all references thereto in the form and context in which they are respectively included in this Circular.

17. DOCUMENTS FOR INSPECTION

Copies of the following documents may be accessed at https://investor.sph.com.sg/agm_egm.html from the date of this Circular up to and including the date of the EGM:

- (a) the Valuation Report;
- (b) the Evercore Letter;
- (c) the Existing Constitution; and
- (d) the letters of consent referred to in paragraph 16 of this Circular.

Yours faithfully
For and on behalf of the Board of Directors
Singapore Press Holdings Limited

Lee Boon Yang
Chairman

APPENDIX A: EVERCORE LETTER

17 August 2021

Singapore Press Holdings Limited

1000 Toa Payoh North

News Centre

Singapore 318994

To: The Board of Directors

Dear Sir/Madam

RESTRUCTURING OF THE MEDIA BUSINESS OF SINGAPORE PRESS HOLDINGS LIMITED

1 INTRODUCTION

On 6th May 2021 (the “**Announcement Date**”), Singapore Press Holdings Limited (“**SPH**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) announced the proposed restructuring of its media business.

The proposed restructuring of its media business will be effected via a business restructuring deed dated on the Announcement Date (the “**BRD**”), entered into between the Company and its wholly-owned subsidiary SPH Media Holdings Pte. Ltd. (the “**Media HoldCo**”) 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 incorporated in Singapore on 19 July 2021 (the “**CLG**”), (b) the transfer of the media business of the Company (the “**Media Business**”) to the Media HoldCo and its subsidiaries, and (c) the Company to make the other aspects of the SPH Contribution to assist with the operation and maintenance of the restructured Media Business following closing of the proposed restructuring in accordance with the BRD (“**Closing**”) (collectively, the “**Proposed Restructuring**”).

In connection with, and following Closing, the Company (which is currently regulated as a “newspaper company” under the Newspaper and Printing Presses Act, Chapter 206 of Singapore (the “**Newspaper Act**”) is proposing to convert each management share in the capital of the Company (“**Management Share**”) held by a Management Shareholder into one ordinary share in the capital of the Company (“**Ordinary Share**”, and together with the Management Shares, the “**Shares**”) pursuant to Article 64(2) of the Existing Constitution (the “**Proposed Conversion**”), and adopt a New Constitution, which will consist of the Existing Constitution with amendments to remove the special features of a “newspaper company” (including the provisions relating to Management Shares) (the “**Proposed Adoption of a New Constitution**”), as it is envisaged that the provisions of the Newspaper Act will no longer apply to the Company following Closing.

As announced by the Company on the Announcement Date, Evercore Asia (Singapore) Pte. Ltd. (“**Evercore**”) has been appointed to advise the board of directors of the Company (the “**Directors**” and the board of Directors, the “**Board**”) as to whether the Proposed Restructuring is, from a financial point of view, in the overall interests of the Company and the Shareholders (as defined in the Circular). This letter (“**Letter**”) sets out our financial advice arising from our evaluation of the Proposed Restructuring, (the “**Opinion**”) for inclusion in the circular to be sent to the Shareholders (the “**Circular**”) in connection with the Proposed Restructuring.

APPENDIX A: EVERCORE LETTER

As announced by the Company on 4 August 2021, Evercore has been appointed as the independent financial adviser to the Directors 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. The advice of Evercore to the Independent Directors in relation to the Scheme will be included in the Composite Document. Shareholders are to note that Evercore’s Opinion only relates to the Proposed Restructuring.

In arriving at our Opinion, we have considered, inter alia, the following relevant factors which we consider to be pertinent in our assessment:

- (a) Historical performance of the Media Segment and its impact on the Company;
- (b) Outlook for the Media Business;
- (c) Implications of retaining the Media Business;
- (d) Strategic options available to the Company;
- (e) The Proposed Restructuring:
 - (i) Rationale and benefits of the Proposed Restructuring;
 - (ii) Assessment of the financial resources relating to the Proposed Restructuring;
and
 - (iii) Effects of the Proposed Restructuring on the Company.

Please refer to paragraph 5 for more details on the analyses performed.

Our Opinion should be read in the context of the full text of the Letter and the Circular.

Unless otherwise defined in this Letter, or where the context otherwise requires, all terms defined in the Circular shall have the same meaning when used in this Letter. To ensure that this Letter is comprehensive and concise, details contained in the Circular, where necessary or relevant are not wholly reproduced, but instead, are referenced to or summarised throughout this Letter. We recommend that the Directors advise the Shareholders to read these contextual references and summaries with due care.

Unless stated otherwise, all references to the financial statements, financial profile, financial forecasts or financial metrics (including, but not limited to Operating Revenue, Earnings before Interest, Tax, Depreciation and Amortisation, excluding share of associates’ and joint ventures’ income (“**EBITDA**”), Operating Profit or Loss, Profit Before Tax (“**PBT**”) or Profit After Tax and Minority Interests (“**PATMI**”)) in this Letter refer to the pro forma consolidated financial statements, financial profile, financial forecasts or relevant consolidated financial metrics of the Media Business.

APPENDIX A: EVERCORE LETTER

2 TERMS OF REFERENCE

Our Opinion is delivered for the use and benefit of the Directors, for the purpose of the Directors making a recommendation to the Shareholders on the Proposed Restructuring. The responsibility for making the recommendation to the Shareholders on the Proposed Restructuring rests on the Directors.

We have not been involved in the deliberations and discussions leading up to the formulation of the terms of the BRD and decision by the Company to undertake the Proposed Restructuring, nor have we provided advice concerning the structure or the specific amount of the SPH Contribution (including the value agreed upon by Company for the Target Shares, Key Leases and Relevant SPH Shares). Further, we are not privy to the CLG's intentions for the components of the SPH Contribution subsequent to Closing. Therefore, the scope of our engagement does not require us to, and our evaluation in this Letter does not touch upon or provide any advice concerning, the merits of each component of the SPH Contribution.

We do not, by this Letter, warrant or make any representation whatsoever in relation to the merits (whether commercial, financial or otherwise) of the Proposed Restructuring, other than to form a view as to whether the Proposed Restructuring is, from a financial point of view, in the overall interests of the Company and the Shareholders.

We were not requested to, and have not provided, advice concerning the structure, the specific amount of the SPH Contribution, or any other aspects of the Proposed Restructuring, or provided services other than the delivery of our Opinion.

Save for our comments and views expressed in this Letter on the future growth prospects, earning potential and financial performance or position of the Media Business (which are made on the bases and qualified by the assumptions set out herein), it is not within our scope to opine on, and we do not express any view in this Letter, express or implied, on the future growth prospects, earning potential, financial performance or position of the Company or the Group. Nor do we express any view in this Letter, express or implied, that the Group would necessarily improve its profitability after completion of the Proposed Restructuring, or that the anticipated benefits from the Proposed Restructuring would be realised, or that the prices at which the Company's shares would trade would be higher after completion of the Proposed Restructuring.

Estimates or analysis or evaluation of the Company and merits of the Proposed Restructuring in this Letter are necessarily limited and we do not expressly or impliedly warrant or represent that they are complete or comprehensive. In addition, our scope does not require us to opine on the ability of the Company to service its borrowings (both principal and interest payment) when it falls due or the adequacy of the working capital of the Company or the ability of the Company to provide and procure any performance bond, insurance, guarantee, indemnity, letters of comfort and other forms of financial instrument or security in support of the contractual and financial obligations of the Company with third parties. Such evaluation or comment remains the responsibility of the Directors and the management of the Company ("**Management**"), although we may draw upon their views, or make such comments in respect thereof (to the extent deemed necessary or appropriate by us), in arriving at our view as set out in this Letter.

In the course of our evaluation, we have held discussions with the Directors and the Management, inter alia, regarding their assessment of the rationale for the Proposed

APPENDIX A: EVERCORE LETTER

Restructuring as well as the existing and future prospects of the remaining businesses of the Group after completion of the Proposed Restructuring. In giving our financial advice, we have relied upon the Board's commercial assessment of the Proposed Restructuring.

We have examined, and relied to a considerable extent on, the information set out in the Circular, publicly available information, representations, opinions, facts and statements (including material information or developments pertaining to the Company and the Media Business, where applicable (both written and verbal)), certain financial information such as the Pro Forma Financials, provided to us by the Directors, Management and professional advisers of the Company, including its consultants or advisers or solicitors or auditors. We have not independently verified such information, but have made such reasonable enquiries and used our judgement as we deemed necessary, on the reasonable use of such information, and have found no reason to doubt the accuracy or reliability of the information. Accordingly, we cannot, and do not, expressly or impliedly represent or warrant, and do not accept or assume any responsibility for, the accuracy or completeness or reliability or adequacy of such information, or the manner it has been classified or presented or the basis of any valuations. Further, we shall not be liable to the extent that our analysis and/or Opinion are impacted in any way by information (including publicly available information) that we have relied on which is inaccurate or incomplete or unreliable or inadequate.

We are not legal, regulatory or tax experts, accountants or industry consultants. We are financial advisers only and have relied on, without independent verification, the assessments made by advisers to the Company with respect to such issues. In addition, we have assumed that the Proposed Restructuring will be consummated in accordance with the terms set forth in the BRD without any waiver, amendment or delay of any terms or conditions, and that no conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Proposed Restructuring.

We have further assumed, inter alia, that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Proposed Restructuring have been, or will be, obtained, and that no delays, limitations, conditions or restrictions will be imposed that would have any material adverse effect on the Company or on the contemplated benefits of the Proposed Restructuring.

It is also not within our terms of reference to compare the relative merits of the Proposed Restructuring to any alternative transactions previously considered by, or that may have been available to the Company, or any alternative transactions or other options or strategies (irrespective of whether such options or strategies could be achieved or may be available in the future) except for those expressly set out in the Circular and this Letter. Such evaluations or comments, if any, remain the sole responsibility of the Directors, although we may draw upon their views, or make such comments in respect thereof (to the extent deemed necessary or appropriate by us), in arriving at our Opinion as set out in this Letter.

Our scope does not require us, and we have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, investment properties, development properties and other property, plant and equipment) or contracts entered into by the Company or the Media Business, or evaluated the solvency of the Company or the Media Business under any applicable laws relating to bankruptcy, insolvency or similar matters, and we have not been furnished with any such evaluation and appraisal

APPENDIX A: EVERCORE LETTER

in respect of assets and liabilities (if any) held or contracts entered into by the Company, save for the summary of the Valuation Report, conducted by the Independent Valuer in relation to the Key Properties, which valuation reports and/or valuation certificates (as the case may be) were prepared by the Independent Valuer.

The Summary of Valuation Report issued by the Independent Valuer is set out in Appendix B of the Circular. With respect to such valuation, we are not experts in the evaluation or appraisal of assets (including without limitation, investment properties, development properties and other property, plant and equipment) and liabilities (including, inter alia, the contracts that the Company or the Media Business have embarked upon, or are about to embark upon), and have relied on the opinion of the Directors and the financial statements (audited and unaudited) of the Company and the Media Business, where applicable for the assessment.

We have relied upon the assurances of the Directors to us that the Circular has been reviewed and approved by the Directors who, collectively and individually, accept full responsibility for the accuracy of the information given in the Circular (other than the information set out in this Letter), and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, the Circular (other than the information set out in this Letter) constitutes full and true disclosure of all material facts about the Proposed Restructuring, and about the Company and the Media Business, and the Directors are not aware of any facts the omission of which would make any statement in this Circular (save for the information set out in this Letter) misleading.

In respect of this Letter, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Company and the Media Business are, to the best of their knowledge and belief, fair and accurate in all material respects. Where information in the Circular has been extracted from published, or otherwise publicly available sources, or obtained from a named source (including without limitation, the information set out in this Letter), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context. The foregoing is as set out in the "Directors' Responsibility Statement" in paragraph 15 of the Circular.

The Company has been separately advised by their own advisers in the preparation of the Circular (other than this Letter). We have no role or involvement, and have not and will not, provide any advice (financial or otherwise), whatsoever, in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for, and express no views, whether express or implied, on the contents of the Circular (except for this Letter).

We will receive a fee from the Company for our services in connection with the issuance of this Letter. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement. We or our affiliates may also seek to provide services to the Company and parties acting in concert with the Company in the future and expect to receive fees for rendering such services.

The opinions expressed herein have been approved by a committee of Evercore employees in accordance with our customary practice. This Letter is provided as requested to the Directors, for the purpose of the Directors making a recommendation to the Shareholders on the Proposed Restructuring. This Letter is not addressed to and may not be relied upon by any third party including, without limitation, employees or creditors

APPENDIX A: EVERCORE LETTER

of the Company, the Media Business or the CLG. Whilst a copy of this Letter, and parts thereof, may be reproduced in the Circular, no person may use, reproduce, disseminate, refer to, or quote this Letter (or any part thereof) for any purpose whatsoever except with our prior written approval.

The statements and/or recommendations made by the Directors shall remain the responsibility of the Directors.

Our Opinion in this Letter is based upon market, economic, industry, monetary and other conditions prevailing on, and the information made available to us as at the Latest Practicable Date. Such conditions may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our Opinion in light of any subsequent development after the Latest Practicable Date that may affect our Opinion contained herein.

Shareholders should take note of any announcements relevant to their consideration of the Proposed Restructuring which may be released by the Company and other sources after the Latest Practicable Date.

In rendering our Opinion, we have not had regard to the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Directors to recommend that Shareholders read the Circular carefully, and that any individual Shareholder who may require specific advice in the context of his specific investment objectives or portfolio to consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

3 THE PROPOSED RESTRUCTURING

3.1 Overview of the Company

As at FY2020, the Company is organised into three major financial reporting segments, namely Media, Property, and Others:

- (a) The Media financial reporting segment (“**Media Segment**”) is involved in the production of content for distribution on print and other media platforms;
- (b) The Property financial reporting segment (“**Property Segment**”) holds, manages and develops properties in the retail, student accommodation and residential sectors; and
- (c) Other operations under the Company which are included under the “Others” financial reporting segment (“**Others Segment**”). These include the Company’s businesses and investments in online classifieds, aged care, events and exhibitions, education, New Media Fund, Treasury and Investment and other business adjacencies.

While the Property Segment and Others Segment contribute significantly to the overall performance of the Company, the Company is nonetheless regulated as a “newspaper company” under the Newspaper Act.

APPENDIX A: EVERCORE LETTER

3.2 Overview of the Proposed Restructuring

3.2.1 Incorporation of the Media HoldCo and the Media OpCo

- (a) In connection with the Proposed Restructuring, the Company had on 5 May 2021 incorporated the Media HoldCo in Singapore as a wholly-owned subsidiary with an issued and paid up share capital of S\$1, and had on 14 June 2021 also incorporated SPH Media Limited (the “**Media OpCo**”) in Singapore as a wholly-owned subsidiary with an issued and paid up share capital of S\$1.
- (b) The principal activity of the Media HoldCo is to acquire and hold the Media Business. The Media HoldCo will be the holding entity for all of the Target Companies (including Media OpCo), the Associated Companies as well as two wholly-owned subsidiaries to be incorporated by the Media HoldCo (the “**PropCos**”).
- (c) The Media OpCo will be the operating entity and newspaper company to receive the business transfer of media assets, employees, and intellectual property rights held by the Company and four other entities, being (i) SPH Data Services Pte Ltd; (ii) SPH Magazines Pte. Ltd.; (iii) SPH Radio Private Limited; and (iv) Zaobao.com Ltd. As these entities hold assets other than the media assets, the Media OpCo’s principal activity is to acquire and hold only the relevant media assets which will be acquired by the CLG.
- (d) Additionally:
 - (i) prior to Closing, the Company will transfer the Media HoldCo to the CLG;
 - (ii) prior to Closing, the Company will transfer the Media Business (excluding portions of the Media Business that have already been incorporated in the other Target Companies), as described in paragraph 3.2.1(c), to the Media OpCo; and
 - (iii) on Closing, the Company shall transfer the Media OpCo to the Media HoldCo, in each case, in accordance with the terms of the BRD.

3.2.2 Principal Terms of the Business Restructuring Deed

Under the BRD, the Media Business shall be restructured as follows:

- (a) the Company agrees to transfer the Media Business in accordance with the terms of the BRD;
- (b) the Company agrees to transfer, or procure the transfer of (as may be applicable), and the Media HoldCo agrees to accept the transfer of, the Target Shares;
- (c) subject to the approval of JTC Corporation, the Company agrees to procure Singapore News and Publications Limited and Singapore Newspaper Services Private Limited (being the respective lessees under the respective leases (the “**Key Leases**”) of the properties located at 1000 Toa Payoh North, Singapore 318994 (the “**News Centre**”) and 2 Jurong Port Road, Singapore 619088 (the “**Print Centre**”, and together with the News Centre, the “**Key Properties**”)) to assign, and the Media

APPENDIX A: EVERCORE LETTER

HoldCo agrees to procure the PropCos to accept the assignment of, the Key Leases¹, subject to the terms and conditions of the respective Key Leases; and

- (d) the Company agrees to transfer, and the Media HoldCo agrees to accept the transfer of, 23,446,659 units in SPH REIT (the “**Relevant SPH REIT Units**”) and 6,868,132 Ordinary Shares (the “**Relevant SPH Shares**”). The Relevant SPH Shares are currently held as treasury shares and will be transferred to the Media HoldCo. Further, the Company shall ensure that the bank accounts of the Media HoldCo and/or the Target Companies have an aggregate minimum amount of S\$80m in cash, as adjusted in accordance with the terms of the BRD and excluding any government grants, (the “**Minimum Cash Balance**”) as at Closing,

in each case, for nil or nominal consideration.

Note

1. Including the buildings situated within the Key Properties

3.2.3 Description of the Media Business

The “**Media Business**” refers to the businesses of

- (a) publishing, printing and distributing newspapers;
- (b) publishing and distributing magazines;
- (c) providing multimedia content and services;
- (d) providing advertising services, including outdoor advertising services;
- (e) providing radio broadcasting services;
- (f) providing online classifieds services; and
- (g) publishing and distributing books,

carried on by the Company and its subsidiaries as at the date of the BRD, but excluding certain businesses to be agreed between the Company and the Media HoldCo.

The Media Business comprises the Target Shares.

The “**Target Shares**” refer to the issued share capital of the Target Companies and the Associated Companies.

The “**Target Companies**” are the following companies which are directly or indirectly wholly-owned by the Company:

- (a) the Media OpCo;
- (b) New Beginnings Management Consulting (Shanghai) Company Limited;

APPENDIX A: EVERCORE LETTER

- (c) Singapore Press Holdings (Overseas) Limited;
- (d) Straits Digital Innovation Co, Ltd;
- (e) SPH (Americas) Pte Ltd;
- (f) Focus Publishing Ltd; and
- (g) Red Anthill Ventures Pte. Ltd.

The “**Associated Companies**” are the following companies in which the Company does not hold, directly or indirectly, more than 50% of the shares, being:

- (a) Target Media Culcreative Pte. Ltd.;
- (b) Singapore Media Exchange Pte. Ltd.;
- (c) AsiaOne Online Pte. Ltd.; and
- (d) DC Frontiers Pte. Ltd.

3.3 Pro Forma Financials of the Media Business

The consolidated profit or loss statements relating to the Media Business (“**Pro Forma Financials**”) reflect the financial information of the Media Business (inclusive of the Key Leases), assuming the Media Business had been formed on 1 September 2017.

In arriving at the Pro Forma Financials, certain adjustments have been made to the Media Segment, which include:

- (a) alignment of presentation for certain associates and joint ventures which were no longer grouped under the Media Segment from 1 September 2019 onwards;
- (b) exclusion of certain entities which had been divested by the Company between 1 September 2017 and 28 February 2021, and an investment in an associate;
- (c) inclusion of certain associates and joint ventures which were previously not grouped under the Media Segment but form part of the Media Business;
- (d) additional depreciation to account for the fair value uplift of the News Centre and Print Centre; and
- (e) adjustment in staff costs, overheads, income tax and elimination of inter-segmental transactions with other operating segments of the Company and its subsidiaries.

APPENDIX A: EVERCORE LETTER

A summary of key information from the consolidated profit and loss statements of the Pro Forma Financials are shown in **Table 1**.

Table 1 – Selected Pro Forma Financials

(\$m)	FY2018	FY2019	FY2020	1H FY2021
Operating Revenue	612.4	546.0	427.1	192.6
<i>of which:</i>				
<i>Advertising Operating Revenue</i>	<i>430.1</i>	<i>377.3</i>	<i>262.0</i>	<i>120.3</i>
<i>Circulation Operating Revenue</i>	<i>150.3</i>	<i>139.4</i>	<i>140.1</i>	<i>61.6</i>
<i>Other Sales</i>	<i>32.0</i>	<i>29.3</i>	<i>25.0</i>	<i>10.7</i>
Other operating income	15.0	14.1	10.8	4.4
Grant income	–	–	31.7	13.3
<i>of which, Jobs Support Scheme (“JSS”) grant income</i>	<i>–</i>	<i>–</i>	<i>28.1</i>	<i>12.8</i>
Total costs	(512.7)	(485.0)	(462.5)	(201.5)
<i>of which, Depreciation (excluding right-of-use assets) & Amortisation</i>	<i>(26.1)</i>	<i>(27.0)</i>	<i>(27.1)</i>	<i>(13.1)</i>
EBITDA	140.7	102.1	34.2	21.8
Operating Profit	114.6	75.1	7.1	8.7
PBT	114.3	73.8	6.6	9.1
PATMI	94.8	61.2	5.5	7.6

The financials presented in this table assumes the same presentation as before the adoption of SFRS(I) 16 *Leases* for FY2020 and 1H FY2021.

3.4 Information on the CLG

3.4.1 Company Limited by Guarantee

(a) In connection with the Proposed Restructuring, the CLG has been incorporated as a company limited by guarantee. The members of the CLG are listed in paragraph 3.4.2. The liability of each member of the CLG in the event of the winding up of the CLG is limited to S\$1.

(b) The principal activity of the CLG is to acquire and hold the Media HoldCo.

3.4.2 Members of the CLG

The members of the CLG comprise the following:

- (a) The Great Eastern Life Assurance Company Limited;
- (b) Oversea-Chinese Banking Corporation Limited;
- (c) NTUC Income Insurance Co-Operative Ltd;
- (d) Singapore Telecommunications Limited;

APPENDIX A: EVERCORE LETTER

- (e) DBS Bank Ltd;
- (f) United Overseas Bank Limited;
- (g) National University of Singapore;
- (h) Fullerton (Private) Limited; and
- (i) Nanyang Technological University.

3.5 Future Intentions for the Media Business

As stated in the Ministerial Statement on *A Thriving Local News Media in the Digital Age* delivered at the Parliamentary Sitting on 10th May 2021 (“**Ministerial Statement**”)¹, Mr. S Iswaran, the Honourable Minister for the Ministry of Communications and Information (“**MCI**”) at the time of the Announcement, and the relevant Minister referred to in the Newspaper Act, expressed that the Media Business will be transferred to the CLG and the CLG:

“... will be separate from the listed company, no longer run by the SPH management. It will operate as a revenue-seeking business, subject to the usual commercial disciplines. However, any operating surplus will be ploughed back into the media business, rather than distributed to shareholders as dividends. In that sense, it will be “not-for-profit” to the members of the CLG.”

“The new media company must have a long-term, sustainable business model with different revenue sources – including traditional advertising and subscription revenues, complemented by government funding, and contributions from its management shareholders and benefactors as other components.”

“To ensure the long-term viability of the enterprise, the Government also stands ready to provide the CLG with funding in areas like digital innovation and capability development.”

In addition, the Company’s media release on 12th May 2021 relating to a speech by Mr. Khaw Boon Wan², Chairman-Designate of the CLG, stated:

“As Minister Iswaran stressed in Parliament on Monday, “a high-quality, professional and respected media, reporting news by Singaporeans for Singaporeans, is essential to the fabric of our nation”. This is the role that the Government wants the local media to play. This is also how I see the media’s national role. We will do all it takes to ensure that SPH Media succeeds in this role.”

“SPH Media needs to develop a model which is both financially sustainable and will enable it to continue delivering high-quality trusted products to its readers. What is clear is that the listed company model is no longer the best business structure for quality journalism. Even if the resources are available, shareholders do not have the appetite to sustain investments in capacity building and digital transformation.”

“The experiences of NYT, FT and several others suggest that serious digital media transformation, while not a panacea, can go some way in building a sustainable future for incumbent media companies which are focused on quality journalism. Going digital is not new to SPH Media, but we now need to step up more decisively to grow our readership”

APPENDIX A: EVERCORE LETTER

rapidly especially among the young. This will require substantial investments in digital media transformation, investments which take a long time to recoup. The Government is willing to help SPH Media build capacity, pilot innovations, and scale up to increase impact and outreach. But even with growing readership, the ability to grow digital revenue to counter the continuing decline in print revenue is in itself a major financial challenge.”

“This demands a transformational change in mindset. Good quality content is still critical, but it is not sufficient. We must now tap on digital technology and platforms to actively push it out to reach our subscribers and non-subscribers ... We must improve our digital products to make them essential to their daily lives. We have started doing so, but we must accelerate our efforts. Current newsrooms were built for the print era; they need to be transformed further for the mobile phone and tablet era. As a British media company puts it: we have been “a print media company with digital products”; we must now decisively become “a digital media company with print products”.

“It is no longer adequate for newspapers to “inform, educate and entertain”. With news proliferating and breaking news round the clock, traditional media’s ability to inform is no longer a differentiating factor. Competition is now in the depth of analysis and original insights, and also in their presentation. We need to urgently update our mission for the digital era.”

“This is the start of a new chapter for SPH Media. The last time we had a major restructuring was in the early 1980s, when newspapers were merged and consolidated. It was to confront the commercial realities then, in order to ensure the viability of quality newspapers in Singapore. Now, the strategic objective remains the same: to preserve quality newspapers in all four languages trusted by readers, and to sustain them over the long term. Likewise, the values and principles underpinning our brand of journalism remain unchanged: integrity and professionalism of our journalists; and independence of our newsrooms.” (Emphasis ours)

Notes

1. The Ministerial Statement is accessible on the Company’s website at https://investor.sph.com.sg/agm_egm.html.
2. The Company’s media release on 12th May 2021 relating to a speech by Mr. Khaw Boon Wan is accessible on the Company’s website at https://corporate.sph.com.sg/media_releases/4241.

3.6 SPH Contribution

The Company will contribute: (i) the Target Shares, the Relevant SPH REIT Units and the Relevant SPH Shares to the Media HoldCo, (ii) the Key Leases to the PropCos, and (iii) the Minimum Cash Balance of the Media HoldCo and/or the Target Companies, for nominal consideration (collectively, the “**SPH Contribution**”).

The aggregate value of the SPH Contribution being S\$356.8m (the “**SPH Contribution Value**”), is based on the following:

- (a) the net asset value (“**NAV**”) of the Target Shares of S\$98.8m, as at 28 February 2021, based on the unaudited financial statements of the Group for the financial half-year ended 28 February 2021 (the “**1H FY2021**”, and the unaudited financial statements, the “**1H 2021 Results**”), and taking into account assumption of certain liabilities, costs and expenses potentially arising in relation to the Proposed Restructuring;

APPENDIX A: EVERCORE LETTER

- (b) the market value of the Key Leases of S\$142.5m, as at 4 June 2021¹, based on independent valuations of the Key Leases conducted by Knight Frank Pte Ltd (the “**Independent Valuer**”), an independent property valuer commissioned by the Company to establish the fair market value for the Key Leases primarily using the direct comparison method (collectively, the “**Valuation Report**”);
- (c) the net asset value of the Relevant SPH REIT Units of S\$21.4m, as at 28 February 2021, based on 1H 2021 Results. On completion of the SPH Contribution, the Company will hold approximately 65.4% of SPH REIT on a pro forma basis, assuming that 2,781,991,878 units in SPH REIT were outstanding as at 28 April 2021 and the Company owns 1,819,141,038 units in SPH REIT after the SPH Contribution²;
- (d) the net asset value of the Relevant SPH Shares of S\$14.1m, as at 28 February 2021, based on 1H 2021 Results. This represents approximately 0.4% of the Company’s total issued share capital based on the Company’s aggregate issued share capital of 1,607,873,906 Ordinary Shares and Management Shares as at 28 February 2021; and
- (e) the Minimum Cash Balance of S\$80.0m (as adjusted in accordance with the terms of the BRD).

There will not be any moratorium imposed on the Relevant SPH REIT Units and the Relevant SPH Shares to be transferred to the CLG as part of the SPH Contribution.

Notes

1. The net asset value of the Key Leases as at 28 February 2021 is S\$48.0m.
2. For avoidance of doubt, this includes SPH REIT Units issued on 28 April 2021 in respect of the base fee component of the management fee payable to SPH REIT Management Pte. Ltd. for the period from 1 December 2020 to 28 February 2021.

3.7 Transfer of Intellectual Property in the Name “Singapore Press Holdings”

Under the Proposed Restructuring, the Company shall transfer or procure the transfer of, all rights, title and interests in the name “Singapore Press Holdings”, including all trademarks and domain names relating thereto, to the Media OpCo, at Closing.

The Media HoldCo shall procure the Media OpCo to grant a royalty-free licence to the Company for the use of the name “Singapore Press Holdings”, “SPH” and their respective derivatives, including all trademarks and domain names relating thereto, as the Company’s corporate name, on the basis, *inter alia*, that the Company shall seek Shareholders’ approval for a change of its corporate name to a name which shall not include or refer to the name “Singapore Press Holdings” or its derivatives, at each successive annual general meeting of the Company following Closing, until such Shareholders’ approval has been obtained.

APPENDIX A: EVERCORE LETTER

3.8 Newspaper Act

It is envisaged that following Closing, the provisions of the Newspaper Act will no longer apply to the Company. Prior to Closing, under the Newspaper Act, no person shall, without the approval of the Minister:

- (a) become a substantial Shareholder of the Company; or
- (b) 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 5% of the Shares.

3.9 Conditions Precedent

Closing is conditional upon the satisfaction of the following conditions precedent:

- (a) the obtaining of certain third party consents (the “**Third Party Consents CP**”) comprising:
 - (i) the approval of JTC Corporation for the assignment of the Key Leases to the PropCos; and
 - (ii) the approval of the Minister for Communications and Information and/or the Info-communications Media Development Authority for the termination of the newspaper permits, printing press licences and radio broadcasting licences held by the Company and SPH Radio Private Limited, and for new newspaper permits, printing press licences and radio broadcasting licences to be granted to the Media OpCo, and such other matters as may be agreed between the Company and the Media HoldCo;
- (b) the completion of a pre-Closing restructuring of the Media Business;
- (c) the passing at a general meeting of the Company of an ordinary resolution to approve the Proposed Restructuring in accordance with the terms of the BRD; and
- (d) there being no Material Adverse Change since the date of the BRD (the “**MAC CP**”).

The Media HoldCo may waive the MAC CP but not any other condition precedent.

For the purposes of the MAC CP, “**Material Adverse Change**” means any change, event, circumstance or effect that results in:

- (a) a decrease in the aggregate net asset value (as at the date of Closing) of the Target Companies and the Associated Companies of more than 25% from the aggregate net asset value as stated in the pro forma accounts as at 28 February 2021 (excluding the Minimum Cash Balance, any government grants and the value of the Relevant SPH REIT Units and the Relevant SPH Shares), but any such decrease shall disregard and exclude any depreciation of the Key Properties; and

APPENDIX A: EVERCORE LETTER

- (b) a decrease in the aggregate revenue (as at the date of Closing and on a last twelve months basis) of the Target and the Associated Companies Companies of more than 25% from the aggregate annual revenue for the financial year ended 31 August 2020, as stated in the pro forma accounts, but such aggregate revenue shall disregard and exclude any revenue contribution from the Associated Companies,

provided that any such decrease resulting from or attributable to general economic conditions, conditions affecting the industry and market relating to the media industry generally or the passing of, or any change in any law, rule, regulation or administrative practice of any government, governmental department, agency or regulatory body shall not be capable of resulting in a Material Adverse Change.

3.10 Proposed Privatisation of the Company

Upon Closing, the principal businesses of the Company shall comprise:

- (a) **Property Business:** The Company 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. The Company also owns a 70% stake 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;
- (b) **Purpose-Built Student Accommodation (“PBSA”):** 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; and
- (c) **Aged Care:** The Company is in the aged care sector in Singapore and Japan, and owns Orange Valley, one of Singapore’s largest private nursing homes.

In addition, the Company has investments in, amongst others, online classifieds, telecoms, a digital media fund and a treasury and investment portfolio.

The Company and Keppel Pegasus Pte. Ltd. (the “**Offeror**”), a wholly-owned subsidiary of Keppel Corporation Limited (“**Keppel**”), jointly announced (the “**Joint Announcement**”) on 2 August 2021 (the “**Joint Announcement Date**”) that the Company and the Offeror are proposing to undertake a scheme of arrangement (the “**Scheme**”) pursuant to Section 210 of the Companies Act involving:

- (a) **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 as at the Record Date¹ (the “**Eligible Shareholders**”) and each, an “**Eligible Shareholder**”) receiving 0.782 SPH REIT Units per Ordinary Share; and
- (b) **Acquisition:** upon the DIS taking effect, a proposed acquisition (the “**Acquisition**”) by the Offeror of all the Ordinary Shares (excluding the treasury shares) as at the Record Date¹ from the Eligible Shareholders.

APPENDIX A: EVERCORE LETTER

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

Consideration breakdown²	Value per SPH Ordinary Share (S\$)
0.782 SPH REIT Units ³	0.716
0.596 issued units in Keppel REIT (“ Keppel REIT Units ” and each, a “ Keppel REIT Unit ”) which the Offeror will transfer or procure to be transferred ⁴	0.715
Cash consideration payable by the Offeror	0.668
Total Consideration	2.099

Notes

1. “**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.
2. Assuming that the maximum number of Ordinary 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 Ordinary Shares based on the following:
 - (i) 1,607,873,906 Ordinary Shares comprising 1,591,512,137 Ordinary Shares in issue as at the Joint Announcement Date and 16,361,769 Ordinary Shares arising from the Proposed Conversion;
 - (ii) 6,868,132 Ordinary Shares to be transferred to the Media HoldCo pursuant to the Proposed Restructuring; and
 - (iii) 2,268,852 Ordinary Shares that may be vested under the SPH Performance Share Plan 2016. Any Ordinary Shares to be vested under the SPH Performance Share Plan 2016 in excess of the 2,268,852 Ordinary Shares will be cash settled up to a cap of S\$4.0 million.
3. 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 Joint Announcement Date, being S\$0.915 per SPH REIT Unit.
4. 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.

As set out in Schedule 1 to the Joint Announcement, the Scheme is conditional upon, *inter alia*, the completion of the Proposed Restructuring (including the conversion of the Management Shares into Ordinary Shares).

Additionally, the Scheme is also conditional upon, *inter alia*, the following approvals:

- (a) the approval of the Scheme by a majority in number of Shareholders representing not less than three-fourths in value of the Ordinary 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 Court¹ for the purpose of considering and, if thought fit, approving the Scheme (including any adjournment thereof);
- (b) the approval of the DIS by Shareholders at an extraordinary general meeting to be held by the Company at or around the time of the Scheme Meeting;

APPENDIX A: EVERCORE LETTER

- (c) the approval of the Acquisition by the shareholders of Keppel at an extraordinary general meeting to be held by Keppel; and
- (d) the sanction of the Scheme by the Court.

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**”).

Please refer to the Joint Announcement for further details of the Scheme.

Note

1. The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore

4 APPROVALS PUT TO SHAREHOLDERS IN RESPECT OF THE PROPOSED RESTRUCTURING

According to Paragraph 1.1 of the Circular, the Proposed Restructuring results in the disposal of a principal business of the Company, and the Board has determined that the Proposed Restructuring should be subject to the approval of the Shareholders at an extraordinary general meeting (“**EGM**”).

Further, the Company is proposing to adopt a New Constitution with effect from Closing, as it will no longer be regulated as a “newspaper company” under the Newspaper Act following Closing. The New Constitution will consist of the Existing Constitution with amendments to remove the special features necessitated by the Company’s status as a “newspaper company” (including the provisions relating to Management Shares).

Accordingly, the Directors have asked the Shareholders to vote on the following two resolutions at the EGM:

RESOLUTION 1: ORDINARY RESOLUTION – THE PROPOSED RESTRUCTURING

RESOLVED THAT:

- (a) approval be and is hereby given for the Proposed Restructuring, on the terms and subject to the conditions set out in the BRD (including, for the avoidance of doubt, the transfer by SPH of the Media HoldCo, which together with its subsidiaries will hold the Media Business, to the CLG for nominal consideration of S\$1); and
- (b) the Directors and each of them be and are hereby authorised to take any and all steps and to do and/or procure to be done any and all acts and things (including without limitation, to approve, sign and execute all such documents which they in their absolute discretion consider to be necessary, and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient in order to implement, finalise and give full effect to the Proposed Restructuring and/or the matters contemplated in this resolution.

APPENDIX A: EVERCORE LETTER

RESOLUTION 2: SPECIAL RESOLUTION – THE PROPOSED CONVERSION AND PROPOSED ADOPTION OF A NEW CONSTITUTION

RESOLVED THAT subject to and contingent upon the passing of Ordinary Resolution 1 above and Closing:

- (a) (i) each Management Share held by a Management Shareholder as at Closing be converted into one Ordinary Share pursuant to Article 64(2) of the existing Constitution of the Company (the “**Existing Constitution**”); and
- (ii) the regulations contained in the new Constitution submitted to this Meeting and, for the purpose of identification, subscribed to by the Chairman thereof, be approved and adopted as the new Constitution of the Company in substitution for, and to the exclusion of, the Existing Constitution,

in each case, with effect from Closing; and

- (b) the Directors and each of them be and are hereby authorised to take any and all steps and to do and/or procure to be done any and all acts and things (including without limitation, to approve, sign and execute all such documents which they in their absolute discretion consider to be necessary, and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient in order to implement, finalise and give full effect to the Proposed Conversion, the Proposed Adoption of a New Constitution and/or the matters contemplated in this resolution.

Shareholders are being asked to approve the Proposed Conversion and Proposed Adoption of a New Constitution in a single special resolution as both proposals are inter-dependent and inter-linked, so as to form one significant proposal following from the Newspaper Act no longer applying to the Company upon Closing. Accordingly, as both proposals are being combined in a single special resolution, Shareholders will not be able to vote on the Proposed Conversion without also voting on the Proposed Adoption of a New Constitution in the same manner, and *vice versa*.

Resolution 1 is proposed as an ordinary resolution and Resolution 2 is proposed as a special resolution. Resolution 2 is conditional upon the approval of Resolution 1 and Closing, but Resolution 1 is not conditional upon the approval of Resolution 2. The reason Resolution 2 is conditional upon the approval of Resolution 1 is because if the Proposed Restructuring is not approved or Closing does not take place, the Company will remain a “newspaper company” under the Newspaper Act, and subject to the requirements to include certain provisions into its Constitution and maintain Management Shares in its capital. The Proposed Conversion and Proposed Adoption of a New Constitution will therefore be unnecessary in this scenario.

The Proposed Conversion and Proposed Adoption of a New Constitution will NOT be effected unless the ordinary resolution to approve the Proposed Restructuring is passed, and Closing occurs.

APPENDIX A: EVERCORE LETTER

As described in paragraph 1.3 of the Circular, the Scheme is conditional upon, *inter alia*, the completion of the Proposed Restructuring. If the ordinary resolution relating to the Proposed Restructuring is not passed, a condition precedent to the Scheme will not be satisfied and the Scheme will not proceed.

5 EVALUATION OF THE PROPOSED RESTRUCTURING

In our evaluation of the Proposed Restructuring, we have given due consideration to, *inter alia*, the following key factors:

- (a) Historical performance of the Media Segment and its impact on the Company;
- (b) Outlook for the Media Business;
- (c) Implications of retaining the Media Business;
- (d) Strategic options available to the Company;
- (e) The Proposed Restructuring:
 - (i) Rationale and benefits of the Proposed Restructuring;
 - (ii) Assessment of the financial resources relating to the Proposed Restructuring; and
 - (iii) Effects of the Proposed Restructuring on the Company.

5.1 Historical Performance of the Media Segment and its Impact on the Company

5.1.1 Background on the Historical Performance of the Media Segment

As noted in the Ministerial Statement, media businesses globally are facing structural challenges:

“Sweeping structural changes in the media and advertising industries, caused by technological advances and the internet (sic), have severely disrupted the traditional business model that relied on print advertising revenue.”

The competition for eyeballs has intensified. In the borderless online space, our local news media must now compete not just with international news organisations, but also entertainment providers and user-generated content.

The cost of producing quality news content remains high, but revenues have plummeted. Global print advertising revenue is decreasing by 7% year-on-year. Meanwhile, news aggregators and other news providers are now able to provide so-called “free news services” without the cost of maintaining a high-quality newsroom. Though digital ads are growing, it is the digital platforms, like social media and search engines, that capture the lion’s share of the revenue.

Though the demand for quality news has not diminished, monetizing digital initiatives is challenging, and the revenues of quality news platforms all over the world are falling sharply with little prospect of relief. Just last week, on World Press Freedom Day, the

APPENDIX A: EVERCORE LETTER

executive director of the World Association of News Publishers, Andrew Heslop, published an article titled “Media across the globe fighting immediate and existential threats”. He warned: “Many of the difficult questions facing the news industry are underpinned by an inability to predict a general economic model that will guarantee a future for quality, professional journalism ... The harsh reality: public interest reporting simply does not convert to advertising dollars.

For many media companies, the economic fallout of COVID-19 was the final straw. An article in the Columbia Journalism Review described it as “The Journalism Crisis Across the World.

Most publications are now running deficits, and many newsrooms are shrinking, even closing. (Emphasis ours)

The Company’s experience has been consistent with the trend outlined above. As mentioned in paragraph 2 of the Circular:

“The media industry has faced unprecedented disruption in recent years. Traditional print media is undergoing secular decline, with a shift of consumer preference in favour of digital media. This is a global trend, not unique to Singapore or SPH and further accelerated by COVID-19. Whilst SPH has succeeded in increasing digital circulation, monetisation is increasingly challenging as competition for digital revenue has intensified and SPH’s Media Business now competes with much larger players. Digital subscription and digital advertising have been unable to offset the decline in print advertising and print circulation revenues.” (Emphasis ours)

5.1.2 Structural Decline in the Media Segment Performance over Time

The structural trends mentioned in paragraph 5.1.1 have led to a decline in performance of the Media Segment as highlighted in paragraph 2 of the Circular:

“SPH’s Media Segment operating revenue has been decreasing in the past five years due largely to a decline in print advertising and print subscription revenue.” (Emphasis ours)

We examine the trend in further detail below.

The Media Segment’s Operating Revenue peaked in FY2012 at S\$1,031.2m. For FY2015, the Media Segment’s Operating Revenue was S\$902.5m, representing an overall decline of 12.5%, or a compounded annual rate of decline of 4.3%, from FY2012 to FY2015.

The decline accelerated from FY2015 to FY2020, with the Media Segment’s Operating Revenue falling from S\$902.5m to S\$445.1m, representing an overall decline of 50.7% or a compounded annual rate of decline of 13.2%, primarily as a result of the structural trends mentioned in paragraph 5.1.1.

While the Company recorded growth in the Property Segment and Others Segment from FY2015 to FY2020, the growth has not been sufficient to counteract the decline in the Media Segment’s Operating Revenue. Correspondingly, the Company’s overall Operating Revenue declined 26.5%, or at a compounded annual rate of 6.0%, from FY2015 to FY2020.

APPENDIX A: EVERCORE LETTER

The Media Segment generated EBITDA¹ of S\$385.1m for the Company in FY2012. This had fallen by 22.3% to S\$299.1m in FY2015.

Between FY2015 and FY2020, the Company introduced a series of cost cutting measures, which included the restructuring of headcount in non-core functions and reduction in materials, production & distribution costs. Whilst these measures produced savings, the costs declined at a slower rate than the decline in Operating Revenue, and consequently EBITDA¹ of the Media Segment has declined at a faster rate than Operating Revenue. **EBITDA¹ of the Media Segment declined 91.8%, or at a compounded annual rate of 39.4%, from FY2015 to FY2020, from S\$299.1m to S\$24.5m (which is inclusive of S\$28.1m of JSS grant income).** The Company adopted SFRS(I) 16 *Leases* from 1 September 2019, which involved the reclassification of operating lease expense to depreciation expense and finance costs from FY2020 onwards. The decline from FY2015 to FY2020 would have been of a magnitude greater than 91.8%, had the Media Segment financial statements for FY2020 been prepared on a similar basis as the financial statements for the earlier periods, assuming the same presentation as before the adoption of SFRS(I) 16 *Leases*.

While the Company has recorded growth in the EBITDA¹ of its other segments from FY2015 to FY2020, this has not been sufficient to offset fully the decline in the Media Segment's EBITDA¹. Correspondingly, the Company's overall EBITDA¹ declined 48.3%, or at a compounded annual rate of 12.4% from FY2015 to FY2020. The decline from FY2015 to FY2020 would have been of a magnitude greater than 48.3%, had the Company's financial statements for FY2020 been prepared on a similar basis as the financial statements for the earlier periods, assuming the same presentation as before the adoption of SFRS(I) 16 *Leases*.

Note

1. EBITDA of each of the Media Segment, Property Segment and Others Segment is calculated as the sum of the (i) segment result, (ii) depreciation (excluding right-of-use assets), (iii) amortisation of intangible assets, (iv) impairment of plant, property and equipment, (v) impairment of goodwill and (vi) impairment of intangible assets for the respective financial reporting segment. Company level EBITDA is calculated as the sum of the EBITDA of the Media Segment, Property Segment and Others Segment. EBITDA of the Media Segment, Property Segment and Others Segment, and the Company level EBITDA includes net income from investments.

5.1.3 Impact on the Company's Recurring Earnings¹ and Dividends

The decline in the Media Segment's performance has dragged on the Company's overall performance, and resulted in a decline in the Company's overall recurring earnings¹. Recurring earnings¹ of the Company declined 77.7% from S\$316.2m to S\$70.7m from FY2015 to FY2020. Net cash from operating activities has similarly declined over the same period.

Accordingly, dividends per Share fell 16.7% from S\$0.24 for FY2012 to S\$0.20 for FY2015, and a further 40% from S\$0.20 in FY 2015 to S\$0.12 for FY2019. This is despite the dividend payout ratio² increasing from 90.2% for FY2012, to 102.1% for FY2015, and to 133.3% for FY2019.

APPENDIX A: EVERCORE LETTER

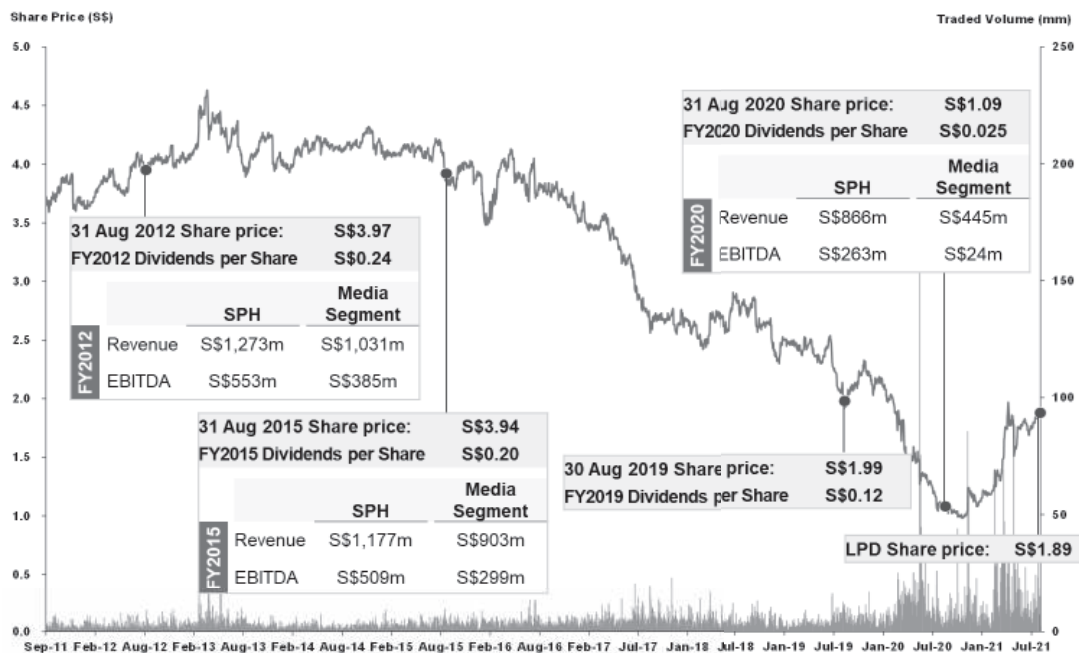
The Dividend per Share for FY2020 was S\$0.025, indicating a dividend payout ratio² of 56.9%. As disclosed in the Company's FY2020 annual report, the focus for FY2020 was on sustaining a resilient balance sheet with sufficient liquidity as buffer against the uncertainties due to Covid-19. Hence, FY2020 is an outlier in terms of the dividends paid by the Company.

The dividend yield for the Company has been stable over the historical period, at 6.0% as at 31 August 2012, 5.1% as at 31 August 2015, and 6.0% as at 31 August 2019, and in the range of 4.6% to 6.0% for the period between FY2012 and FY2019³.

From the consistency in dividend yield over the years, there is a correlation between the Company's dividend payout and its share price, indicating that dividend payout is an important driver of the Share price. **Chart 1** shows that the Share price declined by approximately 52% from S\$3.94 on 31 August 2015 to S\$1.89 on the Latest Practicable Date.

Accordingly, we conclude that, the decline in the Media Segment's profitability from FY2015 to the Latest Practicable Date directly impacted the Company's ability to pay dividends, which in turn negatively affected the Share price.

Chart 1 – SPH Share Price Performance Since 1 September 2011, the Beginning of FY2012



Source: FactSet

Notes

1. Calculated as the Company's Operating Profit less non-controlling interests of the Property Segment.
2. Computed based on the recurring earnings of the Company.
3. Range of dividend yields calculated as at 31 August of each respective financial year.
4. The Company adopted SFRS(I) 16 Leases from 1 September 2019, which involved the reclassification of operating lease expense to depreciation expense and finance costs from FY2020 onwards.

APPENDIX A: EVERCORE LETTER

5.2 Outlook for the Media Business

5.2.1 FY2020 and 1H FY2021 Financial Performance

Paragraph 2 of the Circular discusses the financial performance of the Media Segment in FY2020 and 1H FY2021:

“SPH’s Media Segment has since fallen into the red. It recorded its first-ever pre-tax loss of \$11.4 million for the financial year ended 31 August 2020. If not for the Jobs Support Scheme (“JSS”), the loss would have been a deeper \$39.5 million. For the six months ended 28 February 2021, the Media Segment incurred a pre-tax loss of S\$9.7 million, excluding the grant from the JSS.” (Emphasis ours)

The extract describes the pre-tax profitability of the Media Segment with and without the JSS grant. In contrast to the losses in FY2020 and 1H FY2021 (before the JSS grant income), PBT of the Media Segment in FY2015 (which does not include any JSS grant income) was S\$241.5m.

Table 2 summarises the Pro Forma Financials, with and without the JSS grant income, for FY2020 and 1H FY2021 and is presented assuming the same presentation as before the adoption of SFRS(I) 16 *Leases*.

Table 2 – FY2020 and 1H FY2021 Selected Pro Forma Financials

(\$m)	FY2020	1H FY2021
JSS grant income	28.1	12.8
With JSS grant income		
EBITDA	34.2	21.8
Operating Profit	7.1	8.7
PBT	6.6	9.1
Without JSS grant income		
EBITDA (ex-grants)	6.1	9.0
Operating Profit (ex-grants)	(21.0)	(4.1)
PBT (ex-grants)	(21.5)	(3.7)

Without the JSS grant income, EBITDA for the Media Business would have been S\$6.1m and S\$9.1m for FY2020 and 1H FY2021 respectively, in contrast with S\$140.8m for FY2018. Further, without the JSS grant income, the Media Business would have incurred losses at both the Operating Profit and PBT levels for both FY2020 and 1H FY2021.

Following years of sustained and structural decline, the Media Business is on the verge of unprofitability and therefore, at a critical juncture.

APPENDIX A: EVERCORE LETTER

5.2.2 Revenue

Paragraph 2 of the Circular includes the following outlook for the Media Business:

“With the decline in advertising revenue expected to continue at a similar pace to the last five years in the medium term, the Media Business will continue to face severe financial challenges” (Emphasis ours)

The Operating Revenue breakdown of the Media Segment from FY2015 to 1H FY2021, and the corresponding compounded annual growth rates (“**CAGR**”) from FY2015 to FY2020, is shown in **Table 3**.

Table 3 – Media Segment Operating Revenue from FY2015 to 1H FY2021 (Unaudited)

(S\$m)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	1H FY2021	CAGR (FY2015 – FY2020)
Advertising Operating Revenue	668.0	606.5	504.0	445.4	390.1	267.6	120.3	(16.7%)
Circulation Operating Revenue	176.0	170.7	162.0	150.6	139.7	140.2	61.7	(4.4%)
Other sales	58.5	57.0	59.4	59.8	47.1	37.4	11.1	(8.6%)
Media Segment Operating Revenue	902.5	834.2	725.4	655.8	576.9	445.1	193.1	(13.2%)

From Table 3, Advertising Operating Revenue of the Media Segment, which excludes any JSS grant income, declined at a compounded annual rate of 16.7% in the 5 years from FY2015 to FY2020.

As mentioned in paragraph 2 of the Circular, the decline in advertising revenue is expected to continue at a similar pace in the medium term, implying that a similar rate of decline is expected until at least FY2024.

Circulation Operating Revenue of the Media Segment, excluding JSS grant income, declined at a compounded annual rate of 4.4% in the 5 years from FY2015 to FY2020.

Other Sales of the Media Segment, excluding JSS grant income, declined at a compounded annual rate of 8.6% in the 5 years from FY2015 to FY2020.

The overall Operating Revenue of the Media Segment, excluding JSS grant income, declined from S\$902.5m to S\$445.1m in the 5 years from FY2015 to FY2020, representing a compounded annual rate of decline of 13.2%.

Table 4 shows the Operating Revenue of the Media Segment and Media Business from FY2018 – 1H FY2021.

APPENDIX A: EVERCORE LETTER

Table 4 – Media Segment and Media Business Operating Revenue from FY2018 to 1H FY2021

(\$m)	FY2018	FY2019	FY2020	1H FY2021	CAGR (FY2018 – FY2020)
Media Segment Operating Revenue (Unaudited)	655.8	576.9	445.1	193.1	(17.6%)
Media Business Operating Revenue (Pro Forma)	612.4	546.0	427.1	192.6	(16.5%)

Differences between the Media Segment Operating Revenue, as disclosed in the Company's historical financial reporting, and Media Business Operating Revenue, as provided in the Pro Forma Financials, are due to the exclusion of certain divested entities. The Operating Revenue for these excluded entities accounted for 6.6%, 5.3%, 4.1% and 0.2% of the Media Segment's Operating Revenue in FY2018, FY2019, FY2020 and 1H FY2021. From FY2018 to FY2020, Media Segment and Media Business Operating Revenue declined at comparable compounded annual rates of 17.6% and 16.5%, respectively. As noted in Appendix E of the Circular, Management is of the view that the same business trends and financial performance trajectory of the Media Segment apply equally to the Media Business.

In addition, the 17.6% compounded annual rate of decline in the Media Segment's Operating Revenue from FY2018 to FY2020 is greater than the 13.2% compounded annual rate of decline from FY2015 to FY2020, implying a steeper decline in Operating Revenue in recent years.

5.2.3 Costs and Capital Expenditures

Paragraph 2 of the Circular, includes the following extracts:

“Over the past 5 years, SPH increased its spending in technology, product development and data analytics talent by 48 per cent, to more than S\$20 million a year and invested S\$35 million in digital content and audience development talent in the newsrooms. Beyond manpower, SPH also increased investment, in the form of operating expenses and capital expenditure, on new consumer-facing digital platforms and products, averaging more than S\$20 million a year over the past five years. In a highly competitive media landscape, further investment, will be needed to strengthen the Media Business’ digital content creation and product development capabilities. Investments take time to show results and the Media Business is likely to remain loss-making in the immediate future. In addition, there is no assurance that SPH’s investments will result in a turnaround of the Media Business. Overall, the growth in digital revenues remains uncertain and digital revenues are not expected to be able to offset the decline in print revenues.”

“SPH has undertaken strict cost management measures in recent years to mitigate the effect of the declining advertising revenue. However, further cost cuts to reduce losses may impair the Media Business’ ability to maintain quality journalism.”

“Combined with the expected decline in advertising revenue, the losses of the Media Business may continue and widen.” (Emphasis ours)

APPENDIX A: EVERCORE LETTER

Appendix E of the Circular states that the Media Business incurred total costs¹ of S\$462.5m and S\$201.5m for FY2020 and 1H FY2021, respectively. As the Media Business underwent a retrenchment exercise in late FY2020, the 1H FY2021 cost base presents a more representative view of cost structure going forward. **The 1H FY2021 total costs¹ of S\$201.5m implies total costs¹ of S\$403.1m on an annualised basis.**

As the Company has highlighted that there is little scope for further cost reductions without impacting the Media Business' ability to maintain quality journalism, we have assumed in our simulations in paragraph 5.2.4 that the annual cost base to generate and monetise the content and products across a range of platforms, and to maintain existing quality standards of the Media Business ("Cost Base") going forward will be approximately S\$400m.

Further, paragraph 2 of the Circular highlights that further investments will be needed to strengthen the Media Business' digital content creation and product development capabilities in the highly competitive media landscape, implying that additional costs may potentially be incurred in the Media Business. If additional costs are to be incurred in the Media Business, the Cost Base going forward may be higher than the current Cost Base of the Media Business and that which has been assumed in our simulations on the profitability of the Media Business in paragraph 5.2.4.

In addition, the Cost Base of approximately S\$400m per annum assumes that the Media Business is not paying rent on the Key Leases, as is consistent with the Media Business' current operating model of owning and utilising the Key Leases. As the Media Business does not pay any rent for the utilisation of the Key Leases and the Proposed Restructuring involves the transfer of the Key Leases together with the Media Business, we have not assessed the larger losses that would accrue to the Media Business if it had to pay rent on the Key Leases. Should the Key Leases not form part of the Media Business asset base, the Media Business would be required to pay rent on the Key Leases (or comparable properties) and accordingly, the Cost Base for the Media Business would be higher.

Note

1. Total costs consist of (i) materials, production and distribution costs, (ii) staff costs, (iii) premises costs (including lease expenses), (iv) depreciation (excluding right-of-use assets), (v) amortisation of intangible assets, and (vi) other operating expenses. Total costs are presented assuming the same presentation as before the adoption of SFRS(I) 16 *Leases*.

5.2.4 Simulation of the Profitability of the Media Business

The following simulations are purely hypothetical, and provided solely for illustrative purposes, to illustrate the magnitude of losses that the Media Business could potentially incur in three years, i.e. in FY2024, based on various hypothetical rates of continued decline in Advertising Operating Revenue, and of cost containment, as implied by paragraph 2 of the Circular.

The profitability of the Media Business is dependent on several factors, many of which are outside the control of the Company, and/or which the Company is unable to project or predict with certainty.

Accordingly, the Media Business may eventually incur losses of a lower or higher magnitude than the simulated losses illustrated in Table 5 and Table 6.

APPENDIX A: EVERCORE LETTER

5.2.4.1 Simulation of the Media Business' Operating Profit

We have laid out a simulation of the Media Business' Operating Profit, taking into consideration the trajectory for the Media Business highlighted by paragraph 2 of the Circular, as detailed in paragraphs 5.2.2 and 5.2.3.

The simulated Operating Profit for the Media Business is arrived at by deducting the Cost Base, including depreciation and amortisation expense, from the sum of the Operating Revenue and other operating income for a given financial period. The simulated Operating Profit does not include the share of results of associates and joint ventures. For the purposes of our analysis and comparability across periods, the simulated Operating Profit presented is assuming the same presentation as before the adoption of SFRS(I) 16 *Leases*.

The Directors are to note that the eventual Operating Profit of the Media Business may be higher or lower than the simulated losses at the Operating Profit level illustrated in **Table 5**. The eventual magnitude of potential losses at the Operating Profit level of the Media Business, will be dependent on several factors, such as the pace of continued advertising revenue decline, the trends in print and digital subscription, any one-off grants received by the business and the Media Business' Cost Base, many of which are outside the control of the Company.

Table 5 simulates the FY2024 Operating Profit, for illustrative purposes, based on a number of key assumptions made with reference to the information provided in paragraph 2 and Appendix E of the Circular.

Table 5 key assumptions:

- (a) *FY2020 Advertising Operating Revenue of S\$262.0m forms the basis on which the varying compounded annual rates of decline are applied;*
- (b) *FY2024 Circulation Operating Revenue of S\$140.1m, i.e. remaining at the same level as FY2020, notwithstanding that Circulation Operating Revenue of the Media Segment had declined at a compounded annual rate of 4.4% in the 5 years from FY2015 to FY2020;*
- (c) *FY2024 Other Sales of S\$25.0m, i.e. remaining at the same level as FY2020, notwithstanding that Other Sales of the Media Segment had declined at a compounded annual rate of 8.6% in the 5 years from FY2015 to FY2020;*
- (d) *FY2024 other operating income of S\$10.8m, i.e. remaining at the same level as FY2020. In context, this is a relatively small amount, representing less than 3% of FY2020 Operating Revenue;*
- (e) *No one-off/non-recurring grants are received in FY2024; and*
- (f) *Cost Base of S\$400m forms the basis on which the varying compounded annual rates of change are applied.*

APPENDIX A: EVERCORE LETTER

Table 5 – Simulation Analysis on Media Business FY2024 Operating Profit for Illustrative Purposes

		Compounded Annual Decline of Advertising Operating Revenue Between FY2020 - FY2024					
		(S\$m)	-18.7%	-17.7%	-16.7%	-15.7%	-14.7%
Compounded Annual Rate of Change of Cost Base Between FY2020 - FY2024	-3.0%	(63.9)	(58.2)	(52.2)	(46.1)	(39.7)	
	-1.5%	(86.3)	(80.6)	(74.6)	(68.5)	(62.1)	
	0.0%	(109.8)	(104.0)	(98.1)	(91.9)	(85.6)	
	+1.5%	(134.3)	(128.6)	(122.6)	(116.5)	(110.1)	
	+3.0%	(160.0)	(154.3)	(148.3)	(142.1)	(135.8)	

By way of illustration, on the basis that:

- (a) Cost Base remains at S\$400m;
- (b) Circulation Operating Revenue, Other Sales and other operating income remain constant at FY2020 levels; and
- (c) Compounded annual rate of decline of Advertising Operating Revenue from FY2020 to FY2024 vary between 14.7% and 18.7% (based on mid-point of 16.7%, the compounded annual rate of decline between FY2015 and FY2020 as outlined in paragraph 5.2.2),

the corresponding FY2024 Operating Loss would range between S\$85.6m and S\$109.8m.

The Cost Base of approximately S\$400m per annum assumes that the Media Business is not paying rent on the Key Leases. Should the Media Business be required to pay rent on the Key Leases, the Cost Base for the Media Business would be higher. Further, the existing intellectual property, including the rights, interests, trademarks, titles and domain names, held by the Media Business are key assets involved in generating the Operating Revenue of the Media Business. If the Media Business does not have access to the above-mentioned intellectual property, the Operating Revenue of the Media Business would likely be lower. As the Proposed Restructuring involves the transfer of intellectual property as part of the Media Business, we have not assessed the larger losses that would accrue to the Media Business if it did not have access to the intellectual property.

5.2.4.2 Corresponding Media Business EBITDA and PBT

We have also considered the simulated EBITDA of the Media Business for FY2024 for the corresponding levels of Operating Profit illustrated in **Table 5**. Simulated EBITDA is calculated by adding depreciation (excluding right-of-use assets) and amortisation expense and exceptional items to Operating Profit, and is being used in the simulations as a proxy for the pre-tax operating cash flow performance of the business. For the purposes of our analysis, and for comparability across periods, the EBITDA presented is assuming the same presentation as before the adoption of SFRS(I) 16 Leases.

APPENDIX A: EVERCORE LETTER

Depreciation (excluding right-of-use assets) and amortisation expense incurred by the Media Segment in each of FY2018, FY2019 and FY2020 was consistent at S\$21.7m, S\$21.6m and S\$21.1m, respectively. On a Pro Forma basis, depreciation (excluding right-of-use assets) and amortisation expense incurred was also consistent, at S\$26.1m, S\$27.0m and S\$27.1m for FY2018, FY2019 and FY2020 respectively. The difference in the depreciation (excluding right-of-use assets) amounts in the Media Segment financials, as compared to the Pro Forma Financials, is due to the 31 August 2020 fair value of Key Leases being taken to be the deemed cost as at 1 September 2017 in the Pro Forma Financials.

Further, depreciation (excluding right-of-use assets) and amortisation expense of the Media Business was S\$13.1m for 1H FY2021. On an annualised basis, this implies depreciation (excluding right-of-use assets) and amortisation expense of S\$26.2m.

Depreciation (excluding right-of-use assets) and amortisation expense incurred by the Media Business is dependent on several factors, such as, any additional capital expenditure incurred by the business, revaluations, impairments or other adjustments to the value of fixed assets on the balance sheet, and the applicable accounting standards and policies relating to depreciation and amortisation.

Solely for illustrative purposes, assuming depreciation (excluding right-of-use assets) and amortisation expense of the Company in FY2024 is the same as the annualised figure for 1H FY2021 (being the amount of S\$26.2m), **Table 6** illustrates the simulated EBITDA corresponding to the simulated Operating Profit in **Table 5**.

Table 6 key assumptions:

- (a) Operating Profit for each simulation corresponding to Table 5 in paragraph 5.2.4.1;
- (b) Depreciation (excluding right-of-use assets) and amortisation expense of S\$26.2m incurred in FY2024; and
- (c) No exceptional items in FY2024 such as impairment of goodwill or intangible assets.

Table 6 – Simulation Analysis on Media Business FY2024 EBITDA for Illustrative Purposes

		Compounded Annual Decline of Advertising Operating Revenue Between FY2020 - FY2024					
		(S\$m)	-18.7%	-17.7%	-16.7%	-15.7%	-14.7%
Compounded Annual Rate of Change of Cost Base Between FY2020 - FY2024	-3.0%	(37.7)	(32.0)	(26.0)	(19.9)	(13.5)	
	-1.5%	(60.1)	(54.4)	(48.4)	(42.3)	(35.9)	
	0.0%	(83.6)	(77.8)	(71.9)	(65.7)	(59.4)	
	+1.5%	(108.1)	(102.4)	(96.4)	(90.3)	(83.9)	
	+3.0%	(133.8)	(128.1)	(122.1)	(115.9)	(109.6)	

APPENDIX A: EVERCORE LETTER

By way of illustration, on the basis that:

- (a) **Cost Base remains at S\$400m;**
- (b) **Circulation Operating Revenue, Other Sales and other operating income remain constant at FY2020 levels; and**
- (c) **Compounded annual rate of decline of Advertising Operating Revenue from FY2020 to FY2024 vary between 14.7% and 18.7% (based on mid-point of 16.7%, the compounded annual rate of decline between FY2015 and FY2020 as outlined in paragraph 5.2.2),**

the corresponding FY2024 EBITDA loss would range between S\$59.4m and S\$83.6m.

Directors are to note that the depreciation (excluding right-of-use assets) and amortisation expense which the Media Business will eventually incur in FY2024 may be higher or lower than the depreciation (excluding right-of-use assets) and amortisation expense shown in the illustrated figures.

We have also considered the simulated PBT of the Media Business in FY2024 for the corresponding levels of Operating Profit illustrated in **Table 5**. Simulated PBT is calculated by deducting interest expense from, and adding share of income from associates and joint ventures to, the Operating Profit and is being used as a proxy for the bottom line profitability of the business before taxes.

The Pro Forma Financials (which do not adopt the SFRS(I) 16 *Leases*) indicate that the Media Business does not incur any interest expense as it does not carry any outstanding financial liabilities.

In addition, the Media Business' share of results from associates and joint ventures were (S\$0.3m), (S\$1.3m), (S\$0.5m) and S\$0.4m for FY2018, FY2019, FY2020 and 1H FY2021 respectively, implying a contribution in the range of (0.2%) to 0.2% of the Operating Revenue of the Media Business, over the corresponding periods.

As there is no interest expense incurred by the Media Business and the contribution of the share of results of associates and joint ventures is relatively insignificant, the simulated Operating Profit of the Media Business is being used as a proxy for its simulated PBT for the corresponding financial period.

5.2.4.3 Corresponding Implications to Cash Flow of the Media Business

Paragraph 2 of the Circular states that the Media Business would need additional investments (which may include capital expenditure) in the highly competitive media landscape.

The simulation in **Table 6** above illustrates only the hypothetical cash outflows of the Media Business resulting from EBITDA loss, and does not take into consideration potential additional cash outflows of the business arising from capital expenditures.

APPENDIX A: EVERCORE LETTER

Directors are to note that there is no assurance on the level of capital expenditure required by the Media Business going forward. **If capital expenditure were to be factored into the simulated EBITDA for FY2024, the magnitude of the hypothetical cash outflows could be larger than the magnitude of the hypothetical EBITDA loss illustrated in Table 6.**

5.3 Implications of Retaining the Media Business

5.3.1 Potentially Significant and Recurring Losses Could be Incurred by the Company

Paragraph 2 of the Circular states that “*the losses of the Media Business may continue and widen.*” (Emphasis ours)

The Media Business is likely to incur significant and recurring structural losses going forward, as illustrated in paragraph 5.2. Specifically, paragraph 5.2.4.1 illustrates that the Media Business could hypothetically incur Operating Loss of between S\$85.6m and S\$109.8m per annum by FY2024, based on the business trajectory described in paragraph 2 of the Circular.

The estimated hypothetical amounts relate to losses incurred on an annual basis. As these losses are structural and expected to be recurring over time, there is the possibility of the Company incurring significant recurring annual losses for an extended period if it were to retain the Media Business.

Therefore, the Directors should consider the magnitude of such potential losses on a cumulative basis rather than on a one-off basis, when evaluating the financial resources involved in retaining the Media Business.

If the Company were to retain the Media Business, the potentially significant and recurring future losses of the Media Business may translate into significant and recurring losses for the Company. Directors are to note that the simulated Operating Profit, EBITDA and PBT in paragraphs 5.2.4.1 and 5.2.4.2 are hypothetical and illustrative in nature only; the losses that the Media Business will eventually sustain may be higher or lower than those projected figures.

5.3.2 Potentially Significant Impact on the Company’s Ability to Fund Growth and Pay Dividends

If the Company were to retain the Media Business, the Company would need to fund the potentially significant and recurring losses of the Media Business going forward.

The capital to fund such losses would need to come from internally-generated cash flows of the Company, as the trajectory of the Media Business (described by paragraph 2 of the Circular) does not suggest a returns or cash flow profile that supports external equity funding, or debt financing, on a standalone basis.

Funding the Media Business through internally-generated cash flows of the Company will result in less resources being available for investment into areas that could drive future growth and/or deliver value creation and positive earnings.

APPENDIX A: EVERCORE LETTER

Funding the Media Business through internally-generated cash flows of the Company will also result in the Company having reduced ability to continue paying dividends to Shareholders at existing levels. As illustrated in paragraph 5.1.3, in the historical period, the decline in dividends paid out by the Company to Shareholders has negatively affected the overall trading valuation of the Company.

As illustrated in paragraph 5.2.4.2, based on the trajectory for the Media Business described in paragraph 2 of the Circular, the Media Business could hypothetically incur losses at the EBITDA level of between S\$59.4m and S\$83.6m per annum by FY2024. The Company's EBITDA¹ and net cash from operating activities after capital expenditure² were S\$263.0m and S\$209.1m respectively in FY2020, underscoring the potentially significant impact on the Company's ability to fund growth and/or pay dividends through internally-generated cash flows if the Company were to retain the Media Business. Directors should note that in the historical periods, the decline in dividend payments to Shareholders has negatively affected the overall trading valuation of the Company as illustrated in paragraph 5.1.3 above.

Directors are to note that the simulated Operating Profit, EBITDA and PBT in paragraphs 5.2.4.1 and 5.2.4.2, above, are hypothetical and illustrative in nature only; the losses that the Media Business will eventually sustain may be higher or lower than those projected figures.

Notes

1. Company level EBITDA is calculated as the sum of the EBITDA of the Media Segment, Property Segment and Others Segment. FY2020 EBITDA of the Company is after the adoption of SFRS(I) 16 *Leases*.
2. Sum of net cash used in operating activities and additions to property, plant and equipment.

5.3.3 Diversion of Management Time and Resources

If the Company were to retain the Media Business, senior management time and resources would be required to manage the challenged business. This will divert time and resources away from other strategic initiatives and priorities which could deliver superior growth and positive value for the Shareholders.

5.4 Strategic Options Available to the Company

In light of the implications of retaining the Media Business (as elaborated in paragraph 5.3), the Company has arrived at the following strategic options:

- (a) Retain the Media Business as a going concern;
- (b) The Proposed Restructuring; and
- (c) Other Options.

APPENDIX A: EVERCORE LETTER

We elaborate further on each of the strategic options:

(a) Retain the Media Business as a going concern

This scenario represents the status quo, where the Company continues to own the Media Business. We explore whether other options are, from a financial point of view, in the overall interests of the Company and the Shareholders, as compared to the status quo scenario.

The key financial and other considerations of retaining the Media Business are discussed in paragraph 5.3, based on the analyses in paragraphs 5.1 and 5.2.

(b) The Proposed Restructuring

The Proposed Restructuring involves the restructuring and transfer of ownership of the Media Business to a CLG. The Proposed Restructuring is discussed in greater detail in paragraph 5.5.

In the Ministerial Statement, the Minister has indicated his support for the Proposed Restructuring:

“The Government therefore supports SPH’s restructuring proposal” (Emphasis ours)

Given the provisions of the Newspaper Act, validation by the Minister is critical to the feasibility of any solution for the Media Business.

(c) Other Options

Other options include the sale of the Media Business to a third party (being a party other than the CLG), or the winding up of the Media Business.

We note that the Company has not considered the sale of the Media Business to a third party or the winding up of the Media Business to be feasible options. Paragraph 2 of the Circular states:

“Given this public role, winding up the media business or selling it off are not feasible options. In addition, winding up the media business may incur potentially heavy financial costs, and any sale of the media business would also require regulatory approval.” (Emphasis ours)

Therefore, the scope of our engagement does not require us to, and our evaluation in this Letter does not, consider the alternatives of undertaking a liquidation of the Media Business or a sale of the Media Business to a third party. Accordingly, in our Letter, we assess whether the Proposed Restructuring is, from a financial point of view, in the overall interests of the Company and the Shareholders, as compared to the alternative of the Company retaining the Media Business.

APPENDIX A: EVERCORE LETTER

5.5 The Proposed Restructuring

5.5.1 Background, Rationale and Benefits of the Proposed Restructuring

5.5.1.1 Background on the Proposed Restructuring

Paragraph 2 of the Circular states:

“The Media Business plays a critical function in Singapore with the provision of quality news and information to the public, in particular in the vernacular languages.”

The Minister, in his Ministerial Statement, stated:

“A high-quality, professional and respected media, reporting news by Singaporeans for Singaporeans, is essential to the fabric of our nation. Our local media is keenly attuned to our unique circumstances as a small city-state, an open economy and a multi-racial society.

- (a) They help interpret global events through a distinctively Singaporean lens, analysing their impact on our lives. This is ever-more crucial in an era of heightened geopolitical contestation.*
- (b) The local media also express our identity, values and priorities, so that the world gets a perspective from Singapore itself, and not through the filter of others.*
- (c) Domestically, the local media not only report on events and developments, but also publish a balanced range of views, to inform the national debate and help foster a national consensus, not allowing disagreements to deepen into divisions in our society.*
- (d) They help to sustain the common ground in our multi-racial and multi-religious society, whilst preserving the voice of each of our communities through the vernacular media.*
- (e) And they write ‘the first draft of our history’, as Mr Goh Chok Tong put it in 1995, serving as an authoritative record of our collective experience as a people, giving future generations of Singaporeans a sense of how we saw the world, what was important to us, and how we built tomorrow’s Singapore.*

The local news media fulfil this role while upholding high standards of accuracy, objectivity and balance.” (Emphasis ours)

In Paragraph 2 of the Circular, the Company states that it *“has undertaken strict cost management measures in recent years to mitigate the effect of the declining advertising revenue. However, further cost cuts to reduce losses may impair the Media Business’ ability to maintain quality journalism.”*

APPENDIX A: EVERCORE LETTER

In light of the challenges faced by the Media Business and the important role that it plays in Singapore society, the Minister in the Ministerial Statement, and the Company in paragraph 2 of the Circular, respectively elaborate on their conclusion that the Company's current model of a news media business within a listed company is no longer viable, and that a not for profit CLG structure is a solution for the Media Business, as it will allow the Media Business to seek funding from a range of public and private sources:

"... the current SPH model of a news media business within a listed company is no longer viable. While the media business' traditional revenues streams are declining sharply, significant investments are needed to build digital and other capabilities for the long term."

"A not-for-profit structure will allow the Media Business to seek funding from a range of public and private sources with a shared interest in supporting quality journalism and credible information." (Emphasis ours)

Accordingly, it has been agreed that the Company will restructure and transfer the ownership of the Media Business to a CLG. The CLG will be separate from the listed company and will no longer be run by the Company's management.

The CLG structure provides the Media Business with corporate status, allowing it to continue its operations in its current form, but as a not for profit entity. CLGs are usually set up by non-profit organisations that require corporate status. Organisations that would typically set up as a CLG include trade associations, religious bodies and charitable bodies. Organisations that run under such a model in Singapore include the National University of Singapore, Temasek Foundation and The Esplanade.

A CLG is an entity that does not have share capital or shareholders, but instead has members who undertake to contribute to the assets of the company in the event of the company being wound up, to the extent and amount of liability that the members have chosen to be limited by in the CLG's constitution.

CLGs are not permitted to pay dividends, or other distributions, to its members. Any operating surplus of the Media Business will be retained within the CLG and re-invested to support the CLG's core purpose and activity.

The Media Business, as a CLG, will continue to operate as a revenue-seeking business, subject to the usual commercial disciplines. **As a CLG, the Media Business will be able to seek funding from various sources, including the public and private sectors, whilst providing the assurance that the funding will purely be for the purposes of the Media Business' activities, rather than the generation of profits for its members.**

The Media Business will also have a more sustainable future under the CLG structure, as highlighted by paragraph 2 of the Circular:

"Under the Proposed Restructuring, the Media Business will gain the resources to focus on transformation efforts and quality journalism, as well as to invest in talent and new technology to strengthen its digital capabilities." (Emphasis ours)

APPENDIX A: EVERCORE LETTER

As indicated in the Ministerial Statement, the Government of Singapore is willing to provide funding support to the CLG to ensure its long-term sustainability and to ensure that the Media Business remains a relevant and credible institution trusted by Singaporeans:

“The Government is willing to help fund the proposed CLG – while ensuring fiscal discipline and accountability – in areas like digital innovation and capability development, as part of a long-term sustainable business plan. We already have a similar financing model with Mediacorp, our core national broadcaster, which has been working well. Having such national broadcasters, newspaper publishers, and online news platforms is a public good that benefits the whole of society.”

“The Government is mindful that our local news media must remain credible institutions that are trusted by Singaporeans, and that it remains the responsibility of the editors and journalists in SPH Media to report news and diverse opinions objectively, and from a Singaporean point of view.” (Emphasis ours)

5.5.1.2 Rationale and Benefits of the Proposed Restructuring

The rationale and benefits of the Proposed Restructuring for the Company include the following:

(a) **Certainty that the Company will not be exposed to the likely significant and recurring losses of the Media Business going forward**

With the Proposed Restructuring, the Company will not retain any economic ownership in the Media Business.

As highlighted in paragraphs 5.1 and 5.2, the structural challenges in the industry, historical financial trends and trajectory for the Media Business indicate that it is highly likely that the Media Business will incur significant and recurring losses going forward.

As highlighted in paragraph 2 of the Circular, the Proposed Restructuring provides certainty that the Company and the Shareholders will no longer be exposed to the Media Business going forward and thus removes any future funding requirements and potential losses due to the Media Business.

(b) **Company not subject to the Newspaper Act post the Proposed Restructuring**

As highlighted in paragraph 9 of the Circular, it is envisaged that following Closing, the provisions of the Newspaper Act would no longer apply to the Company.

We discuss the implications in greater detail in paragraphs 5.5.3.3 and 5.5.3.4.

APPENDIX A: EVERCORE LETTER

5.5.2 Assessment of the Financial Resources Relating to the Proposed Restructuring

The Company will contribute the following towards the Proposed Restructuring, on, or prior to, Closing, for nominal consideration:

- (a) the Target Shares;
- (b) the Key Leases (and the Key Properties which reside on the leases);
- (c) the Relevant SPH REIT Units;
- (d) the Relevant SPH Shares; and
- (e) the Minimum Cash Balance.

We further elaborate on each component of the SPH Contribution:

- (a) The Target Shares refers to the issued share capital of:
 - (i) the Target Companies, which are directly or indirectly wholly-owned by the Company:
 - (A) the Media OpCo;
 - (B) New Beginnings Management Consulting (Shanghai) Company Limited;
 - (C) Singapore Press Holdings (Overseas) Limited;
 - (D) Straits Digital Innovation Co, Ltd;
 - (E) SPH (Americas) Pte Ltd;
 - (F) Focus Publishing Ltd;
 - (G) Red Anthill Venture Pte. Ltd.; and
 - (ii) the Associated Companies, as laid out in **Table 7**:

Table 7 – Associated Companies

Associated Company	Description	Stake transferred
Target Media Culcreative Pte. Ltd.	Develops, provides and manages proprietary smart online-to-offline lift media network	21%
Singapore Media Exchange Pte. Ltd.	Premium publisher programmatic exchange, joint venture with Mediacorp	50%

APPENDIX A: EVERCORE LETTER

Associated Company	Description	Stake transferred
AsiaOne Online Pte. Ltd.	News aggregator focused on entertainment and lifestyle, covering stories in Singapore, Asia Pacific and worldwide	49%
DC Frontiers Pte. Ltd.	Artificial intelligence startup specializing in corporate intelligence technology	21.11%

Source: Company filings on ACRA.

- (b) The Key Leases means the following leases:
- (i) Lease of the property located at 1000 Toa Payoh North, Singapore 318994 in respect of the News Centre; and
 - (ii) Lease of the property located at 2 Jurong Port Road, Singapore 619088 in respect of the Print Centre.
- (c) The Relevant SPH REIT Units means 23,446,659 units in SPH REIT.
- (d) The Relevant SPH Shares means 6,868,132 ordinary shares in the Company which are currently held as treasury shares.
- (e) The Minimum Cash Balance means an aggregate minimum amount of S\$80m in cash, as adjusted in accordance with the terms of the BRD and excluding any government grants.

5.5.2.1 Rationale for the SPH Contribution

As stated in paragraph 3.5 of the Circular, the SPH Contribution was arrived at after considering various factors, including:

- (a) the potentially significant and recurring losses of the Media Business going forward and the potential funding requirements of the Media Business for the next few years;
- (b) the limited strategic options imposed under the Newspaper Act upon the Company with regard to its ownership of the Media Business; and
- (c) the recognition of SPH Media's contribution for generating the resources that funded the growth of the Group's non-media businesses and investments.

5.5.2.2 Evaluation of the Financial Contribution towards the Proposed Restructuring

The potentially significant and recurring losses and cash outflows of the Media Business moving forward constitute the Media Business' future funding requirements, and represent the financial resources required of the Company in order to retain the Media Business.

APPENDIX A: EVERCORE LETTER

In assessing whether the financial contribution towards the Proposed Restructuring is more favourable, in terms of financial resources, for the Company, as compared to the financial resources required to retain the Media Business, we evaluate the financial contribution of each component of the SPH Contribution towards the Proposed Restructuring, namely:

- (a) the Target Shares;
- (b) the Key Leases;
- (c) the Relevant SPH REIT Units;
- (d) the Relevant SPH Shares;
- (e) the Minimum Cash Balance; and
- (f) other considerations.

We note from paragraph 3.5 of the Circular that the SPH Contribution Value is S\$356.8m, based on the sum of each of the above components individually, where the Target Shares, the Relevant SPH REIT Units and the Relevant SPH Shares are valued at their net asset value as at 28 February 2021, the Key Leases are valued at their market value as at 4 June 2021, and the Minimum Cash Balance valued at S\$80m.

For the purposes of our analysis, we evaluate each component's financial contribution towards the Proposed Restructuring in the context of, and relative to, the funding requirements of the Company in the scenario where it retains the Media Business. We also analyse the market value of certain components as at the Latest Practicable Date, rather than their net asset value as at 28 February 2021. Hence, the value attributed to each component's financial contribution in our analyses may differ from the values set out in paragraph 3.5 of the Circular. We have not been involved in the deliberations and discussions leading up to the formation of the terms of the BRD and the decision by the Company to undertake the Proposed Restructuring, nor have we provided advice concerning the structure or the specific amount of the SPH Contribution (including the value agreed upon by Company for the Target Shares, Key Leases and Relevant SPH Shares). Further, we are not privy to the CLG's intentions for the components of the SPH Contribution subsequent to Closing. Therefore, the scope of our engagement does not require us to, and our evaluation in this Letter does not touch upon or provide any advice concerning, the merits of each component of the SPH Contribution.

(a) **Target Shares**

We note that paragraph 3.5 of the Circular states that that the NAV of the Target Shares was S\$98.8m as at 28 February 2021, based on the 1H FY2021 results, and taking into account the assumption of certain liabilities, costs and expenses potentially arising in the relation to the Proposed Restructuring.

We detail the NAV of S\$98.8m in **Table 8** for further analysis, reproduced from Appendix F of the Circular.

APPENDIX A: EVERCORE LETTER

Table 8 – NAV of the Target Shares as at 28 February 2021

(S\$ m)	28 February 2021
NAV of the Target Shares	98.8
<i>of which, relating to the NAV of the:</i>	
<i>Target Companies</i>	<i>12.0</i>
<i>Associated Companies</i>	<i>12.0</i>
<i>adjusted for estimates relating to settlement by the Company of:</i>	
<i>Historical staff-related expenses incurred prior to Closing</i>	<i>35.6</i>
<i>Historical tax-related liabilities incurred prior to Closing</i>	<i>16.4</i>
<i>Other historical and/or budgeted liabilities to be incurred prior to Closing</i>	<i>10.3</i>
<i>Potential transaction expenses and restructuring costs relating to the Proposed Restructuring</i>	<i>12.5</i>

Table 8:

- (i) is presented on a cash-free basis, before inclusion of the Minimum Cash Balance;
- (ii) excludes the value of the Key Leases; and
- (iii) is after deducting net grant receivables of the Media Business as at 28 February 2021.

We evaluate the financial contribution of: (i) the Target Companies, (ii) the Associated Companies, and (iii) the other items included within the NAV of the Target Shares towards the Proposed Restructuring, separately, below.

(i) Target Companies

As described in paragraph 5.2, the Media Business was loss-making at the Operating Profit level in FY2020 and FY2021, and is expected to generate losses going forward.

The Media Business comprises the Target Companies and the Associated Companies. However, the Operating Profit in paragraph 5.2 relates only to the Target Companies, as the financials of the Associated Companies are not consolidated at the Operating Profit level.

Therefore, the financials in paragraph 5.2 illustrates that the Target Companies are loss-making, and are expected to generate losses going forward.

As such, we have evaluated the Target Companies (excluding the cash on balance sheet) at nil or zero value, for the purposes of comparing the financial resources to be contributed towards the Proposed Restructuring against the financial resources required to retain the Media Business.

APPENDIX A: EVERCORE LETTER

In assessing the financial contribution of the Target Companies towards the Proposed Restructuring, we have considered the following analyses:

- (A) Asset-based valuation;
- (B) Trading comparable analysis; and
- (C) Precedent transaction analysis.

There are limitations in the application of the above analyses for the purposes of our evaluation. As such, we have not used these analyses as the basis for comparing the financial resources to be contributed to the Proposed Restructuring against the financial resources required to retain the Media Business.

We lay out the various analyses and their limitations in greater detail below.

(A) Asset-based valuation

The asset-based valuation approach encompasses a set of methods that value a company by reference to its balance sheet, and is based on the principle that the value of a company is equal to the realisable value of its assets, less the value of its liabilities.

The asset-based valuation approach is not suitable if there are no prospects for realising the value of the net assets, including, in circumstances such as this, where as discussed in paragraph 5.4, the winding up of the Media Business is not a feasible option.

Whilst **Table 8** shows that the NAV of the Target Companies was S\$12.0m as at 28 February 2021, this relates to historical information, and does not reflect nor take into account, the potentially significant and recurring losses incurred by the Media Business going forward.

Taking the above into consideration, the asset-based valuation approach is not applicable.

(B) Trading comparable analysis

Trading comparable analysis compares valuation ratios of the subject company with those of listed comparable companies operating in a similar industry and with similar business models as the subject company, based on the principle that valuation ratios of comparable companies form a good basis for evaluating the valuation of the subject company.

In performing the trading comparable analysis, an implicit assumption is that the subject company has the ability to continue to, or has the potential to, generate profits and cash flows as a going concern.

Given the business outlook of the Media Business and its potentially recurring losses going forward, the trading comparable analysis is not a suitable method to evaluate the financial contribution.

APPENDIX A: EVERCORE LETTER

(C) Precedent transaction analysis

Precedent transaction analysis compares valuation ratios of the subject company with those of selected transactions involving companies operating in a similar industry and with similar business models as the subject company, on the principle that valuation ratios of such transactions form a good basis for evaluating the valuation of the subject company.

The circumstances surrounding the Media Business, including the provisions under the Newspaper Act, the industry landscape and the regulated nature of the industry in Singapore, amongst others, limit the comparability of precedent transactions (including newspaper company sale transactions concluded in other countries) to a transaction involving the Media Business.

As such, the precedent transaction analysis is not suitable as a method to evaluate the financial contribution.

(ii) Associated Companies

The summary financials of the Associated Companies are set out in **Table 9** for ease of reference:

Table 9 – Selected Financials of the Associated Companies

(S\$m)	Operating Revenue	Operating Profit	PATMI
Target Media Culcreative Pte. Ltd. ¹	2.5	(1.4)	(1.6)
Singapore Media Exchange Pte. Ltd. ¹	0.7	(0.3)	(0.3)
AsiaOne Online Pte. Ltd. ²	1.1	0.1	0.1
DC Frontiers Pte. Ltd. ³	5.7	(2.2)	(2.4)

Source: Company filings on ACRA

Notes

1. Financials as at 31 December 2019.
2. Financials as at 31 March 2019.
3. Financials as at 31 March 2020.

As the Associated Companies are not listed, we value them at their carrying value. From **Table 8**, the carrying value of the Associated Companies was S\$12.0m as at 28 February 2021.

Accordingly, we have considered the S\$12.0m carrying value of the Associated Companies as a financial contribution towards the Proposed Restructuring, for the purposes of comparing the financial resources to be contributed towards the Proposed Restructuring against the financial resources required to retain the Media Business.

APPENDIX A: EVERCORE LETTER

The Associated Companies make up a relatively small proportion of the Media Business' overall profits and losses. The Media Business' share of results from associates and joint ventures were (S\$0.3m), (S\$1.3m), (S\$0.5m) and S\$0.4m for FY2018, FY2019, FY2020 and 1H FY2021, respectively, implying a contribution in the range of (0.2%) to 0.2% of the Operating Revenue of the Media Business over the corresponding periods. Further, the Associated Companies have been cumulatively loss-making since FY2018, except during 1H FY2021.

(iii) Other items captured within the NAV of the Target Shares

Table 8 provides a breakdown of the NAV of the Target Shares, which we understand from discussions with Management, includes estimates for the Company's settlement of:

- (A) S\$35.6m of staff-related expenses which are incurred prior to Closing, such as the provision for estimated bonus payments or entitlements of employees of the Media Business for the financial year ending 31 August 2021 (FY2021) and costs incurred in connection with historical retrenchments that have not been fully settled;
- (B) S\$16.4m of historical tax-related liabilities attributable to the Media Business, incurred by the Media Business prior to Closing whilst under the ownership of the Company; and
- (C) S\$10.3m of other historical and/or budgeted provisions, which comprise of capital expenditure payables of the Media Business for FY2021, estimated director fees incurred by the Media Business prior to Closing and other one-off provisions.

As these amounts relate to certain specified liabilities incurred by the Media Business during the periods prior to Closing, and have been agreed under the BRD to be the responsibility of the Company, we do not consider payments relating to the settlement of these liabilities as financial contributions towards the Proposed Restructuring. Instead, we note that if the Media Business were to be retained by the Company, these liabilities would have been the responsibility of the Company in the ordinary course of business.

Further, whilst the parties have agreed that certain specified liabilities incurred by the Media Business during the periods prior to Closing are for the account of the Company, the 28 February 2021 outstanding or budgeted balances provide only an estimate of the value of the potential payments to be made in relation to these liabilities. The liabilities of the Media Business as of 28 February 2021 are subject to further movements and the actual liabilities that the Media Business may incur as at Closing may accordingly be higher or lower than the 28 February 2021 estimate. In addition, S\$12.5m of the amount in **Table 8** relates to an estimate for transaction expenses incurred in relation to the Proposed Restructuring, which includes amounts for stamp duties, internal restructuring costs and professional fees.

APPENDIX A: EVERCORE LETTER

A substantial proportion of these transaction expenses have already been incurred, or will be incurred, regardless of whether the Proposed Restructuring proceeds or not.

We do not consider transaction expenses to be a financial contribution towards the Proposed Restructuring.

(b) Key Leases

The Key Leases comprise (i) the News Centre and (ii) the Print Centre.

Together, the Key Leases, inclusive of the buildings situated within the Key Properties, have a market value of S\$142.5m. This value is based on independent valuations of the Key Leases conducted by the Independent Valuer, an independent property valuer commissioned by the Company to establish the fair market value for the Key Leases, primarily using the direct comparison approach.

Details of the Key Leases are available in the Summary of Valuation Report in Appendix B of the Circular, a summary of which is set out, for ease of reference, below.

(i) the News Centre

Address:	1000 Toa Payoh North
Type of Property:	A light industrial development comprising a part 4-storey podium block, a part 8-storey annex block and a part 11-storey office tower
Land Area:	21,730.3 square meters (233,903 square feet)
Title:	Leasehold 60 years with effect from 3 March 1971 (Balance of about 9.7 years as at 4 June 2021)
Year of Completion:	2001 or thereabouts
Gross Floor Area:	54,296.0 square meters (584,437 square foot) approximately
Master Plan 2019	“Business 1” with a gross plot ratio of 2.5
Land Rent	The current annual land rent payable to JTC Corporation is \$12/-, exclusive of GST. The payment of the annual rent is waived until such time as JTC may determine
Annual Value	The property is currently assessed at an annual value of \$6,935,000/-. Property tax is payable at 10% per annum of the annual value
Occupancy	The premises are currently occupied by the registered lessee

APPENDIX A: EVERCORE LETTER

The Independent Valuer is of the opinion that, taking property market conditions prevailing as at the valuation date of 4 June 2021 and other relevant factors into consideration, the market value (exclusive of GST) of the News Centre, on an “as is” basis and with vacant possession, is S\$72.5m.

(ii) the Print Centre

Address:	2 Jurong Port Road
Type of Property:	An industrial development comprising two 4-storey factory blocks (one with mezzanine level), three single-storey warehouses, a 2-storey ancillary block and a single-storey canteen block
Land Area:	110,075.2 square meter (1,184,838 square feet)
Title:	Leasehold 30 years with effect from 9 June 2004 (Balance of about 13.0 years as at 4 June 2021)
Year of Completion:	The main buildings were completed in 1996, 2002 & 2009
Gross Floor Area:	102,352.16 square meter (1,101,708 square feet) approximately
Master Plan 2019	“Business 2” with a gross plot ratio of 1.4
Land Rent	The current annual land rent payable to JTC Corporation is \$2,331,327/-, exclusive of GST
Annual Value	The property is currently assessed at an annual value of \$11,238,000/-. Property tax is payable at 10% per annum of the annual value
Occupancy	The premises are currently occupied by the registered lessee

The Independent Valuer is of the opinion that, taking property market conditions prevailing as at the valuation date of 4 June 2021 and other relevant factors into consideration, the market value (exclusive of GST) of the Print Centre, on an “as is” basis and with vacant possession, and excluding the value of all plant and machinery, is S\$70.0m.

As highlighted in paragraph 5.2.4.1, in the scenario of retaining the Media Business, we have considered the magnitude of the potential losses accruing to the Media Business going forward, assuming that the Key Leases remain owned assets and the Media Business does not pay rent on the Key Leases (which is consistent with the Media Business’ current operating model).

In evaluating the financial resources to be contributed towards the Proposed Restructuring against the financial resources required to retain the Media Business, we have to assume that the CLG does not pay rent on the Key Leases to ensure comparability with the scenario illustrated in paragraphs 5.2.4.1, 5.2.4.2 and 5.2.4.3.

APPENDIX A: EVERCORE LETTER

As such, for the purposes of the comparison against the scenario illustrated in **Table 5** in paragraph 5.2.4.1 and **Table 6** in paragraph 5.2.4.2, the Key Leases are evaluated as complementary assets being transferred as part of the Media Business, rather than a financial contribution towards the Proposed Restructuring.

In an alternative scenario, if the transfer of the Key Leases is to be treated as a financial contribution towards the Proposed Restructuring, then the additional expenses of paying rent on the Key Leases (or comparable properties) would need to be factored in when evaluating the scenario of the Media Business being retained, in order to maintain a like-for-like comparison between both strategic options. This would result in a greater magnitude of potential losses and cash outflows when such rental expenses are included, as compared to the simulations in paragraphs 5.2.4.1, 5.2.4.2 and 5.2.4.3. Between the two scenarios, this is not the scenario we have evaluated as the current operating model of the Media Business involves ownership of the Key Leases.

We summarise the comparable scenarios in the **Table 10**:

Table 10 – Like-for-like Comparability of Strategic Options Available to the Company

	Financial Resources Associated with the Strategic Options Available to the Company	
	Potential Financial Losses from Retaining the Media Business as a Going Concern	Financial Contribution Towards the Proposed Restructuring
Key Leases contributed as part of the Media Business	<ul style="list-style-type: none"> • Operating Loss as illustrated in Table 5 of paragraph 5.2.4.1 <ul style="list-style-type: none"> ◦ Simulation in Table 5 assumes that the Media Business does not pay rent on the Key Leases as the Key Leases are contributed as part of the Media Business, consistent with the Pro Forma Financials 	<ul style="list-style-type: none"> • Value of the Associated Companies, Relevant SPH REIT Units, Relevant SPH Shares contributed and the Minimum Cash Balance <ul style="list-style-type: none"> ◦ The Key Leases are considered complementary assets being transferred as part of the Media Business rather than as a financial contribution towards the Proposed Restructuring
Key Leases contributed are considered separately from the Media Business	<ul style="list-style-type: none"> • Magnitude of Operating Loss would be greater than that as illustrated in Table 5 of paragraph 5.2.4.1 <ul style="list-style-type: none"> ◦ The Media Business would need to pay rent on the Key Leases, or comparable properties 	<ul style="list-style-type: none"> • Value of the Associated Companies, Relevant SPH REIT Units, Relevant SPH Shares contributed and the Minimum Cash Balance; plus • Value of the Key Leases

Note

Illustrated scenario for the purposes of comparing the financial resources to be contributed towards the Proposed Restructuring against the financial resources required to retain the Media Business

APPENDIX A: EVERCORE LETTER

Accordingly, we do not consider the transfer of the Key Leases as a financial contribution towards the Proposed Restructuring, for the purposes of comparing the financial resources to be contributed towards the Proposed Restructuring against the financial resources required to retain the Media Business in its current form.

We acknowledge that the Key Leases are being transferred to the CLG as part of the Proposed Restructuring, and have a market value of S\$142.5m. However our analysis involves a comparison of the financial contribution or funding required between the two available strategic options, under comparable scenarios. This requires the financial contribution towards the Proposed Restructuring to be evaluated against the funding requirements in a comparable scenario, where the Company retains the Media Business in its current form. This implies that the financial contribution of the Key Leases should be assessed at nil value, for the purposes of the comparison.

We have not considered a scenario where the Key Leases are retained by the Company and leased to the Media Business under the CLG, as the scope of our mandate is to evaluate the terms of the Proposed Restructuring as currently presented. Furthermore, we have not been provided any information on what the transaction terms of the BRD would have been, had the Key Leases been retained and not included as part of the Proposed Restructuring.

(c) Relevant SPH REIT Units

For the purposes of comparing the financial resources to be contributed towards the Proposed Restructuring against the financial resources required to retain the Media Business, we have utilised the following methodology for assigning a value to the financial contribution of the Relevant SPH REIT Units towards the Proposed Restructuring:

(i) Current market value as at 11th August 2021 (the “Latest Practicable Date” or “LPD”)

In relation to the valuation of the Relevant SPH REIT Units based on the above mentioned methodology:

- (i) The closing unit price of SPH REIT was S\$0.89 as at the Latest Practicable Date; and
- (ii) The closing unit price of SPH REIT as at the Latest Practicable Date implies a market value of the Relevant SPH REIT Units of approximately S\$20.9m.

APPENDIX A: EVERCORE LETTER

We lay out other considerations on the value of the financial contribution of the Relevant SPH REIT Units below:

(i) Market Prices and Trading Activity of the SPH REIT Units

Table 11 summarises the historical Volume Weighted Average Price (“**VWAP**”) of the SPH REIT Units for various reference periods:

- (A) Period up to and including the Latest Practicable Date;
- (B) Period up to and including 30th March 2021, being the date when the Company made an announcement after trading hours that it was undergoing a strategic review (the “**Last Undisturbed Trading Date**” or “**LUTD**”); and
- (C) Period from and including the Announcement Date up to and including the Latest Practicable Date.

Table 11 – Historical VWAPs of SPH REIT Units

Reference period	Lowest price (\$)	Highest price (\$)	VWAP (\$) ¹	Value of Relevant SPH REIT Units at VWAP (\$ mm)
Latest Practicable Date² (11 August 2021)	-	-	0.89	20.9
1 trading day post Announcement Date² (7 May 2021)	-	-	0.87	20.3
Last Undisturbed Trading Date² (30 March 2021)	-	-	0.88	20.6
A) Periods up to and including the Latest Practicable Date				
Last 5 days	0.89	0.90	0.89	20.8
Last 1-month	0.89	0.95	0.91	21.3
Last 3-months	0.81	0.95	0.89	20.8
Last 6-months	0.81	0.95	0.88	20.5
Last 12-months	0.73	0.95	0.86	20.1
B) Periods up to and including the Last Undisturbed Trading Date				
Last 5 days	0.84	0.88	0.85	20.0
Last 1-month	0.83	0.88	0.85	19.9
Last 3-months	0.81	0.88	0.84	19.8
Last 6-months	0.73	0.89	0.83	19.4
Last 12-months	0.68	0.91	0.83	19.4
C) Period from Announcement Date up to and including the Latest Practicable Date				
Period from 1-day post Announcement up to and including the Latest Practicable Date	0.81	0.95	0.89	20.8

Source: FactSet

Notes

1. VWAP is calculated as total daily trading value divided by total daily trading volume for the relevant period.
2. Refers to closing price.

APPENDIX A: EVERCORE LETTER

Based on **Table 11**, for:

(A) Periods up to the Latest Practicable Date:

- i. The Relevant SPH REIT Units represent a total financial contribution of S\$20.9m towards the Proposed Restructuring based on the closing price on the Latest Practicable Date; and
- ii. The Relevant SPH REIT Units represent a total financial contribution of S\$20.8m, S\$21.3m, S\$20.8m, S\$20.5m and S\$20.1m towards the Proposed Restructuring based on the 5-day, 1-month, 3-month, 6-month and 12-month VWAPs of the SPH REIT Units for the periods up to and including the Latest Practicable Date, respectively.

(B) Periods up to and including the Last Undisturbed Trading Date:

- i. The Relevant SPH REIT Units represent a total financial contribution of S\$20.6m towards the Proposed Restructuring based on the closing price on the Last Undisturbed Trading Date; and
- ii. The Relevant SPH REIT Units represent a total financial contribution of S\$20.0m, S\$19.9m, S\$19.8m, S\$19.4m and S\$19.4m towards the Proposed Restructuring based on the 5-day, 1-month, 3-month, 6-month and 12-month VWAPs of the SPH REIT Units for the periods up to and including the Last Undisturbed Trading Date, respectively.

(C) Period from the Announcement Date up to and including the Latest Practicable Date:

- i. The Relevant SPH REIT Units represent a total financial contribution of S\$20.8m towards the Proposed Restructuring based on the VWAP of the SPH REIT Units for the period from the Announcement Date up to including the Latest Practicable Date.

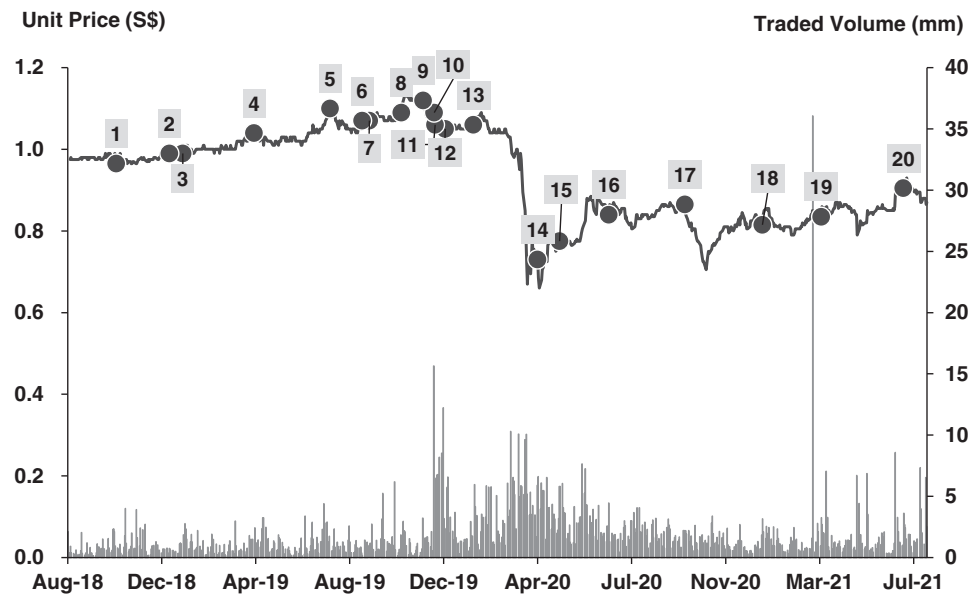
Chart 2 sets out the daily closing prices and trading volume of the SPH REIT Units for the 36-month period up to the Latest Practicable Date:

(A) The SPH REIT Units have traded between S\$0.68 and S\$1.16 per Unit in the 36-month period up to and including the Latest Practicable Date based on the daily closing prices. The Relevant SPH REIT Units represent a total financial contribution towards the Proposed Restructuring of S\$15.9m based on the lowest traded price and S\$27.2m based on the highest traded price during this period; and

(B) From the Announcement Date up to and including the Latest Practicable Date, the SPH REIT Units have traded between S\$0.81 and S\$0.95 per Unit based on the daily closing prices. The Relevant SPH REIT Units represent a total financial contribution towards the Proposed Restructuring of S\$19.0m based on the lowest traded price and S\$22.3m based on the highest traded price during this period.

APPENDIX A: EVERCORE LETTER

Chart 2 – Historical Unit Price Performance and Trading Volume of SPH REIT Units



Source: FactSet, Company filings

Key events based on SPH REIT’s announcements, press releases and announcements extracted from Singapore Exchange and press articles:

(1) 11 October 2018: FY2018 results release

SPH REIT announced NPI of S\$166.0m for FY2018 (down 1.2% year-on-year). The earnings release stated that the decrease in NPI was due to “lower revenue at Paragon partially offset by higher contribution from The Clementi Mall and The Rail Mall.”

(2) 18 December 2018: Acquisition of 85.0% interest in Figtree Grove Shopping Centre in New South Wales, Australia

SPH REIT announced the proposed acquisition of 85.0% stake in Figtree Grove Shopping Centre (“**Figtree Grove**”) for a consideration of A\$175.1m (approximately S\$175.1m) from an unrelated third party. Figtree Grove sits on a freehold land area of 50,900 sqm, and has a total gross lettable area of 21,984 sqm.

(3) 4 January 2019: 1Q FY2019 results release

SPH REIT announced NPI of S\$41.8m for 1Q FY2019 (down 1.0% year-on-year). The earnings release stated that the decrease in NPI was due to “lower revenue at Paragon partially offset by higher contribution from The Clementi Mall and The Rail Mall. In addition, property operating expenses increased as a result of higher marketing expenses for the quarter.”

APPENDIX A: EVERCORE LETTER

(4) 5 April 2019: 2Q FY2019 results release

SPH REIT announced NPI of S\$45.8m for 2Q FY2019 (up 8.5% year-on-year). The earnings release stated that the increase in NPI was due to *“contributions from acquisitions of The Rail Mall and Figtree Grove Shopping Centre.”*

(5) 11 July 2019: 3Q FY2019 results release

SPH REIT announced NPI of S\$46.3m for 3Q FY2019 (up 14.2% year-on-year). The earnings release stated that the increase in NPI was due to *“contributions from acquisitions of The Rail Mall and Figtree Grove Shopping Centre.”*

(6) 21 August 2019: Establishment of S\$1,000,000,000 multicurrency debt issuance programme

SPH REIT announced that its trustee, DBS Trustee Limited, has established a S\$1,000,000,000 multicurrency debt issuance programme. Under the programme, SPH REIT may, from time to time, issue notes and perpetual securities denominated in Singapore dollars or any other currency as may be agreed between SPH REIT and the relevant dealers.

(7) 30 August 2019: Issuance of S\$300,000,000 4.10% subordinated perpetual securities

SPH REIT announced that it has issued S\$300,000,000 4.10% subordinated perpetual securities under the S\$1,000,000,000 multicurrency debt issuance programme.

(8) 10 October 2019: FY2019 results release

SPH REIT announced NPI of S\$179.8m for FY2019 (up 8.3% year-on-year). The earnings release stated that the increase in NPI was due to *“Paragon and The Clementi Mall continuing to deliver steady performance and contributed an increase in NPI of approximately S\$2.0m. In 2018, SPH REIT acquired The Rail Mall in June and Figtree Grove Shopping Centre in December. For FY2019, NPI contribution from The Rail Mall and Figtree Grove Shopping Centre were S\$3.8m and S\$8.5m, respectively.”*

(9) 7 November 2019: Acquisition of 50.0% interest in Westfield Marion Shopping Centre in Adelaide, Australia

SPH REIT announced the proposed acquisition of 50.0% stake in Westfield Marion Shopping Centre (**“Westfield Marion”**) for a consideration of A\$670.0m (approximately S\$636.5m) from Lendlease Real Estate Investments Limited. Westfield Marion is a freehold property that sits on land area of 2.5 million sq ft, and has a total gross lettable area of 1.5 million sq ft.

APPENDIX A: EVERCORE LETTER

(10) 21 November 2019: Launch of private placement of new units in SPH REIT

SPH REIT announced the launch of a private placement of 156,645,000 new units in SPH REIT, at an issue price of between S\$1.031 and S\$1.075 per new unit, so as to raise gross proceeds of no less than S\$161.5m. Net proceeds are intended to partially fund the proposed acquisition of 50.0% interest in Westfield Marion Shopping Centre announced on 7 November 2019.

(11) 22 November 2019: Close of private placement of new units in SPH REIT

SPH REIT announced the close of a private placement of 156,645,000 new units in SPH REIT, at an issue price of S\$1.050 per new unit.

(12) 5 December 2019: Entry of Marion Sub Trust into loan facilities

SPH REIT announced that its wholly-owned sub-trust, the Marion Sub Trust, has entered into an A\$205.0m (approximately S\$194.8m) loan facility with Westpac Banking Corporation, and comprises of 2 single draw term facilities and a revolving term facility.

(13) 10 January 2020: 1Q FY2020 results release

SPH REIT announced NPI of S\$46.9m for 1Q FY2020 (up 12.4% year-on-year). The earnings release stated that the increase in NPI was due to *“Paragon, The Clementi Mall and The Rail Mall registering positive rental reversions. Paragon and The Clementi recorded an increase in NPI of S\$1.8m and S\$0.2m, respectively, whilst The Rail Mall NPI remains flat. Figtree Grove Shopping Centre, an Australian asset acquired in 2Q 2019 contributed S\$3.1m to the increase in NPI.”*

(14) 1 April 2020: 2Q FY2020 results release

SPH REIT announced NPI of S\$56.5m for 2Q FY2020 (up 23.3% year-on-year). The earnings release stated that the increase in NPI was due to *“Paragon, The Clementi Mall and The Rail Mall registering positive rental reversions. Paragon and The Clementi Mall recorded an increase in NPI of S\$1.3m and S\$0.2m, respectively, whilst The Rail Mall NPI remained flat. Figtree Grove Shopping Centre recorded an increase in NPI of S\$0.7m and the recently acquired Westfield Marion contributed S\$8.4m to the increase in NPI.”*

(15) 29 April 2020: Refinancing of S\$280m in a 5-year loan

SPH REIT announced that it has secured the refinancing of an existing loan of S\$280m due in July 2020, for a new term of 5 years from Oversea-Chinese Banking Corporation Limited. This will ensure that the debt maturity profile is well staggered, without major concentration of debts maturing in any single year.

APPENDIX A: EVERCORE LETTER

(16) 1 July 2020: 3Q FY2020 operational update

SPH REIT announced the significant developments in Singapore and Australia. While majority of F&B and retail businesses were allowed to resume operations starting 19 June 2020 in Singapore, social distancing protocols have a continued impact on the businesses. In Australia, COVID-19 measures were relaxed from 11 May 2020, with encouraging recovery of footfall and sales.

(17) 6 October 2020: FY2020 results release

SPH REIT announced NPI of S\$181.9m for FY2020 (up 1.2% year-on-year). The earnings release stated that the increase in NPI was due to *“added contribution from newly acquired assets in Australia which more than offset the declined contribution from Singapore assets brought about by COVID-19.”*

(18) 13 January 2021: 1Q FY2021 operational update

SPH REIT announced gross revenue was S\$66.6m (up 10.8% year-on-year). The operational update stated that the increase in gross revenue was due to *“Westfield Marion Shopping Centre’s contribution of S\$12.8m”*, despite being partially offset by a 11.3% dip in gross revenue from Singapore’s properties.

(19) 29 March 2021: 1H FY2021 results release

SPH REIT announced NPI of S\$104.9m (up 1.3% year-on-year). The earnings release stated that the increase was due to *“Westfield Marion Shopping Centre’s first full half-year contribution versus 3 months of contribution in the same period of last year.”*

(20) 12 July 2021: 3Q FY2021 operational update

SPH REIT announced YTD 3Q FY2021 gross revenue was S\$209.6m (up 22.2% year-on-year). The operational update stated that the increase in gross revenue was due to *“additional quarter of financial contribution from Westfield Marion and decrease in rent reliefs to Singapore and Australian eligible tenants”*.

There is no assurance that the price of the Units will remain at the current levels in the event that the Proposed Restructuring proceeds or does not proceed. The historical trading performance of the Units serves only as an illustrative guide and should not be relied upon as an indication of the future price performance of the Units, which will be governed by, amongst other factors, the performance and prospects of SPH REIT, prevailing economic conditions, economic outlook, stock market conditions and sentiment. Further, the underlying data used in our analysis has been extracted from announcements released by SPH REIT on the SGX-ST and various press releases as at the Latest Practicable Date. We make no representations or warranties, express or implied, on the accuracy or completeness of such information.

APPENDIX A: EVERCORE LETTER

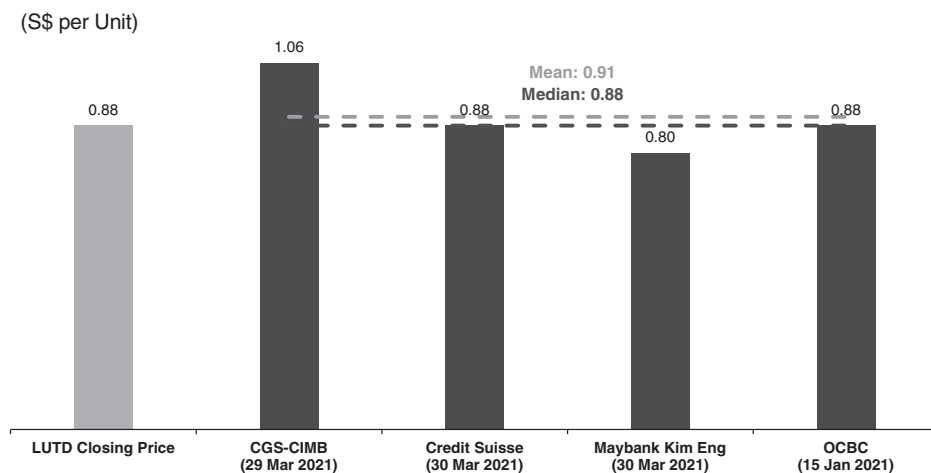
(ii) Broker Research Target Prices

We have reviewed the price targets for the SPH REIT Units estimated by broker research as set out in Bloomberg and FactSet in **Chart 3** and **Chart 4**.

Based on **Chart 3**, as at the Last Undisturbed Trading Date, the median target price was S\$0.88 per SPH REIT Unit. The Relevant SPH REIT Units represent a total financial contribution of S\$20.6m towards the Proposed Restructuring based on the median target Unit price as at the Last Undisturbed Trading Date.

Based on **Chart 4**, as at the Last Practicable Date, the median target price was S\$0.91 per SPH REIT Unit. The Relevant SPH REIT Units represent a total financial contribution of S\$21.2m towards the Proposed Restructuring based on the median target Unit price as at the Last Practicable Date.

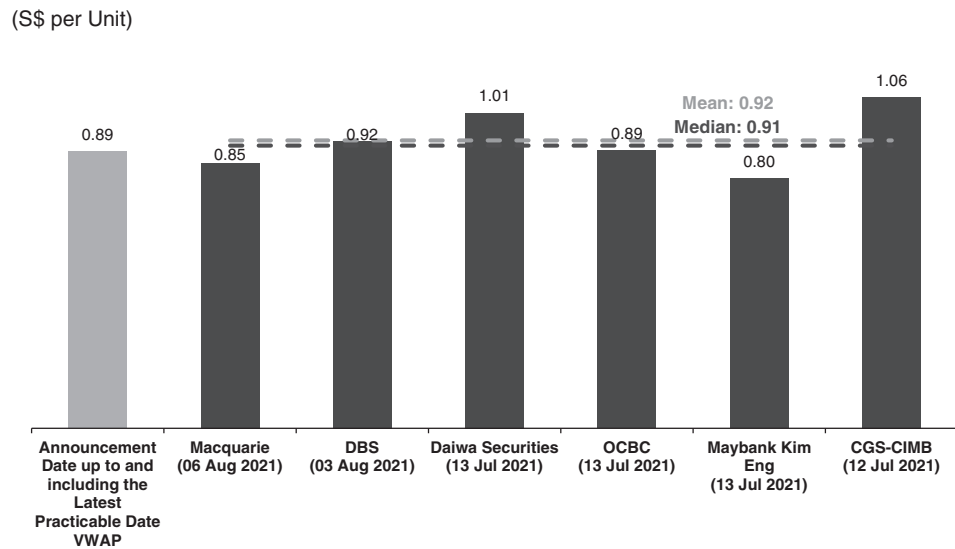
Chart 3 – Broker Target Prices for SPH REIT Units as at the Last Undisturbed Trading Date



Source: FactSet, Broker reports

APPENDIX A: EVERCORE LETTER

Chart 4 – Broker Target Prices for SPH REIT Units as at the Latest Practicable Date



Source: FactSet, Broker reports

The above broker research report universe may not be exhaustive, and price targets for the SPH REIT Units, and other statements and opinions, contained in the reports within the universe used represent the individual views of the broker research analyst based on the circumstances (including, inter alia, market, economic, industry and monetary conditions, as well as, market sentiment and investor perceptions regarding the future prospects of SPH REIT) prevailing at the date of the publication of the respective broker research reports. The opinions of the brokers may change over time as a result of, among other things, changes in market conditions, SPH REIT's market development and the emergence of new information relevant to SPH REIT. As such, the above price targets may not be an accurate prediction of the future market prices of the SPH REIT Units. Any opinions or price targets expressed in such broker research reports represent the individual views of the respective brokers and not of Evercore.

APPENDIX A: EVERCORE LETTER

(iii) NAV of SPH REIT as at 28 February 2021

As at 28 February 2021, the NAV per Unit of SPH REIT was S\$0.91. The Relevant SPH REIT Units represent a total financial contribution of S\$21.4m towards the Proposed Restructuring based on the NAV per Unit as at 28 February 2021.

The underlying data used in our analysis has been extracted from announcements released by SPH REIT on the SGX-ST and various press releases as at the Latest Practicable Date. We make no representations or warranties, express or implied, on the accuracy or completeness of such information.

(d) Relevant SPH Shares

For the purposes of comparing the financial resources to be contributed towards the Proposed Restructuring with the financial resources required to retain the Media Business, we have utilised the following methodology for assigning a value to the financial contribution of the Relevant SPH Shares towards the Proposed Restructuring:

(i) Current market value as at the Latest Practicable Date

In relation to the valuation of the Relevant SPH Shares based on the above mentioned methodology:

- (i) The closing share price of SPH was S\$1.89 as at the Latest Practicable Date; and
- (ii) The closing share price of SPH as at the Latest Practicable Date implies a market value of the Relevant SPH Shares of approximately S\$13.0m.

We lay out other considerations on the value of the financial contribution of the Relevant SPH Shares below:

(i) Market Prices and Trading Activity of the SPH Shares

Table 12 sets out the historical VWAPs of the SPH Shares for various reference periods:

- (A) Period up to and including the Latest Practicable Date;
- (B) Period up to and including the Last Undisturbed Trading Date; and
- (C) Period from and including the Announcement Date up to and including the Latest Practicable Date.

APPENDIX A: EVERCORE LETTER

Table 12 – Historical VWAPs of SPH Shares

Reference period	Lowest price (S\$)	Highest price (S\$)	VWAP (S\$) ¹	Value of Relevant SPH Shares at VWAP (S\$ mm)
Latest Practicable Date ² (11 August 2021)	-	-	1.89	13.0
1 trading day post Announcement Date ² (7 May 2021)	-	-	1.52	10.4
Last Undisturbed Trading Date ² (30 March 2021)	-	-	1.50	10.3
A) Periods up to and including the Latest Practicable Date				
Last 5 days	1.89	1.90	1.90	13.0
Last 1-month	1.76	1.92	1.87	12.8
Last 3-months	1.58	1.92	1.78	12.2
Last 6-months	1.19	1.98	1.65	11.3
Last 12-months	0.99	1.98	1.46	10.0
B) Periods up to and including the Last Undisturbed Trading Date				
Last 5 days	1.41	1.50	1.46	10.0
Last 1-month	1.26	1.50	1.38	9.4
Last 3-months	1.13	1.50	1.31	9.0
Last 6-months	0.99	1.50	1.21	8.3
Last 12-months	0.99	1.83	1.29	8.8
C) Period from Announcement Date up to and including the Latest Practicable Date				
Period from Announcement Date up to and including the Latest Practicable Date	1.52	1.92	1.75	12.0

Source: FactSet

Notes

1. VWAP is calculated as total daily trading value divided by total daily trading volume for the relevant period
2. Refers to closing price

Based on **Table 12**, for:

(A) Periods up to the Latest Practicable Date:

- i. The Relevant SPH Shares represent a total financial contribution of S\$13.0m towards the Proposed Restructuring based on the closing price on the Latest Practicable Date; and
- ii. The Relevant SPH Shares represent a total financial contribution of S\$13.0m, S\$12.8m, S\$12.2m, S\$11.3m and S\$10.0m towards the Proposed Restructuring based on the 5-day, 1-month, 3-month, 6-month and 12-month VWAPs of the SPH Shares for the periods up to and including the Latest Practicable Date, respectively.

APPENDIX A: EVERCORE LETTER

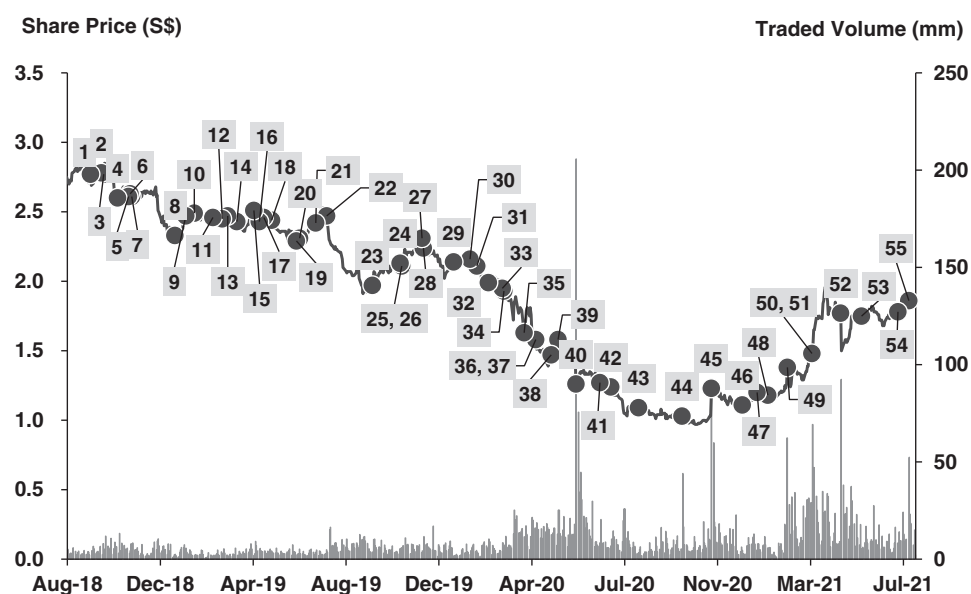
- (B) Periods up to and including the Last Undisturbed Trading Date:
- i. The Relevant SPH Shares represent a total financial contribution of S\$10.3m towards the Proposed Restructuring based on the closing price on the Last Undisturbed Trading Date; and
 - ii. The Relevant SPH Shares represent a total financial contribution of S\$10.0m, S\$9.4m, S\$9.0m, S\$8.3m and S\$8.8m towards the Proposed Restructuring based on the 5-day, 1-month, 3-month, 6-month and 12-month VWAPs of the SPH Shares for the periods up to and including the Last Undisturbed Trading Date, respectively.
- (C) Period from the Announcement Date up to and including the Latest Practicable Date:
- i. The Relevant SPH Shares represent a total financial contribution of S\$12.0m towards the Proposed Restructuring based on the VWAP of the SPH Shares for the period from the Announcement Date up to including the Latest Practicable Date.

Chart 5 sets out the daily closing prices and trading volume of the SPH Shares for the 36-month period up to the Latest Practicable Date:

- (A) The SPH Shares have traded between S\$0.99 and S\$2.88 per Share in the 36-month period up to the Latest Practicable Date based on the daily closing prices. The Relevant SPH Shares represent a total financial contribution towards the Proposed Restructuring of S\$6.8m based on the lowest traded price and S\$19.8m based on the highest traded price during this period; and
- (B) From the Announcement Date up to and including the Latest Practicable Date, the SPH Shares have traded between S\$1.52 and S\$1.92 per Share based on the daily closing prices. The Relevant SPH Shares represent a total financial contribution towards the Proposed Restructuring of S\$10.4m based on the lowest traded price and S\$13.2m based on the highest traded price during this period.

APPENDIX A: EVERCORE LETTER

Chart 5 – Historical Share Price Performance and Trading Volume of SPH Shares



Source: FactSet, Company filings

Key events based on SPH’s announcements, press releases and announcements extracted from Singapore Exchange and press articles:

(1) 10 September 2018: Acquisition of purpose-built student accommodation portfolio in the United Kingdom

SPH announced the acquisition of a portfolio comprising operating assets for purpose-built student accommodation in the United Kingdom, through its wholly-owned subsidiaries, Straits One (Jersey) Limited, Straits Two (Jersey) Limited and Straits Three (Jersey) Limited, for an aggregate consideration of £180,503,354 (approximately S\$321,025,215). The portfolio comprises of 14 properties (10 freehold assets and 4 leasehold assets) across 6 towns and cities in the United Kingdom, and has a total capacity of 3,436 beds for student accommodation.

(2) 24 September 2018: Possible transaction involving SPH’s indirect interest in shares of M1 Limited

SPH announced that it has been approached by Keppel Corporation Limited (“KCL”) to participate in a possible transaction involving SPH’s indirect interest in shares of M1 Limited, held through its wholly-owned subsidiary, SPH Multimedia Pte. Ltd., but emphasises that there is no certainty or assurance that any transaction will occur.

APPENDIX A: EVERCORE LETTER

(3) 27 September 2018: Collaboration with Keppel Corporation Limited in the pre-conditional voluntary general offer for M1 Limited

SPH announced that it is collaborating with KCL to undertake a pre-conditional voluntary general offer for M1 Limited through Konnectivity Pte. Ltd. (“**Konnectivity**”), a special purpose vehicle which will be majority-held by KCL. The consideration for each offer share will be S\$2.06 in cash, and will be conditional upon Konnectivity receiving valid acceptances for more than 50% of the M1 shares, either owned or deemed to be acting in concert with it, at the close of the offer.

(4) 15 October 2018: FY2018 results release

SPH announced net profit attributable to shareholders of S\$281.1m for FY2018 (down 19.7% year-on-year). The earnings release stated that the decline in net profit attributable to shareholders was *“partly due to the absence of the one-off gain on divestment of a joint venture seen in FY2017. Excluding one-offs, net profit attributable to shareholders improved by 2.4%.”*

(5) 29 October 2018: Incorporation of OctoRocket Pte Ltd

SPH announced that its wholly-owned subsidiary, SPHI, and Y3 Technologies Pte Ltd (“**Y3**”), have incorporated a joint venture company in Singapore called OctoRocket Pte Ltd (“**OctoRocket**”). OctoRocket has a paid-up capital of S\$2,371,430, and is owned 70% by SPHI and 30% by Y3. The principal business of OctoRocket is to operate an online business to business marketplace at “www.octorocket.asia” for businesses importing and exporting to South East Asia markets.

(6) 31 October 2018: Divestment of stake in Shareinvestor.com Holdings Pte. Ltd.

SPH announced that its wholly-owned subsidiary, SPHI, has entered into a sale and purchase agreement with Vibranium Capital Pte. Ltd. for the sale of SPHI’s entire stake of 6,380,418 ordinary shares in Shareinvestor.com Holdings Pte. Ltd. (representing the whole of the issued and paid-up share capital) and assignment of intellectual property, for an aggregate consideration of S\$17m.

(7) 2 November 2018: Subscription of 30% interest in sgCarMart Financial Services Pte Ltd

SPH announced that its wholly-owned subsidiary, Quotz Pte Ltd, has subscribed for 1,500,000 shares representing 30% of the total issued and paid-up share capital of sgCarMart Financial Services Pte Ltd at a consideration of S\$1.5m. The remaining 70% is held by T Financial Pte Ltd and 5 other parties.

APPENDIX A: EVERCORE LETTER

(8) 28 December 2018: Voluntary conditional general offer for M1 Limited

SPH announced that the pre-conditions for the offer for M1 Limited have been satisfied, and that Konnectivity is stating its firm intention to make the offer.

(9) 11 January 2019: 1Q FY2019 results release

SPH announced net profit attributable to shareholders of S\$57.9m for 1Q FY2019 (down 6.3% year-on-year). The earnings release stated that the decline in net profit attributable to shareholders was *“due to the decline in contribution from investments as the Treasury & Investment portfolio was partially divested by August 2018 at the end of the previous financial year.”*

(10) 22 January 2019: Update on voluntary conditional general offer for M1 Limited

SPH announced that Konnectivity does not intend to increase the offer price of S\$2.06 in cash per offer share under any circumstances whatsoever.

(11) 15 February 2019: Konnectivity Pte. Ltd. obtains majority control of M1

SPH announced that Konnectivity and its concert parties have achieved shareholding above 50.0%, and the voluntary conditional general offer is now unconditional. As of 15 February 2019, Konnectivity and its concert parties hold 75.5% of the maximum potential issued share capital of M1 Limited.

(12) 27 February 2019: Update on voluntary unconditional general offer for M1 Limited

SPH announced that Konnectivity and its concert parties control 90.15% of M1 Limited as of 27 February 2019. M1 Limited ceased to have at least 10% of the total number of shares held by public, and will be delisted from the SGX-ST after the offer closes.

(13) 6 March 2019: Compulsory acquisition of M1 Limited

SPH announced that Konnectivity is entitled, and intends to exercise its right, to compulsorily acquire all the shares of shareholders who have not accepted the offer at the offer price of S\$2.06 per share. Konnectivity will then proceed to delist M1 Limited from the SGX-ST, with the date on which M1 Limited will be delisted from the SGX-ST to be announced in due course.

APPENDIX A: EVERCORE LETTER

(14) 18 March 2019: Close of voluntary unconditional general offer for M1 Limited

SPH announced the close of the voluntary unconditional general offer for M1 Limited, with Konnectivity and its concert parties holding 94.55% of the total share capital in M1 Limited, and will be moving forward with the compulsory acquisition of all shares of shareholders who have not accepted the offer at the offer price of S\$2.06 per share.

(15) 9 April 2019: 1H FY2019 results release

SPH announced net profit attributable to shareholders of S\$85.6m for 1H FY2019 (down 14.7% year-on-year). The earnings release stated that the decline in net profit attributable to shareholders was *“mainly due to the lack of investment gains as the Treasury & Investment portfolio was largely divested by August 2018 with the proceeds recycled to businesses to increase recurring income over time.”*

(16) 16 April 2019: Expansion of purpose-built student accommodation portfolio in the United Kingdom

SPH announced the expansion of its purpose-built student accommodation portfolio, via an acquisition of a portfolio, through its wholly-owned subsidiaries, Straits Five (Jersey) Limited, Straits Six (Jersey) Limited and Straits Eight (Jersey) Limited, for an aggregate consideration of £133,726,316 (approximately S\$237,016,523). The portfolio comprises of 3 freehold properties across 3 cities and an operating company in the United Kingdom, and has a total capacity of 1,243 beds for student accommodation.

(17) 22 April 2019: Sale of shares in Chinatown Point by Associate

SPH announced that its associate, Perennial Chinatown Point LLP (“PCP”), has entered into an agreement for the sale of all shares held by PCP in various subsidiaries, which hold the entire retail podium and four office strata units in Chinatown Point. SPH’s wholly-owned subsidiary, CT Point Investments Pte Ltd, has a direct stake of 30.68% in PCP. The consideration for the sale will be S\$520m, subject to certain adjustments, and SPH expects to record a share of gain of approximately S\$10m in its books pursuant to the transaction.

(18) 2 May 2019: Update of the S\$1,000,000,000 multicurrency medium term note programme to the S\$1,000,000,000 multicurrency debt issuance programme

SPH announced that it has updated its S\$1,000,000,000 multicurrency medium term note programme established on 22 February 2010, to a S\$1,000,000,000 multicurrency debt issuance programme. This update exercise allows SPH to issue perpetual securities in addition to notes in registered form from time to time in series or tranches.

APPENDIX A: EVERCORE LETTER

(19) 3 June 2019: Banking facilities obtained by Straits Capitol Trust

SPH announced that Perpetual (Asia) Limited, in its capacity as trustee of Straits Capitol Trust, has entered into a facility agreement with OCBC and Standard Chartered Bank (Singapore) Limited, for a term loan facility of £205m, with a tenure of 4 years. The facility will be secured by way of property mortgages against the purpose-built student accommodation portfolio comprising of 20 assets in the United Kingdom, and a corporate guarantee from SPH.

(20) 7 June 2019: Issuance of S\$150,000,000 4.50% subordinated perpetual securities

SPH announced that it has issued S\$150,000,000 4.50% subordinated perpetual securities under the S\$1,000,000,000 multicurrency debt issuance programme.

(21) 28 June 2019: Proposed acquisition of interests in KBS US Prime Property Management Pte. Ltd. and Prime US REIT

SPH announced that Times Properties Private Limited (“TPPL”), a wholly-owned subsidiary of SPH, has entered into (i) a call option agreement with KBS Asia Partners Pte. Ltd. for TPPL to acquire a 20% interest in KBS US Prime Property Management Pte. Ltd. (“KUPPM”) for a consideration of US\$14,600,000, and (ii) a subscription agreement with KUPPM to subscribe for units in Prime US REIT, such that TPPL would hold 6.765% of the units in Prime US REIT, for a cash consideration of US\$55,000,000.

(22) 12 July 2019: 3Q FY2019 results release

SPH announced net profit attributable to shareholders of S\$26.2m for 3Q FY2019 (down 44.1% year-on-year). The earnings release stated that the decline in net profit attributable to shareholders was due to *“investment income falling 81.9% or S\$17.9m to S\$4.0m as the Treasury & Investment portfolio was largely divested towards the end of the previous financial year.”*

(23) 9 September 2019: Records £22.8m revaluation gain on UK student accommodation portfolio

SPH announced that it has recorded a revaluation gain of 6.7% or £22.8m (approximately S\$38.4m) on its purpose-built student accommodation portfolio, as fundamentals of the student accommodation sector remain strong, underpinned by the recognition of the value of a UK degree.

(24) 15 October 2019: Partners Bridge C Capital with S\$50m anchor investment to create a real estate fund focused on aged care and healthcare in Japan

SPH announced that through its wholly-owned subsidiary, SPH JPAM Pte Ltd, has entered into a strategic partnership with Bridge C Capital Inc. (“**Bridge C**”) to set up a fund, focused on investing in aged care and

APPENDIX A: EVERCORE LETTER

healthcare assets such as senior housing, nursing homes and medical office buildings in Japan. SPH will invest seed equity of up to S\$50m in the fund while Bridge C will be the asset manager for the properties.

(25) 17 October 2019: SPH to conduct media business review

SPH announced that it is undergoing a business review and will be restructuring its media business to enable integrated selling across all platforms and streamline operations. The restructuring will result in an approximate 5% reduction in staff numbers in the media group. The exercise is expected to be completed within the first quarter of FY2020.

(26) 17 October 2019: FY2019 results release

SPH announced net profit attributable to shareholders of S\$213.2m for FY2019 (down 23.4% year-on-year). The earnings release stated that the decline in net profit attributable to shareholders was *“largely due to the absence of the one-off gain from the divestment of the Treasury & Investment portfolio.”*

(27) 12 November 2019: Issuance of S\$300,000,000 4.00% subordinated perpetual securities

SPH announced that it has issued S\$300,000,000 4.00% subordinated perpetual securities under the S\$1,000,000,000 multicurrency debt issuance programme.

(28) 14 November 2019: Diversifies student accommodation portfolio beyond the United Kingdom with €15.56m acquisition in Bremen, Germany

SPH announced that its indirect wholly-owned subsidiary, Straits Nine Pte Ltd entered into an asset purchase agreement with Liberty Living (Galileo Residenz) GmbH to acquire an asset for purpose-built student accommodation in Bremen, Germany for a consideration of €15.56m (approximately S\$23.37m).

(29) 23 December 2019: Doubles student accommodation portfolio to S\$1.5bn with latest £448m acquisition in the United Kingdom

SPH announced that its indirect wholly-owned subsidiary, Straits Ten Pte Ltd has acquired a portfolio of purpose-built student accommodation assets in the UK, which adds 2,383 beds, scaling total portfolio to 7,726 beds across 18 cities in UK and Germany. This deal involves an initial cash consideration of approximately £411m (approximately S\$740m) for the portfolio, and estimated construction costs of approximately £37m (approximately S\$67m).

APPENDIX A: EVERCORE LETTER

(30) 13 January 2020: 1Q FY2020 results release

SPH announced net profit attributable to shareholders of S\$46.3m for 1Q FY2020 (down 17.2% year-on-year). The earnings release stated that the decline in net profit attributable to shareholders was due to “*lower newspaper print advertisement revenue*”, “*higher operational costs arising from the enlarged student accommodation portfolio and SPH REIT*” and “*one-time retrenchment costs of S\$7.2m arising from a rationalisation exercise involving the Media sales and content teams in October 2019.*”

(31) 22 January 2020: Issuance of S\$500,000,000 3.20% notes due 2030

SPH announced that it has issued S\$500,000,000 aggregate principal amount of 3.20% notes due 2030 under the S\$1,000,000,000 multicurrency debt issuance programme.

(32) 6 February 2020: Response to media reports

In response to recent media reports, SPH announced that it is always considering and looking out for opportunities to improve shareholder value, including the possibility of listing its purpose-built student accommodations assets, to achieve its corporate objectives. SPH will issue an announcement in the event there is any material development on the matter.

(33) 24 February 2020: Expands aged care business with S\$66m acquisition in Japan

SPH announced that it has, through two special purpose vehicles, Straits Himawari TMK One TMK and Straits Himawari TMK Two TMK, entered into sale and purchase agreements to acquire 5 aged care assets in Japan for an aggregate consideration of ¥5.26bn (approximately S\$65.8m).

(34) 26 February 2020: Expands aged care business with acquisition of S\$244.5m Canadian portfolio

SPH announced that it has entered into an agreement with affiliates of Columbia Pacific Advisors, LLC to acquire a portfolio of aged care assets in Canada for C\$232.9m (approximately S\$244.5m). The portfolio consists of 6 freehold assets with 5 properties in Ontario and 1 in Saskatchewan, and 717 suites with an average age of around 7 years.

(35) 23 March 2020: Termination of proposed acquisition of aged care assets in Canada

SPH announced that it has come to a mutual agreement with affiliates of Columbia Pacific Advisors, LCC not to proceed with the proposed acquisition of the portfolio of aged care assets in Canada announced on 26 February 2020. Both parties have agreed to terminate the agreement as matter of prudence in light of global market instabilities caused by the COVID-19 pandemic.

APPENDIX A: EVERCORE LETTER

(36) 7 April 2020: 1H FY2020 results release

SPH announced net profit attributable to shareholders of S\$77.6m for 1H FY2020 (down 9.3% year-on-year). The earnings release stated that the decline in net profit attributable to shareholders was due to “*lower newspaper print advertisement revenue*”, “*higher operational costs arising from the enlarged student accommodation portfolio and SPH REIT*” and “*one-time retrenchment costs of S\$7.2m arising from a rationalisation exercise involving the Media sales and content teams in October 2019.*”

(37) 7 April 2020: Announcement of litigation

SPH announced that it, along with its wholly-owned subsidiary SPHI, is in legal proceedings commenced by two minority shareholders of StreetSine Technology Group Pte Ltd (“**SSTG**”), over alleged minority oppression. SPHI holds 60% of the shares in SSTG, with the remaining 40% split evenly between the two minority shareholders.

(38) 27 April 2020: Divestment of local convenience chain Buzz

SPH announced that its subsidiary, The Straits Times Press (1975) Limited, has entered into a sale and purchase agreement with Thai-Pore Enterprise Pte. Ltd. for the divestment of its wholly-owned subsidiary, Buzz Shop Pte. Ltd. SPH will continue to have access to the distribution channels for its publications post-divestment, as part of the conditions of the deal.

(39) 6 May 2020: Divestment of stake in AXA Tower as part of capital management and capital recycling strategy

SPH announced that it will divest its 5.29% stake in AXA Tower for approximately S\$33.2m, through its wholly-owned subsidiary PE One Pte Ltd. SPH, together with Perennial Real Estate Holdings Limited and a consortium of investors have entered into a share purchase agreement with a subsidiary of Alibaba Group Holding Limited for the sale of a 50% stake in AXA Tower and the transfer of 50% of an outstanding shareholders’ loan. Concurrently, the sellers have incorporated a new entity and transferred the remaining 50% stake in AXA Tower and the remaining 50% of the shareholders’ loan to the new entity, and will enter into a joint venture agreement for the redevelopment of AXA Tower.

(40) 29 May 2020: Removal from MSCI Singapore Index

SPH was removed from the MSCI Singapore Index.

(41) 29 June 2020: Joint venture with Keppel Data Centres Holding Pte. Ltd.

SPH announced that Times Properties Private Limited and TPM Pte. Ltd., wholly-owned subsidiaries of SPH, have entered into a shareholders’ agreement with Keppel Data Centres Holding Pte. Ltd. and its two wholly-owned subsidiaries, Keppel Griffin Pte. Ltd. and Geras DC Pte.

APPENDIX A: EVERCORE LETTER

Ltd., to incorporate a joint venture company to acquire a property held by a wholly-owned subsidiary of SPH and develop and operate date centre facilities on the property.

(42) 13 July 2020: 3Q FY2020 operational update

SPH announced that all business segments were adversely impacted by COVID-19 pandemic, with print ad revenue for media segment down 51.4% year-on-year in 3Q FY2020, partially mitigated by a higher overall circulation (up 9.5% year-on-year) with a rise in digital subscriptions.

(43) 18 August 2020: Restructuring of media business to address impact of COVID-19

SPH announced that it is undergoing a restructuring of its media sales and magazines operations as part of its media transformation roadmap and to address the impact of COVID-19 on its advertising revenue. The exercise will impact about 140 staff from the Media Solutions Division and SPH Magazines, about 5% of the overall Media Group's headcount. It will incur retrenchment costs of approximately S\$8m.

(44) 13 October 2020: FY2020 results release

SPH announced net loss attributable to shareholders of S\$83.7m for FY2020, reversing the net profit attributable to shareholders of S\$213.2m a year ago. The earnings release stated that this was due to *"COVID-19 severely disrupting all business segments, reflected in the non-cash fair value losses of S\$232.0m or 3.5% on the investment properties including retail and PBSA assets."*

(45) 20 November 2020: Response to SGX queries on unusual trading activities

In response to SGX-ST's queries regarding the unusual price and volume movement of SPH's shares, SPH announced that it regularly evaluates all opportunities across its portfolio with the objective of enhancing shareholder value, which may from time to time involve discussions with various parties and stakeholders, and that there is no assurance that any transaction will materialise or that any definitive or binding agreement will be reached.

(46) 30 December 2020: Amendment on banking facilities

SPH announced that the loan agreement entered into between its subsidiary, The Seletar Mall Pte. Ltd. with DBS and OCBC for a term loan facility of S\$300m, has been extended for a further term of 3 years commencing 11 February 2021.

APPENDIX A: EVERCORE LETTER

(47) 18 January 2021: 1Q FY2021 operational update

SPH announced its retail & commercial, purpose-built student accommodation and aged care segments are resilient and recovering. For the media segment, digital circulation continues to grow at 26.5% year-on-year, but print ad revenue fell 36.0% year-on-year as COVID-19 continues to disrupt the sector.

(48) 1 February 2021: Merger of SingEx Holdings and Sphere Exhibits

SPH announced that it has entered into an agreement with Temasek to merge their respective subsidiaries, Sphere Exhibits Pte Ltd and SingEx Holdings Pte. Ltd, to form SingEx-Sphere Holdings Pte Ltd. Temasek will own 60% in the merged entity, while SPH will hold the remaining 40% interest.

(49) 27 February 2021: Response to media reports

SPH announced that it invested US\$3.9m indirectly in Coupang in 2014 through a special purpose vehicle. This indirect stake is currently estimated to be approximately 0.1% of Coupang, and SPH is not involved in the management of Coupang nor in the IPO process.

(50) 30 March 2021: 1H FY2021 results release

SPH announced net profit attributable to shareholders of S\$97.9m for 1H FY2021 (up 26.1% year-on-year). The earnings release stated that the increase in net profit attributable to shareholders was due to *“higher rental income of S\$15.4m mainly from PBSA and Retail & Commercial and grant income of S\$15.0m from Job Support Scheme”, “lower materials, production and distribution costs which fell 40.9% or \$23.9m with the decline in revenue from Media and Exhibitions” and “Disciplined cost management also reduced staff costs by 4.6% or \$7.7m to \$158.0m due to lower headcount”*.

(51) 30 March 2021: Strategic review for SPH

SPH announced that it is undergoing a strategic review to consider options for its various businesses. While SPH’s media business continues to face a challenging operating environment and outlook, the Board of Directors believes that SPH remains undervalued, and the objective of the strategic review is to unlock and maximise long term shareholder value.

(52) 6 May 2021: Restructuring of media business into not for profit entity

SPH announced the Proposed Restructuring.

(53) 2 June 2021: Issuance and listing of notes by subsidiary

SPH announced that its wholly-owned subsidiary incorporated in the United Kingdom, Privilege Midco Limited, has issued and listed £83,177,564 unsecured loan notes repayable on demand on the Official List of The International Stock Exchange.

APPENDIX A: EVERCORE LETTER

(54) 19 July 2021: 3Q FY2021 operational update

SPH announced that the Media business continued to face secular decline in the advertising sector with newspaper print advertising revenue decreasing 17.6% y-o-y for YTD 3Q FY2021. For the Non-Media business, SPH announced that there has been improved operating performance across all segments since February 2021.

(55) 2 August 2021: Joint announcement of proposed acquisition by Keppel Corporation Limited

SPH and Keppel Pegasus Pte. Ltd., a wholly-owned subsidiary of Keppel Corporation Limited, jointly announced the Scheme.

There is no assurance that the price of the Shares will remain at the current levels in the event that the Proposed Restructuring proceeds or does not proceed. The historical trading performance of the Shares serves only as an illustrative guide and should not be relied upon as an indication of the future price performance of the Shares, which will be governed by, amongst other factors, the performance and prospects of the Company, prevailing economic conditions, economic outlook, stock market conditions and sentiment. The underlying data used in our analysis has been extracted from announcements released by SPH on the SGX-ST and various press releases as at the Latest Practicable Date. We make no representations or warranties, express or implied, on the accuracy or completeness of such information.

(ii) Broker Research Target Prices

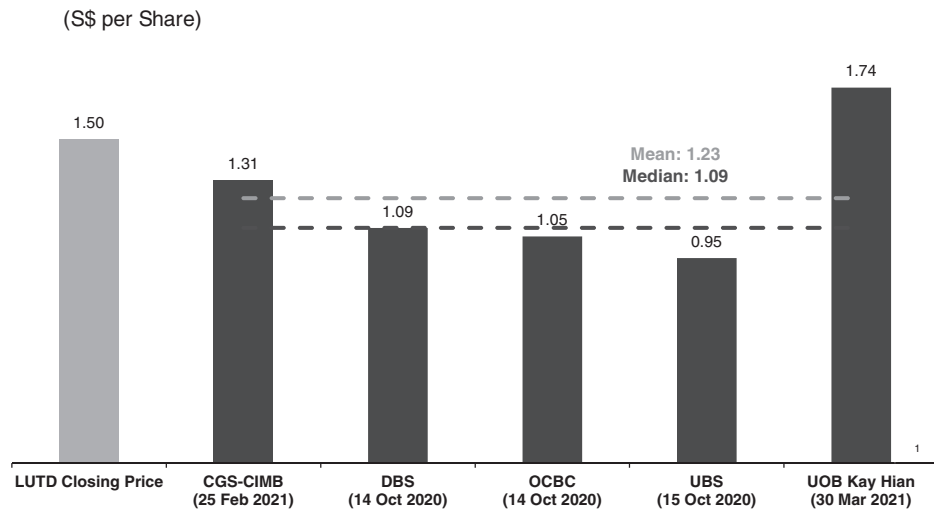
We have reviewed the price targets for the SPH Shares estimated by broker research as set out in Bloomberg and FactSet in **Chart 6** and **Chart 7**.

Based on **Chart 6**, as at the Last Undisturbed Trading Date, the median target price was S\$1.09 per SPH Share. The Relevant SPH Shares represent a total financial contribution of S\$7.5m towards the Proposed Restructuring based on the median target as at the Last Undisturbed Trading Date.

Based on **Chart 7**, as at the Latest Practicable Date, the median target price was S\$2.10 per SPH Share. The Relevant SPH Shares represent a total financial contribution of S\$14.4m towards the Proposed Restructuring based on the median target share price during this period.

APPENDIX A: EVERCORE LETTER

Chart 6 – Broker Target Prices for SPH Shares as at the Last Undisturbed Trading Date

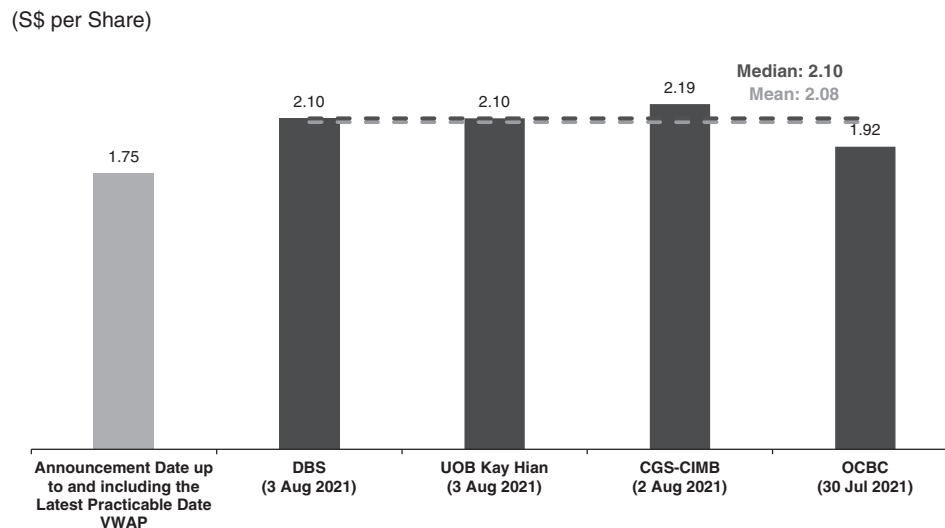


Source: FactSet, Broker reports

Note

1. UOB Kay Hian updated its target price from S\$1.22 to S\$1.74 on 30 March 2021, prior to the Company's announcement after trading hours that it was undergoing a strategic review.

Chart 7 – Broker Target Prices for SPH Shares as at the Latest Practicable Date



Source: FactSet, Broker reports

The above broker research report universe may not be exhaustive, and price targets for the SPH Shares, and other statements and opinions, contained in the reports within the universe used represent the individual views of the broker research analyst based on the circumstances (including, inter alia, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of the Company) prevailing at the date of the publication of the

APPENDIX A: EVERCORE LETTER

respective broker research reports. The opinions of the brokers may change over time as a result of, among other things, changes in market conditions, the Company's market development and the emergence of new information relevant to the Company. As such, the above price targets may not be an accurate prediction of the future market prices of the SPH Shares. Any opinions or price targets expressed in such broker research reports represent the individual views of the respective brokers and not of Evercore.

(iii) NAV of SPH Shares as at 28 February 2021

As highlighted in paragraph 3.6 of the Circular, based on the 1H 2021 Results, as at 28 February 2021, the NAV per Share of SPH was S\$2.24 before the Proposed Restructuring, and S\$2.08 assuming the Proposed Restructuring had been effected on 28 February 2021. The Relevant SPH Shares represent a total contribution of S\$15.4m and S\$14.3m towards the Proposed Restructuring, based on the NAV per Unit as at 28 February 2021 before and after pro forma for the Proposed Restructuring respectively.

(e) Minimum Cash Balance

As mentioned in paragraph 3.6 of the Circular, the Minimum Cash Balance is an aggregate minimum amount of S\$80m (as adjusted in accordance with the terms of the BRD) in cash in the bank accounts of Media HoldCo and/or the Target Companies, as at Closing.

The abovementioned adjustment in accordance with the terms of the BRD, relates to an adjustment to the Minimum Cash Balance to account for a proportion of the stamp duties, registration taxes and duties in relation to the transfer of the Target Shares, the Relevant SPH REIT Units and the Relevant SPH Shares, the assignment of the Key Leases, and the transfer of the shares in NewCo to CLG. This has no bearing on our assessment of the financial contribution.

Accordingly, we consider the S\$80.0m of cash in the bank accounts of Media HoldCo and the Target Companies, in aggregate, at Closing, as a financial contribution towards the Proposed Restructuring, for the purposes of comparing the financial resources to be contributed towards the Proposed Restructuring against the financial resources required to retain the Media Business.

(f) Other considerations

The Company provides certain warranties to the CLG in the BRD. The maximum aggregate liability of the Company in respect of claims for any failure of the Company to deliver good title to the Key Leases and/or the Associated Companies at Closing due to a breach of fundamental warranties provided is S\$150m. The maximum aggregate liability of the Company in respect of all other claims under the BRD is S\$20m, subject to the maximum aggregate liability of the Company for all claims under the BRD (including any claims for failure to deliver good title to the Key Leases and/or the Associated Companies at Closing), being capped at a maximum of S\$150m.

APPENDIX A: EVERCORE LETTER

Payments by the Company are contingent on claims being made against the warranties. Further, we understand from our discussions with the Board and Management that:

- (i) the likelihood of the Company being liable for breach of warranty as to good title to the Key Leases and/or Associated Companies is extremely low; and
- (ii) if the Company were in breach of the warranties as to the state and condition of the Media Business, the Company's liability under such breach would be comparable to the costs which the Company would have incurred to maintain the state and condition of the Media Business, had the Media Business been retained by the Company.

As such, we do not consider potential payments for claims against warranties as a financial contribution towards the Proposed Restructuring.

5.5.2.3 Financial Resources to be Contributed towards the Proposed Restructuring Relative to Retaining the Media Business

In evaluating the financial resources to be contributed towards the Proposed Restructuring compared to the financial resources required in order to retain the Media Business, we consider that:

- (a) If the Company were to retain the Media Business, it could incur potentially significant and recurring losses and cash outflows. Paragraph 5.2.4.2 illustrates that the Media Business could hypothetically incur losses at the EBITDA level of between S\$59.4m and S\$83.6m per annum by FY2024, based on the business trajectory described in paragraph 2 of the Circular. As these losses are structural and expected to be recurring over time, there is the possibility of the Company incurring significant losses year after year for an extended period of time if it were to retain the Media Business. Further, if the potential cash outflows of the business arising from capital expenditures are to factor into the analysis, the magnitude of the hypothetical cash outflows could be larger than the hypothetical EBITDA loss highlighted above.
- (b) In comparison, based on our analysis in paragraph 5.5.2.2 and on a comparable basis to the above scenario, the Company's financial contribution towards the Proposed Restructuring, which is **one-off, upfront and finite, is estimated at approximately S\$125.8m**, comprising:
 - (i) S\$12.0m carrying value of the Associated Companies;
 - (ii) S\$20.9m in SPH REIT Units based on the closing unit price of SPH REIT as at the Latest Practicable Date;
 - (iii) S\$13.0m in SPH Shares based on the closing share price of SPH as at the Latest Practicable Date; and
 - (iv) S\$80.0m in cash.

For the reasons explained in paragraph 5.5.2.2(a), 5.5.2.2(b) and 5.5.2.2(f), we do not consider the other items included within the NAV of the Target Shares, the Key Leases and potential payments for warranty claims as financial contribution towards the Proposed Restructuring for the purposes of comparing the financial resources to be contributed towards the Proposed Restructuring against the financial resources required to retain the Media Business.

APPENDIX A: EVERCORE LETTER

Based on the above, if the Company were to retain the Media Business and the Media Business follows the trajectory described in paragraph 2 of the Circular, it is likely that the cumulative amount of annual cash losses incurred by the Media Business, and therefore by the Company, will be of a larger magnitude, compared to the one-off financial contribution towards the Proposed Restructuring.

The summary above compares: (i) the annual cash outflows that would be incurred by the Company for an extended period if the Company were to retain the Media Business, to (ii) an upfront and one-off financial contribution towards the Proposed Restructuring at or prior to Closing.

To better take into account the time value of the cash outflows, Evercore has performed a discounted cash flow (“**DCF**”) analysis as a secondary check. We have used the simulations of EBITDA in paragraph 5.2.4.2 as a proxy for free cash flow, and discount rates calculated using the capital asset pricing model, to perform a DCF analysis of the Media Business.

The simulations of EBITDA in paragraph 5.2.4.2 assume that the Media Business is not paying rent on the Key Leases. Should the Media Business be required to pay rent on the Key Leases, the magnitude of potential cash outflows will be greater. Further, our DCF analysis has not taken into consideration potential cash outflows of the business arising from capital expenditures, which will further increase the magnitude of potential cash outflows.

Whether we assume the present value of the stimulated EBITDA for the next for five years or apply a terminal value in our DCF analysis, **the DCF analysis supports our conclusion that if the Company were to retain the Media Business and the Media Business follows the trajectory described in paragraph 2 of the Circular, it is likely that that the present value of the cumulative annual cash outflows of the Media Business will be larger, compared to the upfront and one-off financial contribution towards the Proposed Restructuring.**

As such, we conclude that, the Proposed Restructuring is more favorable, in terms of financial resources, for the Company, when compared to retaining the Media Business.

5.5.3 Effects of the Proposed Restructuring on the Company

We have evaluated the following key effects of the Proposed Restructuring on the Company:

- (a) The Company will have certainty that it will not be exposed to the potentially significant and recurring losses of the Media Business going forward;
- (b) The Company can be repositioned, with no further exposure to the Media Business;
- (c) The Company will no longer be subject to the Newspaper Act;
- (d) The Company will have greater flexibility around its strategic options; and
- (e) Pro forma financial effects.

APPENDIX A: EVERCORE LETTER

We expressly highlight that we make no assumption and give no assurance regarding the future price performance of the SPH Shares, which will be governed by, amongst other factors, the performance and prospects of the Company, prevailing economic conditions, economic outlook, and market conditions and sentiment.

5.5.3.1 The Company Will Have Certainty That It Will Not Be Exposed to the Potentially Significant and Recurring Losses of the Media Business Going Forward

As highlighted in paragraphs 5.1 and 5.2, the structural challenges in the industry, historical financial trends and trajectory for the Media Business indicate that it is likely to incur significant and recurring losses going forward.

With the Proposed Restructuring, the Company will not retain any economic ownership in the Media Business. Effectively, **the Proposed Restructuring provides certainty for the Company and the Shareholders that the Company will not incur the potentially significant and recurring losses of the Media Business moving forward**, which as illustrated in paragraph 5.2.4.1, could hypothetically amount to Operating Loss of between S\$85.6m and S\$109.8m per annum by FY2024.

Through the Proposed Restructuring, the Company and the Shareholders' exposure to the Media Business is limited to: (i) the SPH Contribution, and (ii) the warranties provided in the BRD.

The SPH Contribution is contributed at or prior to Closing, and is one-off and finite. Thereafter, the Company's exposure to the Media Business will be limited to the warranties provided to the CLG under the BRD. The Company's exposure in respect of any breaches in warranty is contingent on issues being identified following Closing, and subject to limitations on liability with respect to both quantum and duration.

5.5.3.2 The Company Can Be Repositioned, With No Further Exposure to the Media Business

Following Closing, the **Company will no longer have exposure to the Media Business**. This has a number of implications.

First, the Company will no longer be exposed to a segment that has been underperforming, thereby **eliminating the Company's exposure to business risk and uncertainties associated with the Media Business**.

Second, the Proposed Restructuring allows the Company to set a **clearer strategic direction with a focus on the real estate sector and related segments of student accommodation and aged care** as its primary business. Net assets of the Company's Property Segment was S\$4.2b¹ as at 31 August 2020, as compared to combined net assets of S\$5.0b¹ for the Company's Media Segment, Property Segment and Others Segment.

Finally, the Proposed Restructuring enables the Company to free up **resources and future capital**, which may otherwise have had to be utilized to subsidize the potential losses of the Media Business. We understand from discussions with the Directors and

APPENDIX A: EVERCORE LETTER

Management that following the Proposed Restructuring, they will be able to allocate more time and resources to pursuing **strategic business opportunities that deliver positive value for the Shareholders.**

Note

1. Net assets of the Property Segment calculated as the difference between segment assets and segment liabilities. This does not include aged care, which is classified within the Others Segment.

5.5.3.3 The Company Will No Longer be Subject to the Newspaper Act

Paragraph 8.1 of the Circular states:

“SPH is currently regulated as a “newspaper company” under the Newspaper Act and as such, its Existing Constitution incorporates provisions which cater to the special features of a “newspaper company”, including without limitation the requirement to (i) have Management Shares which can only be held by persons (“Approved Shareholders”) who have received the written approval of the Minister referred to in the Newspaper Act (the “Minister”) and (ii) maintain such number of Management Shares as is equal to one per cent. or more of the issued and paid-up share capital of the Company.”

Ordinary Shareholders and Management Shareholders are entitled to one vote for each Share, except that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, Management Shareholders are entitled either on a poll or show of hands to 200 votes for each Management Share held in accordance with the provisions of the Newspaper Act.” (Emphasis ours)

The paragraph states that, amongst others, a consequence of the passing of the Proposed Conversion and Proposed Adoption of a New Constitution, with effect from and subject to Closing, is that the Company will no longer be required to ensure that not less than one per cent. of all issued Shares shall consist of Management Shares.

Paragraph 8.2 of the Circular states:

“It is envisaged that following Closing, the provisions of the Newspaper Act will no longer apply to SPH, and the Company is accordingly proposing to, subject to and contingent upon (a) Shareholders’ approval for the Proposed Restructuring being obtained and (b) Closing:

- (a) remove the Management Shares by converting each Management Share held by a Management Shareholder as at Closing into one Ordinary Share pursuant to Article 64(2) of the Existing Constitution; and*
- (b) adopt the New Constitution, which will consist of the Existing Constitution with amendments to remove the special features of a “newspaper company” (including the provisions relating to Management Shares) ...” (Emphasis ours)*

With the conversion of the existing Management Shares into Ordinary Shares, Ordinary Shares will be the only Shares of the Company, without Management Shares having weighted voting rights on certain matters.

APPENDIX A: EVERCORE LETTER

As highlighted in paragraph 8.1 of the Circular, subject to the passing of the Proposed Conversion and Proposed Adoption of a New Constitution:

“The holders of Management Shares will no longer have super-voting rights in respect of their Management Shares in relation to any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company.” (Emphasis ours)

The Proposed Restructuring effectively paves the way, subject to the requisite Shareholder approvals, for the Company to convert the Management Shares into Ordinary Shares. The removal of the Management Shares allows Ordinary Shareholders to have voting rights that are directly commensurate with the percentage of Shares they hold in the Company in all matters, including the appointment or dismissal of a Director, an important matter relating to the corporate governance of the Company.

The Proposed Restructuring also paves the way, subject to the requisite Shareholder approvals, for the Company to adopt a New Constitution, which will not incorporate the provisions of the Newspaper Act.

A summary of the proposed amendments to the Existing Constitution is set out in paragraph 8.3 of the Circular. The amendments to and the removal of the exact provisions in the Existing Constitution have also been set out in a blackline in Appendix C of the Circular, with the New Constitution set out in Appendix D of the Circular. The Proposed Adoption of a New Constitution is subject to Shareholders' approval.

Further, under section 16 of the Newspaper Act, the Minister has the ability to direct the transfer or disposal of any of the Shares, or make such other direction or restriction as the Minister considers appropriate, in the event of any contravention of the prescribed shareholding limits under the Newspaper Act. With the Newspaper Act no longer applying following Closing, the Minister will no longer have the power to make such directions in relation to the Shares.

Importantly, as highlighted in paragraph 9 of the Circular, prior to Closing, amongst other provisions of the Newspaper Act that apply to the Company, no person shall without the approval of the Minister:

- (a) become a substantial Shareholder of the Company; or
- (b) 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 5% of the Shares.

The implication of this restriction is discussed in further detail below.

APPENDIX A: EVERCORE LETTER

5.5.3.4 The Company Will Have Greater Flexibility Around its Strategic Options

With the Newspaper Act no longer applying, the Company will be able to have Shareholders who own more than 5% of the Shares in the Company without having to obtain the prior approval of the Minister, provided the Shareholders approve the amendment to the Existing Constitution highlighted in paragraph 8.3(b) of the Circular:

“Provisions relating to Prescribed Limits. Article 12, which provides (inter alia) that no person can, whether alone or together with his associates (as defined in the Newspaper Act), hold or control voting shares in the Company in excess of the shareholding limits prescribed under the Newspaper Act without first obtaining the approval of the Minister¹, will be removed in the New Constitution” (Emphasis ours)

Note

1. The Newspaper Act prohibits: (a) any person from being a substantial shareholder of a newspaper company, (b) any person, whether alone or together with his associates (as defined in the Newspaper Act), from holding or controlling 12 per cent. of the voting shares of a newspaper company, and (c) any person from being an indirect controller (as defined in the Newspaper Act) of a newspaper company, without first obtaining the approval of the Minister.

The removal of this constraint expands the strategic options and possibilities available to the Company.

Paragraph 2 of the Circular states:

“Following Closing, SPH will gain greater financial flexibility to tailor its capital and shareholding structure to seize strategic growth opportunities across the other businesses in order to maximise returns for Shareholders. Further, the Proposed Restructuring is the first step in the ongoing strategic review, and SPH continues to explore strategic options in respect of its other businesses to unlock and maximise shareholder value for all Shareholders upon completion of the Proposed Restructuring.” (Emphasis ours)

The Company’s continued exploration of strategic options has culminated in the proposed privatisation of the Company by a wholly-owned subsidiary of Keppel, via a Scheme, as outlined in Paragraph 3.10 of our Letter.

The Scheme is conditional upon, *inter alia*, completion of the Proposed Restructuring, SPH shareholder approval, Keppel shareholder approval and sanction of the scheme by the Court.

Shareholders are to note that the Scheme is conditional upon satisfaction of the conditions set out in Schedule 1 to the Joint Announcement. There is therefore no assurance that the price of the Shares will remain at the current levels in the event that the conditions to the Scheme are not met and the Scheme is not proceeded with. The historical trading performance of the Shares serves only as an illustrative guide and should not be relied upon as an indication of the future price performance of the Shares, which will be governed by, amongst other factors, the performance and prospects of the Company, prevailing economic conditions, economic outlook, stock market conditions and sentiment.

APPENDIX A: EVERCORE LETTER

5.5.3.5 Pro Forma Financial Effects

Paragraph 6 and Appendix G of the Circular illustrate the pro forma financial effects of the Proposed Restructuring on the Group. We note that Paragraph 6 and Appendix G of the Circular have been prepared based on the Group's audited consolidated financial statements for FY2020 (being the latest announced consolidated full-year financial statements of the Group).

The financial effects presented in Paragraph 6 and Appendix G of the Circular are calculated based on historical financial information, and do not capture the potentially significant and recurring losses that could be incurred by the Media Business, nor provide an indicative view of the future financial position and earnings of the Company. Hence, we have not placed emphasis on the analyses in Paragraph 6 and Appendix G of the Circular in our evaluation of whether the Proposed Restructuring is, from a financial point of view, in the overall interests of the Company and the Shareholders.

6 SUMMARY

We summarise the key considerations in our evaluation of the Proposed Restructuring as follows:

As set out in paragraph 5.1, the decline in the Media Business is structural and global:

- (a) Sweeping structural changes in the media and advertising industries, caused by technological advances and the Internet, have severely disrupted the traditional business model that relied on print advertising revenue.
- (b) Though the demand for quality news has not diminished, monetizing digital initiatives is challenging, and the revenues of quality news platforms all over the world are falling sharply with little prospect of relief.
- (c) Most publications are now running deficits, and many newsrooms are shrinking, even closing.

In Singapore, the Company's Media Segment has experienced a decline in its financial performance and share price as a result of the same global structural trends:

- (a) Whilst the Company has succeeded in increasing digital circulation, monetisation is increasingly challenging as competition for digital revenue has intensified and the Company's Media Business now competes with much larger players. Digital subscription and digital advertising revenues have been unable to counteract the decline in print advertising and print circulation revenues fully.
- (b) The Media Segment's Operating Revenue declined 50.7% between FY2015 and FY2020, due largely to a decline in print advertising and print subscription revenue.
- (c) Between FY2015 and FY2020, EBITDA of the Media Segment declined 91.8%, or at a compounded annual rate of 39.4%, from S\$299.1m to S\$24.5m (which is inclusive of S\$28.1m of the JSS grant income).

APPENDIX A: EVERCORE LETTER

- (d) The decline in performance of the Media Segment has been a drag on the overall performance of the Company and resulted in a decline in the overall recurring earnings of the Company. Recurring earnings of the Company decreased 77.7% from S\$316.2m to S\$70.7m from FY2015 to FY2020. Net cash from operating activities has similarly declined over the same period.
- (e) Dividend yields have remained within range, supporting the conclusion that the decline in the Media Segment's profitability, which directly impacted the Company's ability to pay dividends, has in turn negatively affected the Company's share price, which declined by 56.1% from 31 August 2015 to the Latest Practicable Date.

Following years of sustained and structural decline, the Media Business is on the verge of unprofitability, and therefore, at a critical juncture:

- (a) Without the JSS grant income, EBITDA for the Media Business would have been S\$6.1m and S\$9.1m for FY2020 and 1H FY2021 respectively. Further, without the JSS grant income, the Media Business would have incurred losses at both the Operating Profit and PBT levels for both FY2020 and 1H FY2021.

The outlook for the Media Business is challenging, and significant and recurring losses are expected:

- (a) The decline in Advertising Operating Revenue is expected to continue at a similar pace to the last five years in the medium term.
 - (i) For reference, Advertising Operating Revenue of the Media Segment declined at a compounded annual rate of 16.7% in the five years from FY2015 to FY2020.
- (b) There is little scope for further cost cuts without impacting the Media Business' ability to maintain quality journalism.
 - (i) The Media Business incurred total costs of S\$201.5m for 1H FY2021. On an annualised basis, this implies total costs of S\$403.1m.
 - (ii) Therefore, for the purposes of our analysis, we have assumed that the Cost Base for the Media Business going forward will be approximately S\$400m annually.

On the basis of the above trajectory for the Media Business, we have simulated the potential losses of the Media Business going forward:

- (a) Our simulations are purely hypothetical and provided solely to illustrate the magnitude of losses that the Media Business could potentially incur in FY2024, based on various hypothetical rates of continued decline in Advertising Operating Revenue, and of cost containment.
- (b) As an illustration, should (i) the Cost Base remain at S\$400m, (ii) the Circulation Operating Revenue, Other Sales and other operating income remain constant at FY2020 levels, and (iii) the compounded annual rate of decline of Advertising Operating Revenue from FY2020 to FY2024 vary between 14.7% and 18.7%, the corresponding FY2024 Operating Loss would range between S\$85.6m and S\$109.8m.

APPENDIX A: EVERCORE LETTER

- (c) As there is no interest expense incurred by the Media Business, and the contribution of the associates and joint ventures is relatively insignificant, the simulated Operating Profit or Loss of the Media Business is used as a proxy for its simulated PBT in the corresponding financial period.
- (d) The corresponding simulated FY2024 losses at the EBITDA level would range between S\$59.4m and S\$83.6m. If capital expenditure were to be incurred by the Media Business going forward, the hypothetical cash outflows could be larger than the hypothetical EBITDA loss.
- (e) We note that the profitability of the Media Business is dependent on several factors, many of which are outside the control of the Company and/or which the Company is unable to project or predict with certainty.

In light of the above, if the Company were to retain the Media Business, the potentially significant and recurring future losses of the Media Business may have a material and adverse effect on the Company's future earnings and profits.

Further, funding the Media Business through the internally-generated cash flows of the Company will result in less resources being available for investment into areas that drive future growth and/or deliver value creation and positive earnings for the Company, or for the payment of dividends to the Shareholders.

- (a) The Company's EBITDA and net cash from operating activities after capital expenditure were S\$263.0m and S\$209.1m respectively in FY2020, with hypothetical potential losses at the EBITDA level of S\$59.4m and S\$83.6m per annum by FY2024. This underscores the potentially significant impact on the Company's ability to invest in potential growth areas and/or pay dividends through internally-generated cash flows if the Company retains the Media Business.
- (b) The decline in dividends paid out by the Company to Shareholders has negatively affected the overall trading valuation of the Company in the historical periods.

In light of the above implications of retaining the Media Business, the Company has assessed the strategic options available to it, namely the Proposed Restructuring, which the Minister has indicated his support for. As discussed in paragraph 5.4, the Company does not consider the sale of the Media Business to a third party or a winding up of the Media Business to be feasible options.

Therefore, the scope of Evercore's engagement does not require us to, and our evaluation in this Letter does not, consider the alternatives of undertaking a liquidation of the Media Business or a sale of the Media Business to a third party. Accordingly, in our Letter, we assess whether the Proposed Restructuring is, from a financial point of view, in the overall interests of the Company and the Shareholders, as compared to the option of the Company retaining the Media Business.

The Minister and the Company have concluded that in light of the challenges faced by the Media Business and the important role that it plays in Singapore society, the Proposed Restructuring, which involves the transfer of the Media Business to a not for profit CLG, is an appropriate solution for the Media Business.

APPENDIX A: EVERCORE LETTER

As a CLG, the Media Business will be able to seek funding from various sources, including the public and private sectors, whilst providing the assurance that the funding will purely be for the purposes of the Media Business' activities, rather than the generation of profits for its members.

The key rationale and benefits of the Proposed Restructuring for the Company and its Shareholders include:

- (a) Certainty that the Company and its Shareholders will not be exposed to the likely significant and recurring losses of the Media Business going forward.
- (b) The Company will no longer be subject to the provisions of the Newspaper Act following Closing, and a person may, without the prior approval of the Minister:
 - (i) become a substantial Shareholder of the Company; or
 - (ii) enter into any agreement or arrangement 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 5% of the Shares.

The Company will contribute (a) the Target Shares (comprising the Target Companies and the Associated Companies), (b) the Key Leases, (c) the Relevant SPH REIT Units, (d) the Relevant SPH Shares, and (e) the Minimum Cash Balance, for a nominal consideration, towards the Proposed Restructuring.

For the purposes of our comparison of the financial resources to be contributed to the Proposed Restructuring against the financial resources required to retain the Media Business, we have evaluated the value of the financial contribution of the various components of the SPH Contribution to be as follows:

- (a) the Target Shares
 - (i) the Target Companies
 - (A) The Target Companies are currently loss-making, and are expected to generate losses going forward. As such, we have evaluated that the Target Companies as being contributed to the Proposed Restructuring, excluding the cash on balance sheet, at nil or zero value.
 - (B) The NAV of the Target Companies is S\$12.0m as at 28 February 2021. This NAV figure relates to historical information, and does not reflect nor take into account, the potentially significant and recurring losses incurred by the Media Business going forward. Hence, we do not place emphasis on the NAV of the Target Companies in assessing the financial contribution towards the Proposed Restructuring.
 - (ii) the Associated Companies: S\$12.0m based on the carrying value of the Associated Companies as at 28 February 2021.

APPENDIX A: EVERCORE LETTER

- (iii) We note that the NAV of the Target Shares of S\$98.8m includes S\$74.8m relating to:
 - (A) certain specified liabilities incurred by the Media Business during the period prior to Closing, and which have been agreed under the BRD to be the responsibility of the Company; and
 - (B) transaction expenses incurred in relation to the Proposed Restructuring.

We do not consider these amounts as financial contributions towards the Proposed Restructuring.

- (b) the Key Leases
 - (i) The Key Leases have been assessed by the Independent Valuer to have a market value of S\$142.5m as at 4 June 2021.
 - (ii) We do not consider the transfer of the Key Leases as a financial contribution towards the Proposed Restructuring for the purposes of our comparison.
 - (iii) In the scenario of retaining the Media Business, we have considered the magnitude of the potential losses accruing to the Media Business going forward, assuming that the Key Leases remain owned assets and the Media Business does not pay rent on the Key Leases (which is consistent with the Media Business' current operating model).
 - (iv) Therefore, in evaluating the financial resources to be contributed towards the Proposed Restructuring as against the financial resources required to retain the Media Business, we have similarly assumed that the CLG does not pay rent on the Key Leases to ensure comparability with the scenario illustrated in paragraphs 5.2.4.1, 5.2.4.2 and 5.2.4.3.
 - (v) In the alternative, if the transfer of the Key Leases is to be treated as a financial contribution towards the Proposed Restructuring, then the additional expenses of renting the Key Leases (or comparable properties) would need to be factored in when evaluating the option of retaining of the Media Business, in order to maintain a like-for-like comparison between both strategic options. This would result in a greater magnitude of potential losses and cash outflows as compared to the simulations in paragraphs 5.2.4.1, 5.2.4.2 and 5.2.4.3.
- (c) the Relevant SPH REIT Units: S\$20.9m based on the closing unit price of SPH REIT as at the Latest Practicable Date.
- (d) the Relevant SPH Shares: S\$13.0m based on the closing share price of SPH as at the Latest Practicable Date.
- (e) the Minimum Cash Balance: S\$80m.
- (f) other considerations
 - (i) the Company may be required to make potential payments to the CLG which are contingent upon claims being made against warranties provided by the Company in the BRD. We do not consider these amounts as financial contributions towards the Proposed Restructuring.

APPENDIX A: EVERCORE LETTER

Based on the above, we conclude that if the Company were to retain the Media Business and the Media Business follows the trajectory described in paragraph 2 of the Circular, the cumulative annual losses that the Media Business may incur are likely to be larger than the one-off financial contribution towards the Proposed Restructuring, estimated to be approximately S\$125.8m.

A DCF analysis of the simulated EBITDA of the Media Business supports the hypothesis that the present value of the cumulative amount of potentially significant annual cash outflows of the Media Business will be larger than the upfront and one-off financial contribution towards the Proposed Restructuring.

As such, we conclude that the Proposed Restructuring is more favorable, in terms of financial resources that the Company needs to commit, when compared to retaining the Media Business.

We have further considered the key effects of the Proposed Restructuring on the Company, which include the following:

- (a) The Company will have certainty that it will not be exposed to the potentially significant and recurring losses of the Media Business going forward. With the Proposed Restructuring, the Company will not retain any economic ownership in the Media Business and thus has certainty that it will not incur the potentially significant and recurring losses of the Media Business moving forward.
- (b) The Company may reposition itself, with no further exposure to the Media Business:
 - (i) This will allow the Company to set a clearer strategic direction with a focus on the real estate sector and related segments of student accommodation and aged care as its primary business.
 - (ii) The Company will no longer be exposed to a business which has been underperforming given the sustained structural decline of the sector, thereby eliminating the Company's exposure to business risk and uncertainties associated with the Media Business.
 - (iii) It will also enable the Company to free up resources, including management resources and future capital, which may otherwise have had to be utilized to subsidize the potential losses of the Media Business.
- (c) The Company will no longer be subject to the Newspaper Act. Subject to the Shareholders approving the amendments to the Existing Constitution:
 - (i) This paves the way to remove the Management Shares, allowing Ordinary Shareholders to have voting rights that are directly commensurate with the percentage of Shares they hold in the Company in all matters, including the appointment or dismissal of a Director, an important matter relating to the corporate governance of the Company.
 - (ii) It also paves the way for the Company to remove the special features necessitated by the Company's status as a "newspaper company" from its Existing Constitution.

APPENDIX A: EVERCORE LETTER

- (d) The Company will have greater flexibility around its strategic options.
 - (i) With the Newspaper Act no longer applying, and subject to the Shareholders approving the amendments to the Existing Constitution, the Company will be able to have Shareholders who own more than 5% of the Shares in the Company without having to obtain the prior approval of the Minister.
 - (ii) This expands the strategic options and possibilities available to the Company that would otherwise have been available to it if not for the Newspaper Act.
 - (iii) As part of its ongoing strategic review, the Company had continued to explore strategic options to unlock value in respect of its other business segments, which culminated in the proposed privatization of the Company by way of the Scheme.

We have not placed emphasis on the analyses of the financial effects of the Proposed Restructuring on the Company, as the financial effects are calculated based on historical financial information, and do not capture the potentially significant and recurring losses that could be incurred by the Media Business, nor provide an indicative view of the future financial position and earnings of the Company.

7 OUR RECOMMENDATION

In rendering our Opinion, we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints of any specific Shareholder and we neither assume any responsibility for, nor hold ourselves out as advisers to, any person other than the Directors.

Our Opinion is only based on financial analyses and does not incorporate any assessment of commercial, legal, tax, regulatory or other matters. Our Opinion also does not incorporate an assessment of the price at which the Shares may trade following the success or failure of the Proposed Restructuring. Such factors are beyond the ambit of our review and do not fall within our terms of reference in connection with the Proposed Restructuring.

Based upon and subject to the foregoing, we are of the opinion that, as at the Latest Practicable Date, the Proposed Restructuring, from a financial point of view, is IN THE OVERALL INTERESTS of the Company and the Shareholders for the following key reasons:

- (a) The Proposed Restructuring provides certainty for the Company and the Shareholders that they will not incur the potentially significant and recurring losses of the Media Business.
- (b) Compared to the strategic option of retaining the Media Business, the Proposed Restructuring is more favourable, in terms of the financial resources that the Company needs to commit.
- (c) The Proposed Restructuring presents key benefits to the Company and the Shareholders, including:
 - (i) Allowing the Company to set a clear strategic direction with a focus on the real estate sector and related segments of student accommodation and aged care, whilst eliminating the Company's exposure to business risk and uncertainties associated with the Media Business;

APPENDIX A: EVERCORE LETTER

- (ii) Subject to the Shareholders approving the amendments to the Existing Constitution, paving the way for Ordinary Shareholders to have voting rights that are directly commensurate with the percentage of Shares they hold in the Company in all matters, including the appointment or dismissal of a Director, an important matter relating to the corporate governance of the Company; and
- (iii) Subject to the Shareholders approving the amendments to the Existing Constitution, creating an opportunity for Shareholders or investors to own more than 5% of the Shares in the Company without the need for approval from the Minister, thereby expanding the strategic options and possibilities available to the Company.

We wish to highlight that, if the Shareholders do not vote for the Proposed Restructuring at the EGM, there is no certainty that the option of a Proposed Restructuring or any other superior options would present themselves in the future, and the Company would then bear the potentially significant and recurring losses of the Media Business going forward, given the limited feasible options for the Media Business described in paragraph 5.4.

Accordingly, from a financial point of view, we advise the Directors to recommend that the Shareholders VOTE IN FAVOUR of the Proposed Restructuring.

We wish to emphasise that we have been appointed to render our Opinion as of the Latest Practicable Date. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Company, or the impact and viability of alternative business strategies. This Letter is addressed to the Directors for their benefit in connection with and for the purpose of their consideration of the Proposed Restructuring, and should not be relied on for any other purpose. Nothing herein shall confer, be deemed or is intended to confer, any right or benefit to any third party. The recommendations made by the Directors to the Shareholders in relation to the Proposed Restructuring remain the responsibility of the Directors. This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter. No other person may use, reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose, at any time, and in any manner, except with Evercore's prior written consent in each specific case.

Yours faithfully,
For and on behalf of
EVERCORE ASIA (SINGAPORE) PTE. LTD.

Keith Magnus
Chief Executive Officer and Chairman, Asia
Member of the Global Management Committee
Evercore Asia (Singapore) Pte. Ltd.

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APPENDIX B: SUMMARY OF VALUATION REPORT



6 August 2021

The Board of Directors
Singapore Press Holdings Limited
1000 Toa Payoh North
News Centre
Singapore 318994

Dear Sirs

VALUATION OF

- (1) 1000 TOA PAYOH NORTH "SPH NEWS CENTRE" SINGAPORE 318994
- (2) 2 JURONG PORT ROAD "SPH PRINT CENTRE" SINGAPORE 619088

Instructions

We refer to your instructions for formal valuations to be carried out in respect of the abovementioned properties (the "Properties") for the purposes of proposed restructuring of Singapore Press Holdings Limited's media business by transferring it to a not-for-profit entity. We have specifically been instructed to provide our opinion of Market Values of the Properties, as at 4 June 2021, on an "as is" basis and with vacant possession, and excluding all plant & machinery.

We have, in accordance with the instructions, prepared formal comprehensive Valuation Reports and this Valuation Summary Letter in accordance with the terms of engagement entered into between Knight Frank Pte Ltd and Singapore Press Holdings Limited dated 21 May 2021.

Our valuation is our opinion of the Market Value, which we would define as follows:

"Market Value is the estimated amount for which an asset or liability should exchange on valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

In preparing this valuation, we have relied on information provided by Singapore Press Holdings Limited, particularly in respect of such matters as site and floor areas, year of completion, annual value, land rent, etc. We have relied upon this information as being accurate and complete. We accept no responsibility for subsequent changes in the information provided. Dimensions, measurements and areas are only approximations.

All works are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism have been met.

Unless otherwise stated, all valuation figures herein are stated on a net of GST basis.

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APPENDIX B: SUMMARY OF VALUATION REPORT



We have inspected the Properties on 25 May 2021, prepared and provided this Valuation Summary Letter outlining key factors that have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular to unitholders of Singapore Press Holdings Limited (the "Circular"). The value conclusions reflect all information known by the valuers of Knight Frank Pte Ltd who worked on the valuation in respect to the Properties, market conditions and available data.

As at the valuation date, we continue to be faced with an unprecedented set of circumstances caused by COVID-19. Our valuation is therefore reported as being subject to Material Valuation Uncertainty. A higher degree of caution should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the Properties under frequent review.

For the avoidance of doubt, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

Reliance on This Letter

We have prepared this letter which outlines key factors which have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular. This letter alone does not contain all the necessary data and support information included in our Valuation Reports. Knight Frank Pte Ltd has provided Singapore Press Holdings Limited comprehensive Valuation Reports for the Properties. The valuation and market information are not guarantees or predictions and must be read in conjunction with the following:

- (a) The estimated values are based upon the factual information provided by Singapore Press Holdings Limited. Whilst Knight Frank Pte Ltd has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by Singapore Press Holdings Limited or the Government of Singapore (primarily statistical information relating to market conditions). Knight Frank Pte Ltd believes that every recipient of the Circular should review the Valuation Reports to understand the complexity of the methodology and the many variables involved.
- (b) The primarily methodology used by Knight Frank Pte Ltd in valuing the Properties is the Direct Comparison Method. The valuation methodology is summarised in the Valuation Rationale sections of this letter.
- (c) The Valuation Reports were undertaken based upon information available as of April/May 2021. Knight Frank Pte Ltd accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

The Valuation Reports, Valuation Summary Letter and Valuation Certificates may only be relied upon by Singapore Press Holdings Limited for the purposes of proposed restructuring of Singapore Press Holdings Limited's media business by transferring it to a not-for-profit entity.

APPENDIX B: SUMMARY OF VALUATION REPORT



The Properties

The Properties comprise SPH News Centre and SPH Print Centre.

SPH News Centre

SPH News Centre is a light industrial development which serves as SPH headquarters. It comprises a part 4-storey podium block, a part 8-storey annex block and a part 11-storey office tower. Food & beverage outlet, open/multi-storey car park lots, loading/unloading bay and other amenities are provided within the Property.

SPH Print Centre

SPH Print Centre is an industrial development containing SPH's printing facilities. It comprises a single-storey warehouse with a 3-storey factory block (PC1), a 4-storey factory block (PC2), a single-storey warehouse block (PC3), a 2-storey ancillary block (Block 2A) and a single-storey canteen block (Block 13). All the buildings are connected except for the single-storey canteen block. Open car park lots and loading/unloading bays with dock levellers are provided within the Property.

The following table summarises key property details of the Properties:

Property	Land Area (sm)	Gross Floor Area (sm)	Tenure	Master Plan 2019
1000 Toa Payoh North "SPH News Centre"	21,730.3	54,274.91	Leasehold 60 years commencing 3 March 1971 (Balance of approximately 9.7 years)	"Business 1" with a gross plot ratio of 2.5
2 Jurong Port Road "SPH Print Centre"	110,075.2	102,352.16	Leasehold 30 years commencing 9 June 2004 (Balance of approximately 13.0 years)	"Business 2" with a gross plot ratio of 1.4

Valuation Rationale

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

We have valued the Properties primarily by the Direct Comparison Method.

Direct comparison method

In this method, a comparison is made with sales of industrial buildings in the vicinity and other locations. Adjustments are made, where appropriate, for differences in location/siting, size, tenure, age/condition, frontage, building specifications, date of sale, etc, before arriving at the values of the Properties.

APPENDIX B: SUMMARY OF VALUATION REPORT



Market Value as at 4 June 2021

We are of the opinion that the Market Values (exclusive of GST) of the unencumbered remaining leasehold interests in the Properties, on an “as is” basis and with vacant possession, and excluding all plant & machinery, at the valuation date, are:

Property	Market Value as at 4 June 2021
1000 Toa Payoh North “SPH News Centre”	S\$72,500,000/- (Singapore Dollars Seventy-Two Million And Five Hundred Thousand Only)
2 Jurong Port Road “SPH Print Centre”	S\$70,000,000/- (Singapore Dollars Seventy Million Only)

Disclaimer

We have prepared this Valuation Summary Letter for inclusion in, and/or to be made available for inspection under, the Circular and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within this Valuation Summary Letter and the enclosed Valuation Certificates. We do not make any warranty or representation as to the accuracy of the information in any other part of the Circular other than as expressly made or given by Knight Frank Pte Ltd in this Valuation Summary Letter or in the Valuation Certificates.

Knight Frank Pte Ltd has relied upon property data supplied by Singapore Press Holdings Limited, which we assume to be true and accurate. Knight Frank Pte Ltd takes no responsibility for inaccurate data supplied by Singapore Press Holdings Limited and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the Properties and have no personal interest or bias with respect to the party or parties involved. The valuers’ compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We certify that our valuers undertaking the valuations are authorised to practise as valuers and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully

Low Kin Hon
B.Sc.(Estate Management) Hons.,FSISV
Deputy Group Managing Director
Head, Valuation & Advisory
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For and on behalf of Knight Frank Pte Ltd

Sherri Fong
B.Sc.(Estate Management) Hons.,MSISV
Senior Director
Valuation & Advisory
Appraiser’s Licence No. AD 041-2008950C
For and on behalf of Knight Frank Pte Ltd

APPENDIX B: SUMMARY OF VALUATION REPORT



Valuation certificate

Property	:	1000 Toa Payoh North "SPH News Centre" Singapore 318994
Instructing party/ Relying party	:	Singapore Press Holdings Limited
Purpose of valuation	:	Proposed restructuring of Singapore Press Holdings Limited's media business by transferring it to a not-for-profit entity
Legal description	:	Lot No. : 4256P Mukim : 17
Tenure	:	Leasehold 60 years with effect from 3 March 1971 (Balance of about 9.7 years as at 4 June 2021)
Basis of valuation	:	Market Value on an "as is" basis and with vacant possession, and excluding all plant & machinery
Registered lessee	:	Singapore News And Publications Limited
Master plan 2019	:	"Business 1" with a gross plot ratio of 2.5
Brief description	:	"SPH News Centre" is located on the northern side of Toa Payoh North, with the rear boundary abutting Braddell Road, off Lorong 1 Toa Payoh and some 9.0 km from the City Centre. The Property is a light industrial development which serves as SPH headquarters. It comprises a part 4-storey podium block, a part 8-storey annex block and a part 11-storey office tower. Food & beverage outlet, open/multi-storey car park lots, loading/unloading bay and other amenities are provided within the Property. The Temporary Occupation Permit and the Certificate of Statutory Completion were obtained on 6 November 2001 and 11 September 2002 respectively.
Land area	:	21,730.3 sm
Gross floor area (GFA)	:	54,274.91 sm approximately
Valuation approach	:	Direct Comparison Method
Valuation date	:	4 June 2021
Market Value	:	S\$72,500,000/- (Singapore Dollars Seventy-Two Million And Five Hundred Thousand Only) This valuation is exclusive of GST.
Rate (of GFA)	:	S\$1,336/- psm
Material Valuation Uncertainty	:	As at the valuation date, we continue to be faced with an unprecedented set of circumstances caused by COVID-19. Our valuation is therefore reported as being subject to Material Valuation Uncertainty. A higher degree of caution should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this Property under frequent review.
Assumptions, disclaimers, limitations & qualifications	:	<i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.</i>
Prepared by	:	Knight Frank Pte Ltd

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KF Ref: 1512/SPH/1/21/SF/say
Date of issue: 6 August 2021

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APPENDIX B: SUMMARY OF VALUATION REPORT



Valuation certificate

Property : 2 Jurong Port Road "SPH Print Centre" Singapore 619088

**Instructing party/
Relying party** : Singapore Press Holdings Limited

Purpose of valuation : Proposed restructuring of Singapore Press Holdings Limited's media business by transferring it to a not-for-profit entity

Legal description : Lot Nos. : 2306L and 1386W
Mukim : 6

Tenure : Leasehold 30 years with effect from 9 June 2004
(Balance of about 13.0 years as at 4 June 2021)

Basis of valuation : Market Value on an "as is" basis and with vacant possession, and excluding all plant & machinery

Registered lessee : Singapore Newspaper Services Private Limited

Master plan 2019 : "Business 2" with a gross plot ratio of 1.4

Brief description : "SPH Print Centre" is located at the south-western junction of Jurong Port Road and Jalan Ahmad Ibrahim, off Ayer Rajah Expressway and some 20.0 km from the City Centre.

The Property is an industrial development containing SPH's printing facilities. It comprises a single-storey warehouse with a 3-storey factory block (PC1), a 4-storey factory block (PC2), a single-storey warehouse block (PC3), a 2-storey ancillary block (Block 2A) and a single-storey canteen block (Block 13). All the buildings are connected except for the single-storey canteen block. Open car park lots and loading/unloading bays with dock levellers are provided within the Property. The Temporary Occupation Permits and the Certificates of Statutory Completion were issued on 17 December 1996, 2 February 2002 and 5 January 2009; and 20 May 1999, 4 April 2002 and 22 June 2009 respectively.

Mukim 6	Land Area (sm)
Lot No.	
2306L	106,048.9
1386W	4,026.3
Total	110,075.2

Land area : Mukim 6

Gross floor area (GFA) : 102,352.16 sm approximately

Valuation approach : Direct Comparison Method

Valuation date : 4 June 2021

Market Value : **S\$70,000,000/-**
(Singapore Dollars Seventy Million Only)
This valuation is exclusive of GST.

Rate (of GFA) : S\$684/- psm

Material Valuation Uncertainty : As at the valuation date, we continue to be faced with an unprecedented set of circumstances caused by COVID-19. Our valuation is therefore reported as being subject to Material Valuation Uncertainty. A higher degree of caution should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this Property under frequent review.

Assumptions, disclaimers, limitations & qualifications : *This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*

Prepared by : Knight Frank Pte Ltd


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KF Ref: 1513/SPH/2/21/SF/say
Date of issue: 6 August 2021

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APPENDIX B: SUMMARY OF VALUATION REPORT



General Terms of Business for Valuations

These General Terms of Business and our Terms of Engagement letter together form the agreement between us ("Agreement"). The following General Terms of Business apply to all valuations and appraisals undertaken by Knight Frank Pte Ltd unless specifically agreed otherwise in the Terms of Engagement letter and so stated within the main body of the valuation report and/or certificate.

1. Knight Frank Pte Ltd ("the company")

Knight Frank Pte Ltd is a privately owned company with registration number 198205243Z. Any work done by an individual is in the capacity as an employee of the Company.

Our GST registration number is M2-0058829-X.

2. Limitations on Liability

The Valuer's responsibility in connection with this valuation report and/or certificate is limited to the party to whom the valuation report and/or certificate is addressed for the stated purpose. The Valuer disclaims all responsibility and will accept no liability to any third party for the whole or any part of its contents saved on the basis of written and agreed instructions; this will incur an additional fee.

Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to the lower of S\$1 million or 3 times Knight Frank Pte Ltd's fee under the instruction.

We do not accept liability for any indirect or consequential loss (such as loss of profits).

3. Disclosure and Publication

If our opinion of value is disclosed to persons other than the addressees of our valuation report and/or certificate, the basis of valuation should be stated. Reproduction of this valuation report and/or certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any websites) without the Valuer's prior written approval of the form and context in which may appear is prohibited.

4. Our Fees

If any invoice remains unpaid after the date on which it is due to be paid, we reserve the right to charge interest, calculated daily, from the date when payment was due until payment is made at 1.5% per month. If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

If before the valuation is concluded :-

(a) you end this instruction, we will charge abortive fees; or

(b) you delay the instruction by more than [1] month or materially alter the instruction so that additional work is required at any stage we will charge additional fees,

And in each case such fees will be calculated on the basis of reasonable time and expenses incurred.

Where the valuation is for loan security purposes, and we agree to accept payment of our fee from the borrower, the fee remains due from yourselves until payment is received by us. Additionally, payment of our fee is not conditional upon the loan being drawn down or any conditions of the loan being met.

5. Valuation Standards

Valuations and appraisals will be carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism will be met.

6. Valuation Basis

Valuations and appraisals are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions outlined in the valuation report and/or certificate. The basis of valuation will be agreed with you for the instruction.

The opinion expressed in this valuation report and/or certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.

7. Titles and Burdens

We do not read documents of title although, where provided, we consider and take account of matters referred to in solicitor's reports or certificates of title. We would normally assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoing, planning proposals, onerous restrictions or regulatory intentions which affect the property, nor any material litigation pending.

All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.

The Valuer does not warrant to the party to whom the valuation report and/or certificate is addressed and any other person the title or the rights of any person with regard to the property.

8. Disposal Costs and Liabilities

No allowance is made in our valuation for expenses of realisation or for taxation which may arise in the event of a disposal and our valuation is expressed as exclusive of any GST that may become chargeable. Properties are valued disregarding any mortgages or other charges.

9. Sources of Information

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies (subject to "leases" below), planning consents and other relevant matters, as summarised in our valuation report and/or certificate. We do not check with the relevant government departments or other appropriate authorities on the legality of the structures, approved gross floor area or other information provided to us. We assume that this information is complete and correct and the Valuer shall not be held responsible or liable if this should prove not to be so.

Unless otherwise stated, all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this valuation report and/or certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.

APPENDIX B: SUMMARY OF VALUATION REPORT



10. Boundaries

Plans accompanying valuation report are for identification purposes and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with information given to us and/or our understanding of the boundaries.

11. Planning and Other Statutory Regulations

Enquiries of the relevant planning authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors who should also confirm the position with regard to any legal matters referred to in our report. We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

12. Property Insurance

Our valuation assumes that the property would, in all respects, be insurable against all usual risks at normal, commercially acceptable premiums.

13. Building Areas and Age

Where so instructed, areas provided from a quoted source will be relied upon. Where the age of the building is estimated, this is for guidance only.

14. Structural Condition

Building structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

15. Ground Conditions

We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

16. Environmental Issues

Investigations into environmental matters would usually be commissioned of suitably qualified environmental specialists by most responsible purchasers of higher value properties or where there was any reason to suspect contamination or a potential future liability. Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Anyone averse to risk is strongly recommended to have a property environmental investigation undertaken and, besides, a favourable report may be of assistance to any future sale of the property. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

We are not, however, environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation will be on the assumption that the property is unaffected.

17. Leases

The client should confirm to us in writing if they require us to read leases. Where we do read leases reliance must not be placed on our interpretation of these documents without reference to solicitors, particularly where purchase or lending against the security of a property is involved.

18. Covenant

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

19. Loan Security

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

20. Build Cost Information

Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our advice.

21. Reinstatement Assessments

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If advice is required as a check against the adequacy of existing cover this should be specified as part of the initial instruction. Any indication given is provided only for guidance and must not be relied upon as the basis for insurance cover. Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

22. Attendance in Court

The Valuer is not obliged to give testimony or to appear in Court with regard to this valuation report and/or certificate, with reference to the property unless specific arrangement has been made therefor.

APPENDIX C: PROVISIONS IN THE EXISTING CONSTITUTION WHICH HAVE BEEN REMOVED OR AMENDED/UPDATED IN THE NEW CONSTITUTION

The text of the provisions in the Existing Constitution which have been removed in the New Constitution, or which have been amended or updated in the New Constitution, are set out below and the amendments are blacklined.

1. Article 1

- 1. In this Constitution, if not inconsistent with the subject or context, the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof:-

WORDS	MEANINGS
“The Act”	The Companies Act, Chapter 50 or any statutory modification, amendment or re-enactment thereof for the time being in force or any and every other act for the time being in force concerning companies and affecting the Company and any reference to any provision of the Act is to that provision as so modified, amended or re-enacted or contained in any such subsequent Companies Act.
“Approved Shareholder”	Any person or corporation who has received approval from the Minister, pursuant to Section 10 of the Newspaper Act, to subscribe for or purchase Management Shares.
“The Company”	The abovenamed Company by whatever name from time to time called.
“This Constitution”	This Constitution or other regulations of the Company for the time being in force.
“Director”	Includes any person acting as a Director of the Company and includes any person duly appointed and acting for the time being as an Alternate Director.
“Directors”	The Directors for the time being of the Company or such number of them as have authority to act for the Company.
“Dividend”	Includes bonus.
“Management Shares”	Management shares of the Company.
“Member”	A member of the Company and shall exclude the Company where it is a member by reason of shares held by it as treasury shares.
“Minister”	The Minister referred to in the Newspaper Act.
“Month”	Calendar month.
“Newspaper Act”	The Newspaper and Printing Presses Act, Chapter 206 or any statutory modification, amendment or re-enactment thereof for the time being in force.

APPENDIX C: PROVISIONS IN THE EXISTING CONSTITUTION WHICH HAVE BEEN REMOVED OR AMENDED/UPDATED IN THE NEW CONSTITUTION

“Office”	The registered office of the Company for the time being.
“Ordinary Shares”	Ordinary shares of the Company.
“Paid up”	Includes credited as paid up.
“Prescribed Limits”	Shareholding limits prescribed by the Newspaper Act from time to time.
“Registered address” or “Address”	In relation to any Member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.
“Seal”	The Common Seal of the Company or in appropriate cases the Official Seal or duplicate Common Seal.
“Secretary”	The Secretary or Secretaries appointed under this Constitution and shall include any person entitled to perform the duties of Secretary temporarily.
“Singapore”	The Republic of Singapore.
“Writing” and “Written”	Written or produced by any substitute for writing or partly one and partly another and shall include (except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Act) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.
“Year”	Calendar year.

The expressions “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in the Securities and Futures Act, Chapter 289.

The expressions “current address”, “electronic communication”, “relevant intermediary” and “treasury shares” shall have the meanings ascribed to them respectively in the Act.

References in this Constitution to “holders” of shares or a class of shares shall:–

- (i) exclude the Depository or its nominee (as the case may be) except where otherwise expressly provided in this Constitution or where the term “registered holders” or “registered holder” is used in this Constitution; and
- (ii) where the context so requires, be deemed to include references to Depositors whose names are entered in the Depository Register in respect of those shares; and
- (iii) except where otherwise expressly provided in this Constitution, exclude the Company in relation to shares held by it as treasury shares,

and “holding” and “held” shall be construed accordingly.

APPENDIX C: PROVISIONS IN THE EXISTING CONSTITUTION WHICH HAVE BEEN REMOVED OR AMENDED/UPDATED IN THE NEW CONSTITUTION

Words denoting the singular number only shall include the plural and *vice versa*.

Words denoting the masculine gender only shall include the feminine gender.

Words denoting persons shall include corporations.

Save as aforesaid, any word or expression used in the Act and the Interpretation Act, Chapter 1 shall, if not inconsistent with the subject or context, bear the same meaning in this Constitution.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of this Constitution.

The headnotes are inserted for convenience only and shall not affect the construction of this Constitution.

2. Article 8

8. ~~[Deleted](1) Not less than one per cent. of all issued shares shall consist of Management Shares. Management Shares shall not:-~~

(i) be offered, before issue, to ordinary shareholders; or

(ii) be quoted or dealt in on a stock exchange in Singapore or elsewhere.

(2) ~~The first issue of the Management Shares to be issued under Article 8(1) shall be issued at a price that is equivalent to the market value of the Ordinary Shares prevailing at the time of issue; and whenever any subsequent issue of shares is made one per cent. of every such issue shall consist of Management Shares.~~

3. Article 9

9. ~~[Deleted]The holders of Ordinary Shares and Management Shares shall rank *pari passu* in respect of all dividends and distributions declared by the Company and in respect of all bonus and rights issues made by the Company as well as in the right to return of capital and to participation in all surplus assets of the Company in the event of a winding up.~~

4. Article 10

10. ~~[Deleted]Management Shares may not, except with the approval of the Minister pursuant to the provisions of the Newspaper Act, be dealt in or in any way mortgaged by the holders thereof.~~

APPENDIX C: PROVISIONS IN THE EXISTING CONSTITUTION WHICH HAVE BEEN REMOVED OR AMENDED/UPDATED IN THE NEW CONSTITUTION

5. Article 11

11. ~~[Deleted]~~No Member shall continue to hold Management Shares if the approval of the Minister pursuant to Section 10 of the Newspaper Act is revoked. From the date of such revocation the affected Member shall cease to have any voting rights under the Management Shares. The Company shall, as soon as practicable thereafter, arrange for such Member to be issued with one Ordinary Share in exchange for each Management Share held by him.

6. Article 12

12. ~~[Deleted]~~(1) Subject to Article 12(2), no person shall, whether alone or together with his associates (as defined in the Newspaper Act), hold or control voting shares in the Company in excess of any of the Prescribed Limits without first obtaining the approval of the Minister.

(2) Notwithstanding any other provisions of this Constitution, such person or persons approved by the Minister shall be entitled to hold or control such number of voting shares in the Company which reaches or exceeds any of the Prescribed Limits, subject to such terms and conditions as may be imposed by the Minister.

(3) The Directors may, if it shall come to their notice that:-

- (i) any person or, as the case may be, any person together with his associates hold or control voting shares of the Company in excess of any of the Prescribed Limits without first obtaining the approval of the Minister; or
- (ii) any person is in breach of any condition imposed by the Minister in relation to the holding or control of his voting shares,

take all steps and do all acts or things as they may in their absolute discretion deem necessary to ensure that the provisions of the Newspaper Act are or will be complied with. Without prejudice to the foregoing, the Directors shall take such action as may be directed by the Minister, including but not limited to the following:-

- (a) to require such person or persons (as the case may be) to dispose of such number of his voting shares within such period of time as may be specified by the Minister;
- (b) pending the aforesaid disposal, to suspend the voting rights of the voting shares held by such person or persons (as the case may be); and/or
- (c) to restrict the transfer of the voting shares held by such person or persons (as the case may be).

APPENDIX C: PROVISIONS IN THE EXISTING CONSTITUTION WHICH HAVE BEEN REMOVED OR AMENDED/UPDATED IN THE NEW CONSTITUTION

7. Article 13

13. (1) The rights attaching to shares of a class other than Ordinary Shares shall be expressed in this Constitution.
- (2) ~~Subject to the provisions of the Newspaper Act,~~ The Company may issue shares for which no consideration is payable to the Company.

8. Article 14

14. Subject to the ~~Act and the Newspaper Act,~~ no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 62, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, provided always that:—
- (i) ~~[Deleted]no Management Shares shall be issued except to Approved Shareholders;~~
- (ii) (subject to ~~any approval required from the Minister and~~ any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 62(1) with such adaptations as are necessary shall apply; and
- (iii) any other issue of shares, the aggregate of which would exceed the limits referred to in Article 62(2), shall be subject to the approval of the Company in General Meeting.

9. Article 16

16. The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued shares (~~other than Management Shares~~) on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution and the Act, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.

APPENDIX C: PROVISIONS IN THE EXISTING CONSTITUTION WHICH HAVE BEEN REMOVED OR AMENDED/UPDATED IN THE NEW CONSTITUTION

10. Article 32

32. (1) No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs.
- (2) ~~[Deleted] No Management Share shall be transferred to anyone other than an Approved Shareholder.~~

11. Article 34

34. The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:-
- (i) such fee not exceeding \$2 as the Directors may from time to time require, is paid to the Company in respect thereof;
 - (ii) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;
 - (iii) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do;
 - (iv) the instrument of transfer is in respect of only one class of shares;
 - (v) ~~(in the case of an instrument of transfer relating to Ordinary Shares)~~ the instrument of transfer has a declaration attached to it duly made by or on behalf of the transferee stating:-
 - (a) the extent of the transferee's interest, directly or indirectly, in the Company's issued Ordinary Shares as at the date of the declaration; and
 - (b) whether or not the transferee is a nominee and (where the transferee is a nominee) such particulars of the interest in the Ordinary Shares comprised in such instrument of transfer as would otherwise have to be given under the provisions of the preceding sub-paragraph; and
 - (vi) ~~[Deleted](in the case of an instrument of transfer relating to Management Shares) there is attached to the instrument of transfer the written approval of the Minister authorising the transferee to hold such shares.~~

APPENDIX C: PROVISIONS IN THE EXISTING CONSTITUTION WHICH HAVE BEEN REMOVED OR AMENDED/UPDATED IN THE NEW CONSTITUTION

12. Article 43

43. Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the person whose name is entered in the Register of Members had not occurred and the notice or transfer were a transfer executed by such person. ~~Provided that if the share to which the person has so become entitled is a Management Share, the Company shall either exchange such share for an Ordinary Share or, if the person has obtained the written approval of the Minister to hold Management Shares, register the person as holder of such share.~~

13. Article 55

55. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such person as aforesaid. ~~Provided that a forfeited Management Share may only be sold to an Approved Shareholder.~~

14. Article 58

58. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after notice in writing stating and demanding payment of the sum payable and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof. ~~Provided that if the share is a Management Share the Company shall not sell it except to an Approved Shareholder.~~

APPENDIX C: PROVISIONS IN THE EXISTING CONSTITUTION WHICH HAVE BEEN REMOVED OR AMENDED/UPDATED IN THE NEW CONSTITUTION

15. Article 64

64. (1) The Company may by Ordinary Resolution:–
- (i) consolidate and divide all or any of its shares;
 - (ii) subdivide its shares or any of them (subject, nevertheless, to the provisions of the Act), provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
 - (iii) subject to the provisions of the Act, convert its share capital or any class of shares from one currency to another currency.
- (2) The Company may by Special Resolution, subject to the provisions of this Constitution and in accordance with the Act, convert one class of shares into another class of shares, ~~provided always that there shall be no conversion of any class of shares to Management Shares without the written approval of the Minister and subject to such terms and conditions as the Minister may impose.~~

16. Article 71

71. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by ~~Section 10(8) of the Newspaper Act and by~~ Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

17. Article 82

82. (1) ~~[Deleted]At any General Meeting a resolution on the appointment or dismissal of a Director or any member of the staff of the Company put to the vote of the Meeting shall be decided on a poll at which each holder of Management Shares present in person or by proxy or attorney or in the case of a corporation by a representative shall have two hundred votes for each Management Share held by him.~~
- (2) If required by the listing rules of any stock exchange upon which shares in the Company may be listed, all ~~other~~ resolutions at General Meetings shall be voted by poll (unless such requirement is waived by such stock exchange).
- (3) Subject as otherwise provided in this Constitution, at any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:–
- (i) by the Chairman; or
 - (ii) by at least two Members present in person or by proxy or by attorney or in the case of a corporation by a representative and entitled to vote thereat; or

APPENDIX C: PROVISIONS IN THE EXISTING CONSTITUTION WHICH HAVE BEEN REMOVED OR AMENDED/UPDATED IN THE NEW CONSTITUTION

- (iii) by any Member or Members present in person or by proxy or by attorney or in the case of a corporation by a representative and representing not less than five per cent. of the total voting rights of all the Members having the right to vote at the Meeting; or
- (iv) by any Member or Members present in person or by proxy or by attorney or in the case of a corporation by a representative and holding shares conferring a right to vote at the Meeting, being shares on which an aggregate sum has been paid up equal to not less than five per cent. of the total sum paid up on all the shares conferring that right.

Provided always that no poll shall be demanded on the election of a Chairman or on a question of adjournment. Unless a poll is demanded (and the demand is not withdrawn) a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn only with the approval of the Chairman, and any such demand shall not prevent the continuance of the Meeting for the transaction of any business, other than the question on which the poll has been demanded.

18. Article 87

87. (1) Subject and without prejudice to this Constitution and to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 17, each Member entitled to vote may vote in person or by proxy. Every Member who is present in person or by proxy shall:–
- (i) on a poll, have one vote for every share which he holds or represents; and
 - (ii) on a show of hands, have one vote, provided that:–
 - (a) in the case of a Member who is not a relevant intermediary and who is represented by two proxies ~~or, in the case of a Member holding Management Shares, where such Member is represented by two or more proxies,~~ only one of the two or ~~(as the case may be) more proxies~~ as determined by that Member or, failing such determination, by the Chairman of the Meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and
 - (b) in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

APPENDIX C: PROVISIONS IN THE EXISTING CONSTITUTION WHICH HAVE BEEN REMOVED OR AMENDED/UPDATED IN THE NEW CONSTITUTION

For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

- (2) ~~[Deleted]The holders of Management Shares shall be entitled either on a poll or by a show of hands to two hundred votes for each Management Share held upon any resolution relating to the appointment or dismissal of a Director or any member of the staff of the Company but shall in all other respects have the same voting rights as the holders of Ordinary Shares.~~

19. Article 93

93. (1) Save as otherwise provided in the Act:–

- (i) ~~subject to Article 93(2),~~ a Member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and
- (ii) a Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

- (2) ~~[Deleted]Save as otherwise provided in the Act, a Member holding Management Shares shall be entitled to appoint more than two proxies to attend, speak and vote at the same General Meeting in respect of the Management Shares held by him. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.~~

(3) In any case where the Member is a Depositor, the Company shall be entitled and bound:–

- (i) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and
- (ii) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

APPENDIX C: PROVISIONS IN THE EXISTING CONSTITUTION WHICH HAVE BEEN REMOVED OR AMENDED/UPDATED IN THE NEW CONSTITUTION

- (4) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

20. Article 100

100. (1) Subject to the other provisions of Section 145 of the Act, the number of the Directors, all of whom shall be natural persons, shall not be less than two.

(2) ~~[Deleted] No person shall be appointed a Director unless:-~~

- ~~(i) he is a citizen of Singapore; or~~
- ~~(ii) not being such a citizen, he has been granted approval under the Newspaper Act to become a Director.~~

21. Article 102

102. ~~A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to attend and speak at General Meetings. No shareholding qualification shall be required upon a Director's initial appointment to office. Directors who are appointed or who wish to remain in office after 12th May, 1989, shall, however, within two months of such appointment or 12th May, 1989 as the case may be, subscribe for at least one Management Share.~~

22. Article 114

114. The office of a Director shall be vacated in any one of the following events, namely:-

- (i) if he is prohibited from being a Director by reason of any order made under the Act;
- (ii) if he ceases to be a Director by virtue of any of the provisions of the Act;
- (iii) if he becomes disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds;
- (iv) if he resigns by writing under his hand left at the Office;
- (v) if a bankruptcy order is made against him or if he makes any arrangement or composition with his creditors generally;
- (vi) if he should become mentally disordered and incapable of managing himself or his affairs during his term of office;
- (vii) if he absents himself from meetings of the Directors for a continuous period of six months without leave from the Directors;
- (viii) if he is removed by the Company in General Meeting pursuant to this Constitution;

APPENDIX C: PROVISIONS IN THE EXISTING CONSTITUTION WHICH HAVE BEEN REMOVED OR AMENDED/UPDATED IN THE NEW CONSTITUTION

- (ix) ~~[Deleted]if he ceases to be a Singapore citizen or any approval granted under the Newspaper Act to his acting as a Director is revoked;~~
- (x) ~~[Deleted]if, being a Director appointed before 12th May, 1989, he fails, within two months thereof, to obtain the approval of the Minister to hold Management Shares, or, such approval is subsequently revoked; or~~
- (xi) ~~[Deleted]if, being a Director appointed after 12th May, 1989, he fails, within two months of such appointment to obtain the approval of the Minister to hold Management Shares, or such approval is subsequently revoked.~~

APPENDIX D: THE NEW CONSTITUTION

THE COMPANIES ACT, CHAPTER 50

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

OF

SINGAPORE PRESS HOLDINGS LIMITED

(Adopted by Special Resolution passed on 10 September 2021)

INTERPRETATION

1. In this Constitution, if not inconsistent with the subject or context, the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof:–

WORDS

MEANINGS

“The Act”	The Companies Act, Chapter 50 or any statutory modification, amendment or re-enactment thereof for the time being in force or any and every other act for the time being in force concerning companies and affecting the Company and any reference to any provision of the Act is to that provision as so modified, amended or re-enacted or contained in any such subsequent Companies Act.
“The Company”	The abovenamed Company by whatever name from time to time called.
“This Constitution”	This Constitution or other regulations of the Company for the time being in force.
“Director”	Includes any person acting as a Director of the Company and includes any person duly appointed and acting for the time being as an Alternate Director.
“Directors”	The Directors for the time being of the Company or such number of them as have authority to act for the Company.
“Dividend”	Includes bonus.
“Member”	A member of the Company and shall exclude the Company where it is a member by reason of shares held by it as treasury shares.

APPENDIX D: THE NEW CONSTITUTION

“Month”	Calendar month.
“Office”	The registered office of the Company for the time being.
“Ordinary Shares”	Ordinary shares of the Company.
“Paid up”	Includes credited as paid up.
“Registered address” or “Address”	In relation to any Member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.
“Seal”	The Common Seal of the Company or in appropriate cases the Official Seal or duplicate Common Seal.
“Secretary”	The Secretary or Secretaries appointed under this Constitution and shall include any person entitled to perform the duties of Secretary temporarily.
“Singapore”	The Republic of Singapore.
“Writing” and “Written”	Written or produced by any substitute for writing or partly one and partly another and shall include (except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Act) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.
“Year”	Calendar year.

The expressions “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in the Securities and Futures Act, Chapter 289.

The expressions “current address”, “electronic communication”, “relevant intermediary” and “treasury shares” shall have the meanings ascribed to them respectively in the Act.

References in this Constitution to “holders” of shares or a class of shares shall:–

- (i) exclude the Depository or its nominee (as the case may be) except where otherwise expressly provided in this Constitution or where the term “registered holders” or “registered holder” is used in this Constitution; and
- (ii) where the context so requires, be deemed to include references to Depositors whose names are entered in the Depository Register in respect of those shares; and
- (iii) except where otherwise expressly provided in this Constitution, exclude the Company in relation to shares held by it as treasury shares,

and “holding” and “held” shall be construed accordingly.

APPENDIX D: THE NEW CONSTITUTION

Words denoting the singular number only shall include the plural and *vice versa*.

Words denoting the masculine gender only shall include the feminine gender.

Words denoting persons shall include corporations.

Save as aforesaid, any word or expression used in the Act and the Interpretation Act, Chapter 1 shall, if not inconsistent with the subject or context, bear the same meaning in this Constitution.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of this Constitution.

The headnotes are inserted for convenience only and shall not affect the construction of this Constitution.

NAME

2. The name of the Company is SINGAPORE PRESS HOLDINGS LIMITED.

OFFICE

3. The Office of the Company will be situated in the Republic of Singapore.

BUSINESS OR ACTIVITY

4. Subject to the provisions of the Act and any other written law and this Constitution, the Company has:–
 - (i) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
 - (ii) for these purposes, full rights, powers and privileges.

LIABILITY OF MEMBERS

5. The liability of the Members is limited.

BRANCH OF BUSINESS

6. Subject to the provisions of the Act, any branch or kind of business which by this Constitution is expressly or by implication authorised to be undertaken by the Company may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.

PUBLIC COMPANY

7. The Company is a public company.
8. *[Deleted]*

APPENDIX D: THE NEW CONSTITUTION

9. *[Deleted]*
10. *[Deleted]*
11. *[Deleted]*
12. *[Deleted]*

SHARES

13. (1) The rights attaching to shares of a class other than Ordinary Shares shall be expressed in this Constitution.

(2) The Company may issue shares for which no consideration is payable to the Company.
14. Subject to the Act, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 62, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, provided always that:–
 - (i) *[Deleted]*
 - (ii) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 62(1) with such adaptations as are necessary shall apply; and
 - (iii) any other issue of shares, the aggregate of which would exceed the limits referred to in Article 62(2), shall be subject to the approval of the Company in General Meeting.
15. (1) Preference shares may be issued subject to such limitation thereof as may be prescribed by any stock exchange upon which shares in the Company may be listed. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any Meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the Meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.

(2) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

APPENDIX D: THE NEW CONSTITUTION

16. The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution and the Act, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.
17. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.
18. If at any time the share capital is divided into different classes, subject to the provisions of the Act, preference capital, other than redeemable preference capital, may be repaid, and the rights attached to any class may be varied or abrogated, with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of the class (but not otherwise) and may be so repaid, varied or abrogated whether or not the Company is being wound up, and to every such Special Resolution the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate General Meeting the provisions of this Constitution relating to General Meetings shall *mutatis mutandis* apply; but so that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll. Provided always that where the necessary majority of such a Special Resolution is not obtained at the Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the Meeting shall be as valid and effectual as a Special Resolution carried at the Meeting.
19. The rights conferred upon the holders of the shares of any class shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution as are in force at the time of such issue, be deemed to be varied by the creation or issue of further shares ranking equally therewith.
20. The Company may pay commission or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commission or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares, or partly in one way and partly in the other.
21. Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten market days of the closing date (or such other period as may be approved by any stock exchange upon which shares in the Company may be listed) of any such application. "Market day" shall have the meaning ascribed to it in Article 28. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

APPENDIX D: THE NEW CONSTITUTION

22. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital (except treasury shares) as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision.
23. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by this Constitution or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person other than the Depository or its nominee (as the case may be) entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share.
24. (1) The Company shall not be bound to register more than three persons as the joint registered holders of any share except in the case of executors or administrators (or trustees) of the estate of a deceased Member.
- (2) If two or more persons are registered as joint holders of any share any one of such persons may give effectual receipts for any dividend payable in respect of such share and the joint holders of a share shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such shares. Such joint holders shall be deemed to be one Member and the delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
25. No person shall be recognised by the Company as having title to a fractional part of a share otherwise than as the sole or a joint holder of the entirety of such share.
26. If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.

SHARE CERTIFICATES

27. The certificate of title to shares or debentures of the Company shall be issued under the Seal in such form as the Directors shall from time to time prescribe and may bear the autographic or facsimile signatures of at least two Directors, or one Director and the Secretary or some other person appointed by the Directors in place of the Secretary for the purpose. Every such certificate shall specify the number and class of shares or, as the case may be, debentures to which it relates and, in the case of shares, whether the shares are fully or partly paid up and the amount (if any) unpaid thereon. The facsimile signatures may be reproduced by mechanical, electronic or other means provided the method or system of reproducing signatures has first been approved by the Directors. No share certificate shall be issued representing shares of more than one class.

APPENDIX D: THE NEW CONSTITUTION

28. (1) Every person whose name is entered as a Member in the Register of Members shall be entitled to receive within ten market days (or such other period as may be approved by any stock exchange upon which shares in the Company may be listed) of the closing date of any application for shares or, as the case may be, the date of lodgement of a registrable transfer, one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where such a Member transfers part only of the shares comprised in a certificate, the old certificate shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such Member shall pay a maximum fee of \$2 for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which shares in the Company may be listed. For the purposes of this Article 28, "market day" shall mean a day on which the Singapore Exchange Securities Trading Limited is open for trading in securities.
- (2) Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- (3) If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a maximum fee of \$2 for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any stock exchange upon which shares in the Company may be listed.
29. Subject to the provisions of the Act, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of any stock exchange upon which shares in the Company may be listed or on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding \$2 as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

TRANSFER OF SHARES

30. All transfers of the legal title in shares may be effected by the registered holders thereof by transfer in writing in the form for the time being approved by any stock exchange upon which shares in the Company may be listed or in any other form acceptable to the Directors. Shares of different classes shall not be comprised in the same instrument of transfer.
31. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

APPENDIX D: THE NEW CONSTITUTION

32. (1) No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs.
- (2) *[Deleted]*
33. The Directors may in their sole discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve.
34. The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:–
- (i) such fee not exceeding \$2 as the Directors may from time to time require, is paid to the Company in respect thereof;
 - (ii) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;
 - (iii) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do;
 - (iv) the instrument of transfer is in respect of only one class of shares;
 - (v) the instrument of transfer has a declaration attached to it duly made by or on behalf of the transferee stating:–
 - (a) the extent of the transferee's interest, directly or indirectly, in the Company's issued Ordinary Shares as at the date of the declaration; and
 - (b) whether or not the transferee is a nominee and (where the transferee is a nominee) such particulars of the interest in the Ordinary Shares comprised in such instrument of transfer as would otherwise have to be given under the provisions of the preceding sub-paragraph; and
 - (vi) *[Deleted]*
35. The Directors may in their sole discretion refuse to register any transfer of Ordinary Shares if, *inter alia*, in their opinion such transfer is made to a corporation, individual or other legal entity (other than the Depository or its nominee (as the case may be)) who in the opinion of the Directors will hold the Ordinary Shares as a nominee.
36. In the event of the Directors refusing to register a transfer of shares, they shall within ten market days after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Act and a notice of refusal as required by the Act. "Market day" shall have the meaning ascribed to it in Article 28.

APPENDIX D: THE NEW CONSTITUTION

37. Save as provided in this Constitution, there shall be no restriction on the transfer of fully paid up shares (except where required by law, the listing rules of any stock exchange upon which shares in the Company may be listed or the rules and/or bye-laws governing any stock exchange upon which shares in the Company may be listed).
38. All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.
39. The Register of Members may be closed at such times and for such period as the Directors may from time to time determine, provided always that such Register shall not be closed for more than thirty days in any year. Provided always that the Company shall give prior notice of such closure as may be required to any stock exchange upon which shares in the Company may be listed, stating the period and purpose or purposes for which the closure is made.
40. Nothing in this Constitution shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
41. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; Provided always that:—
- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
 - (ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and
 - (iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

42. (1) In the case of the death of a Member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.

APPENDIX D: THE NEW CONSTITUTION

- (2) In the case of the death of a Member who is a Depositor, the survivors or survivor where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased Member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
- (3) Nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.
43. Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the person whose name is entered in the Register of Members had not occurred and the notice or transfer were a transfer executed by such person.
44. Save as otherwise provided by or in accordance with this Constitution, a person becoming entitled to a share pursuant to Article 42(1) or (2) or Article 43 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the Member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to Meetings of the Company until he shall have been registered as a Member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share.
45. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any share, such fee not exceeding \$2 as the Directors may from time to time require or prescribe.

CALLS ON SHARES

46. The Directors may from time to time make such calls as they think fit upon the Members in respect of any money unpaid on their shares and not by the terms of the issue thereof made payable at fixed times, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.
47. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.
48. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum due from the day appointed for payment thereof to the time of actual payment at such rate not exceeding twelve per cent. per annum as the Directors determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

APPENDIX D: THE NEW CONSTITUTION

49. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all purposes of this Constitution be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
50. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payments.
51. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish (so far as the same shall extend) the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate not exceeding eight per cent. per annum as the Member paying such sum and the Directors agree upon. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits.

FORFEITURE AND LIEN

52. If any Member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest and expense which may have accrued.
53. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.
54. If the requirements of any such notice as aforesaid are not complied with any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.
55. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such person as aforesaid.
56. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at twelve per cent. per

APPENDIX D: THE NEW CONSTITUTION

annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such money in respect of the shares and the Directors may waive payment of such interest either wholly or in part. The Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender.

57. The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) registered in the name of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.
58. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after notice in writing stating and demanding payment of the sum payable and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof.
59. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser.
60. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

APPENDIX D: THE NEW CONSTITUTION

ALTERATION OF CAPITAL

61. Subject to any special rights for the time being attached to any existing class of shares and to the provisions of the Act, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of this Constitution and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.
62. (1) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of any stock exchange upon which shares in the Company may be listed, all new Ordinary Shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing Ordinary Shares to which they are entitled. The offer shall be made by notice specifying the number of Ordinary Shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Ordinary Shares offered, the Directors may dispose of those Ordinary Shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new Ordinary Shares which (by reason of the ratio which the new Ordinary Shares bear to Ordinary Shares held by persons entitled to an offer of new Ordinary Shares) cannot, in the opinion of the Directors, be conveniently offered under this Article.
- (2) Notwithstanding Article 62(1), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:–
- (i) (a) issue shares of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
 - (b) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
 - (ii) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,
- provided that:–
- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited;

APPENDIX D: THE NEW CONSTITUTION

- (2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance is waived by the Singapore Exchange Securities Trading Limited) and this Constitution; and
 - (3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).
63. Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be subject to the provisions of this Constitution with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.
64. (1) The Company may by Ordinary Resolution:–
- (i) consolidate and divide all or any of its shares;
 - (ii) subdivide its shares or any of them (subject, nevertheless, to the provisions of the Act), provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
 - (iii) subject to the provisions of the Act, convert its share capital or any class of shares from one currency to another currency.
- (2) The Company may by Special Resolution, subject to the provisions of this Constitution and in accordance with the Act, convert one class of shares into another class of shares.
65. The Company may reduce its share capital or any undistributable reserve in any manner and subject to any incident authorised and consent required by law.

STOCK

66. The Company may by Ordinary Resolution convert any paid up shares into stock and may from time to time by like resolution reconvert any stock into paid up shares.
67. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit but no stock shall be transferable except in such units as the Directors may from time to time determine.
68. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by the number of stock units which would not, if existing in shares, have conferred that privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

APPENDIX D: THE NEW CONSTITUTION

69. All provisions of this Constitution applicable to paid up shares shall apply to stock and the words “share” and “shareholder” or similar expressions herein shall include “stock”, “stock units” or “stockholder”.

GENERAL MEETINGS

70. (1) Subject to the provisions of the Act, the Company shall in each year hold a General Meeting in addition to any other Meetings in that year to be called the Annual General Meeting, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint.
- (2) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
71. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

72. (1) Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Act) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given and shall be given in the manner hereinafter mentioned to such persons (including the Auditor) as are under the provisions herein contained entitled to receive notice from the Company and at least fourteen days' notice of such Meeting shall be given by advertisement in the daily press and in writing to any stock exchange upon which shares in the Company may be listed. Provided that a General Meeting, notwithstanding that it has been called by a shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed:—
- (i) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and
- (ii) in the case of an Extraordinary General Meeting by that number or majority in number of the Members having a right to attend and vote thereat as is required by the Act.
- (2) The accidental omission to give notice to, or the non-receipt by any person entitled thereto, shall not invalidate the proceedings at any General Meeting.

APPENDIX D: THE NEW CONSTITUTION

73. (1) Every notice calling a General Meeting shall specify the place and the day and hour of the Meeting and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a Member of the Company.
- (2) In the case of an Annual General Meeting, the notice shall also specify the Meeting as such.
- (3) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of the business, and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.
74. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:—
- (i) declaring dividends;
 - (ii) reading, considering and adopting the financial statements, the Directors' statement, the Auditor's report and other documents required to be attached to the financial statements;
 - (iii) appointing or re-appointing the Auditor and fixing the remuneration of the Auditor or determining the manner in which such remuneration is to be fixed; and
 - (iv) electing or re-electing Directors in place of those retiring by rotation or otherwise and fixing the remuneration of the Directors.

All other business to be transacted at any General Meeting of the Company shall be deemed to be special business.

75. Any notice of a Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

PROCEEDINGS AT GENERAL MEETINGS

76. No business shall be transacted at any General Meeting unless a quorum is present. Save as herein otherwise provided, two Members present in person shall form a quorum. For the purpose of this Article, "Member" includes a person attending by proxy or by attorney or as representing a corporation which is a Member. Provided that (a) a proxy representing more than one Member shall only count as one Member for the purpose of determining the quorum; and (b) where a Member is represented by more than one proxy, such proxies shall count as only one Member for the purpose of determining the quorum.
77. If within half an hour from the time appointed for the Meeting (or such longer interval as the Chairman of the Meeting may think fit to allow) a quorum is not present, the Meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned Meeting a quorum is not present within half an hour from the time appointed for holding the Meeting (or such longer interval as the Chairman of the Meeting may think fit to allow), the Meeting shall be dissolved.

APPENDIX D: THE NEW CONSTITUTION

78. Subject to the Act, a resolution in writing signed by every Member of the Company entitled to vote or being a corporation by its duly authorised representative shall have the same effect and validity as an Ordinary Resolution of the Company passed at a General Meeting duly convened, held and constituted, and may consist of several documents in the like form, each signed by one or more of such Members.
79. The Chairman of the Directors or, in his absence, the Deputy Chairman (if any) shall preside as Chairman at every General Meeting. If there is no such Chairman or Deputy Chairman or if at any Meeting he is not present within fifteen minutes after the time appointed for holding the Meeting or is unwilling to act, the Members present shall choose some Director to be Chairman of the Meeting or, if no Director is present or if all the Directors present decline to take the Chair, one of their number present to be the Chairman.
80. The Chairman may, with the consent of any Meeting at which a quorum is present (and shall if so directed by the Meeting), adjourn the Meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. Where a Meeting is adjourned *sine die*, the time and place for the adjourned Meeting shall be fixed by the Directors. When a Meeting is adjourned for thirty days or more or *sine die*, notice of the adjourned Meeting shall be given as in the case of the original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.
81. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the Meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.
82. (1) *[Deleted]*
- (2) If required by the listing rules of any stock exchange upon which shares in the Company may be listed, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by such stock exchange).
- (3) Subject as otherwise provided in this Constitution, at any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:—
- (i) by the Chairman; or
 - (ii) by at least two Members present in person or by proxy or by attorney or in the case of a corporation by a representative and entitled to vote thereat; or
 - (iii) by any Member or Members present in person or by proxy or by attorney or in the case of a corporation by a representative and representing not less than five per cent. of the total voting rights of all the Members having the right to vote at the Meeting; or

APPENDIX D: THE NEW CONSTITUTION

- (iv) by any Member or Members present in person or by proxy or by attorney or in the case of a corporation by a representative and holding shares conferring a right to vote at the Meeting, being shares on which an aggregate sum has been paid up equal to not less than five per cent. of the total sum paid up on all the shares conferring that right.

Provided always that no poll shall be demanded on the election of a Chairman or on a question of adjournment. Unless a poll is demanded (and the demand is not withdrawn) a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn only with the approval of the Chairman, and any such demand shall not prevent the continuance of the Meeting for the transaction of any business, other than the question on which the poll has been demanded.

- 83. Where a poll is taken, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the Meeting at which the poll was taken. The Chairman may, and if required by the listing rules of any stock exchange upon which shares in the Company may be listed shall, appoint scrutineers and may adjourn the Meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 84. If any votes are counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude.
- 85. In the case of an equality of votes, whether on a poll or on a show of hands, the Chairman of the Meeting at which the poll or show of hands takes place shall be entitled to a second or casting vote.
- 86. A poll on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately.

VOTES OF MEMBERS

- 87. (1) Subject and without prejudice to this Constitution and to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 17, each Member entitled to vote may vote in person or by proxy. Every Member who is present in person or by proxy shall:–
 - (i) on a poll, have one vote for every share which he holds or represents; and

APPENDIX D: THE NEW CONSTITUTION

- (ii) on a show of hands, have one vote, provided that:–
 - (a) in the case of a Member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the Chairman of the Meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and
 - (b) in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

(2) *[Deleted]*

- 88. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share.
- 89. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such Member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to Meetings of the Company.
- 90. Subject to the provisions of this Constitution, every Member shall be entitled to be present and to vote at any General Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.
- 91. No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered and every vote not disallowed at such Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting whose decision shall be final and conclusive.
- 92. On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

APPENDIX D: THE NEW CONSTITUTION

93. (1) Save as otherwise provided in the Act:–
- (i) a Member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and
 - (ii) a Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- (2) *[Deleted]*
- (3) In any case where the Member is a Depositor, the Company shall be entitled and bound:–
- (i) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and
 - (ii) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
- (4) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.
94. A proxy need not be a Member of the Company, and shall be entitled to vote on a show of hands on any question at any General Meeting.
95. (1) An instrument appointing a proxy or the power of attorney or other authority, if any:–
- (i) if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in or by way of note to or in any document accompanying the notice convening the Meeting; or
 - (ii) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the Meeting,

APPENDIX D: THE NEW CONSTITUTION

and in either case, not less than 72 hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates; Provided always that an instrument of proxy relating to more than one Meeting (including any adjournment thereof) having once been so delivered in accordance with this Article 95(1) for the purposes of any Meeting shall not be required again to be delivered for the purposes of any subsequent Meeting to which it relates.

- (2) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in Article 95(1)(ii). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), Article 95(1)(i) shall apply.
96. (1) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:–
- (i) in the case of an individual, shall be:–
 - (a) signed by the appointor or his attorney, if the instrument is delivered personally or sent by post; or
 - (b) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
 - (ii) in the case of a corporation, shall be:–
 - (a) either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, if the instrument is delivered personally or sent by post; or
 - (b) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of Articles 96(1)(i)(b) and 96(1)(ii)(b), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

- (2) The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to Article 95(1) failing which the instrument may be treated as invalid.

APPENDIX D: THE NEW CONSTITUTION

- (3) The Directors may, in their absolute discretion:–
- (i) approve the method and manner for an instrument appointing a proxy to be authorised; and
 - (ii) designate the procedure for authenticating an instrument appointing a proxy, as contemplated in Articles 96(1)(i)(b) and 96(1)(ii)(b) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), Article 96(1)(i)(a) and/or (as the case may be) Article 96(1)(ii)(a) shall apply.
97. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the Meeting.
98. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) at least one hour before the commencement of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.

CORPORATIONS ACTING BY REPRESENTATIVES

99. Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members of the Company and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of this Constitution (but subject to the Act) be deemed to be present in person at any such Meeting if a person so authorised is present thereat.

DIRECTORS

100. (1) Subject to the other provisions of Section 145 of the Act, the number of the Directors, all of whom shall be natural persons, shall not be less than two.
- (2) *[Deleted]*
101. The first Directors of the Company are LEE HEE SENG and LYNDLEY JOHN HOLLOWAY.
102. A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to attend and speak at General Meetings.
103. (1) The fees of the Directors shall be determined from time to time by the Company in General Meeting and such fees shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall

APPENDIX D: THE NEW CONSTITUTION

have been given in the notice convening the Meeting and such fees shall (unless such resolution otherwise provides) be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office.

- (2) Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors, are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Article.
 - (3) The remuneration in the case of a Director other than an Executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on or percentage of turnover.
104. The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.
105. (1) Subject to Section 168 of the Act, the Directors may pay a pension or allowance (either revocable or irrevocable and either subject or not subject to any terms and conditions) to any Executive Director (as hereinafter defined) on or at any time after his retirement from his office or employment under the Company or under any related corporation or on or after his death to his widow or other dependants.
- (2) The Directors shall have power and shall be deemed always to have had power to establish and maintain and to concur with related corporations in establishing and maintaining any schemes or funds for providing pensions, superannuation benefits, sickness or compassionate allowance, life assurances or other benefits for staff (including any Director for the time being holding any executive office or any office of profit in the Company) or employees of the Company or any such associated company and for the widows or other dependants of such persons and to make contributions out of the Company's money for any such schemes or funds.
 - (3) The expression "related corporation" for the purposes of this Constitution shall mean any corporation which is deemed to be related to the Company in terms of Section 6 of the Act.
 - (4) In this Constitution the expression "Executive Director" shall mean and include any Director, including a Chief Executive Officer (or person holding an equivalent position) who has been or is engaged substantially whole-time in the business of the Company or of any related corporation or partly in one and partly in another.
106. Other than the office of Auditor, a Director may hold any other office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement or transaction with the Company either as vendor, purchaser or otherwise nor

APPENDIX D: THE NEW CONSTITUTION

shall such contract, arrangement or transaction or any contract, arrangement or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or transacting or being so interested be liable to account to the Company for any profit realised by any such contract, arrangement or transaction by reason only of such Director holding that office or of the fiduciary relation thereby established but every Director shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors in contracts, arrangements or transactions or proposed contracts, arrangements or transactions with the Company or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director. No Director shall as a Director vote in respect of any contract, arrangement or transaction or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

107. (1) A Director may be or become a director of or hold any office or place of profit (other than as Auditor) or be otherwise interested in any company in which the Company may be interested as vendor, purchaser, shareholder or otherwise and unless otherwise agreed shall not be accountable for any fees, remuneration or other benefits received by him as a director or officer of or by virtue of his interest in such other company.
- (2) The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such Director of the Company may, subject to this Constitution, vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.
108. (1) The Directors may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and for such period as they may (subject to the provisions of the Act) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.
- (2) The appointment of any Director to the office of Chairman or Deputy Chairman shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- (3) The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.
109. The Directors may entrust to and confer upon any Directors holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and

APPENDIX D: THE NEW CONSTITUTION

with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

CHIEF EXECUTIVE OFFICERS

110. The Directors may from time to time appoint one or more of their body to be Chief Executive Officer or Chief Executive Officers (or other equivalent position) of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. Where an appointment is for a fixed term such term shall not exceed five years.
111. A Chief Executive Officer (or person holding an equivalent position) who is a Director shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to retirement by rotation, resignation and removal as the other Directors of the Company.
112. The remuneration of a Chief Executive Officer (or person holding an equivalent position) shall from time to time be fixed by the Directors and may subject to this Constitution be by way of salary or commission or participation in profits or by any or all of these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover.
113. A Chief Executive Officer (or person holding an equivalent position) shall at all times be subject to the control of the Directors but subject thereto the Directors may from time to time entrust to and confer upon a Chief Executive Officer (or person holding an equivalent position) for the time being such of the powers exercisable under this Constitution by the Directors as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

VACATION OF OFFICE OF DIRECTORS

114. The office of a Director shall be vacated in any one of the following events, namely:—
 - (i) if he is prohibited from being a Director by reason of any order made under the Act;
 - (ii) if he ceases to be a Director by virtue of any of the provisions of the Act;
 - (iii) if he becomes disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds;
 - (iv) if he resigns by writing under his hand left at the Office;
 - (v) if a bankruptcy order is made against him or if he makes any arrangement or composition with his creditors generally;
 - (vi) if he should become mentally disordered and incapable of managing himself or his affairs during his term of office;

APPENDIX D: THE NEW CONSTITUTION

- (vii) if he absents himself from meetings of the Directors for a continuous period of six months without leave from the Directors;
 - (viii) if he is removed by the Company in General Meeting pursuant to this Constitution;
 - (ix) *[Deleted]*
 - (x) *[Deleted]*
 - (xi) *[Deleted]*
115. In accordance with the provisions of Section 152 of the Act, the Company may by Ordinary Resolution of which special notice has been given remove any Director before the expiration of his period of office, notwithstanding any provision of this Constitution or of any agreement between the Company and such Director but without prejudice to any claim he may have for damages for breach of any such agreement. The Company in General Meeting may appoint another person in place of a Director so removed from office and any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy.

ROTATION OF DIRECTORS

116. Subject to this Constitution and to the Act, at each Annual General Meeting one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third, selected in accordance with Article 117, shall retire from office by rotation (in addition to any Director retiring pursuant to Article 120).
117. The Directors to retire in every year shall be those who, being subject to retirement by rotation, have been longest in office since their last re-election or appointment, but as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.
118. The Company at the Meeting at which a Director retires under any provision of this Constitution may by Ordinary Resolution fill up the vacated office by electing a person thereto. In default the retiring Director shall be deemed to have been re-elected, unless:—
- (i) at such Meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-election of such Director is put to the Meeting and lost; or
 - (ii) such Director is disqualified under the Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected; or
 - (iii) such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds.

The retirement shall not have effect until the conclusion of the Meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the Meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

APPENDIX D: THE NEW CONSTITUTION

119. No person, other than a Director retiring at the Meeting, shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than eleven clear days (exclusive of the date on which the notice is given) before the day appointed for the Meeting there shall have been left at the Office notice in writing signed by some Member duly qualified to attend and vote at the Meeting for which such notice is given of his intention to propose such person for election and also notice in writing duly signed by the nominee giving his consent to the nomination and signifying his candidature for the office. Provided that in the case of a person recommended by the Directors for election nine clear days' notice only shall be necessary and notice of each and every candidate for election shall be served on all Members at least seven clear days prior to the Meeting at which the election is to take place.
120. The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto the Directors shall have power at any time so to do, but any person so appointed by the Directors shall hold office only until the next Annual General Meeting. He shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such Meeting.

ALTERNATE DIRECTORS

121. (1) Any Director of the Company may at any time appoint any person (other than another Director) approved by a majority of the other Directors to be his Alternate Director and may at any time remove any such Alternate Director from office. An Alternate Director so appointed shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company. An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as his appointor.
- (2) An Alternate Director shall (subject to his giving to the Company an address in Singapore) be entitled to receive notices of all meetings of the Directors and to attend and vote as a Director at such meetings at which the Director appointing him is not personally present and generally to perform all functions of his appointor as a Director in his absence. If his appointor is for the time being absent from Singapore or temporarily unable to act through ill health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committee of the Directors, the foregoing provisions of this Article shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member.
- (3) An Alternate Director shall *ipso facto* cease to be an Alternate Director if his appointor ceases for any reason to be a Director otherwise than by retiring and being re-elected at the same Meeting.
- (4) All appointments and removals of Alternate Directors shall be effected in writing under the hand of the Director making or terminating such appointment left at the Office.
- (5) A person may not act as Alternate Director to more than one Director at the same time.

APPENDIX D: THE NEW CONSTITUTION

PROCEEDINGS OF DIRECTORS

122. (1) The Directors may meet together for the despatch of business, adjourn or otherwise regulate their meetings as they think fit. Subject to this Constitution, questions arising at any meeting shall be determined by a majority of votes and in case of an equality of votes the Chairman of the meeting shall have a second or casting vote except when only two Directors are present and form a quorum or only two Directors are competent to vote on the question.
- (2) A Director may and the Secretary on the requisition of a Director shall at any time summon a meeting of the Directors by notice in writing given to each Director.
- (3) The accidental omission to give to any Director, or the non-receipt by any Director of a notice of a meeting of Directors shall not invalidate the proceedings at that meeting. Any Director may waive notice of any meeting and any such waiver may be retroactive.
- (4) Directors may participate in a meeting of the Directors by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, without a Director being in the physical presence of another Director or Directors, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The Directors participating in any such meeting shall be counted in the quorum for such meeting and subject to there being a requisite quorum in accordance with Article 123, all resolutions agreed by the Directors in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. A meeting conducted by means of a conference telephone or similar communications equipment as aforesaid is deemed to be held at the place agreed upon by the Directors attending the meeting, provided always that at least one of the Directors present at the meeting was at that place for the duration of the meeting.
123. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless fixed otherwise shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all the powers and discretions for the time being exercisable by the Directors.
124. The continuing Directors may act notwithstanding any vacancies but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with this Constitution the continuing Directors or Director may, except in an emergency, act only for the purpose of filling up such vacancies or of summoning General Meetings of the Company. If there are no Directors or Director able or willing to act, then any two Members may summon a General Meeting for the purpose of appointing Directors.
125. The Directors may from time to time elect a Chairman and, if desired, a Deputy Chairman and determine the period for which he is or they are to hold office. The Deputy Chairman shall perform the duties of the Chairman during the Chairman's absence for any reason. The Chairman and, in his absence, the Deputy Chairman shall preside as Chairman at meetings of the Directors but if no such Chairman or Deputy Chairman is elected or if at any meeting the Chairman and the Deputy Chairman are not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting. Any Director acting as Chairman of a meeting of the Directors shall in the case of an equality of votes have the Chairman's right to a second or casting vote where applicable.

APPENDIX D: THE NEW CONSTITUTION

126. A resolution in writing signed or approved by a majority of the Directors for the time being in Singapore and constituting a quorum shall be as effective as a resolution passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form each signed or approved by one or more of the Directors. The expressions “in writing”, “signed” and “approved” include approval by any such Director by telefax or any form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.
127. The Directors may delegate any of their powers to committees consisting of such member or members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee.
128. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of this Constitution regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.
129. All acts done by any meeting of Directors or a committee of Directors or by any person acting as Director or as member of any such committee shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.

GENERAL POWERS OF DIRECTORS

130. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors. The Directors may exercise all such powers of the Company as are not hereby or by the Act required to be exercised by the Company in General Meeting. The Directors shall not carry into effect any proposals for disposing of the whole or substantially the whole of the Company’s undertaking or property unless those proposals have been approved by the Company in General Meeting. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.
131. The Directors may establish any local boards or agencies for managing any affairs of the Company, either in Singapore or elsewhere, and may appoint any persons to be members of such local boards or any managers or agents, and may fix their remuneration and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to subdelegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person acting in good faith and without notice of any such annulment or variation shall be affected thereby.

APPENDIX D: THE NEW CONSTITUTION

132. The Directors may from time to time by power of attorney under the Seal appoint any company, firm or person or any fluctuating body of persons whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with such attorney as the Directors may think fit and may also authorise any such attorney to subdelegate all or any of the powers, authorities and discretions vested in him.
133. The Company or the Directors on behalf of the Company may in exercise of the powers in that behalf conferred by the Act cause to be kept a Branch Register or Registers of Members and the Directors may (subject to the provisions of the Act) make and vary such regulations as they may think fit in respect of the keeping of any such Register.
134. All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

BORROWING POWERS

135. The Directors may at their discretion exercise every borrowing power of the Company or permitted by law and may borrow or raise money from time to time for the purpose of the Company and secure the payment of such sums by mortgage, charge or hypothecation of or upon all or any of the property or assets of the Company including any uncalled or called but unpaid capital or by the issue of debentures (whether at par or at discount or premium) or otherwise as they may think fit.

SECRETARY

136. The Secretary or Secretaries shall, and a Deputy or Assistant Secretary or Secretaries may, be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and any Secretary, Deputy or Assistant Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company. The appointment and duties of the Secretary or Secretaries shall not conflict with the provisions of the Act and in particular Section 171 thereof.

SEAL

137. (1) The Directors shall provide for the safe custody of the Common Seal, which shall only be used by the authority of the Directors or a committee of Directors authorised by the Directors in that behalf, and every instrument to which the Seal is affixed shall (subject to the provisions of this Constitution as to certificates for shares or debentures) be signed autographically by two Directors, or by a Director and by the Secretary or some other person appointed by the Directors in place of the Secretary for the purpose.
- (2) The Company may exercise the powers conferred by the Act with regard to having an Official Seal for use abroad, and such powers shall be vested in the Directors.
- (3) For the purposes of Article 27, the Company may have a duplicate Common Seal as referred to in Section 124 of the Act which shall be a facsimile of the Common Seal with the addition on its face of the words "Share Seal".

APPENDIX D: THE NEW CONSTITUTION

AUTHENTICATION OF DOCUMENTS

138. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents, accounts and financial statements relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and where any books, records, documents, accounts or financial statements are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. Any authentication or certification made pursuant to this Article may be made by any electronic means approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.
139. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of proceedings at a duly constituted meeting.

DIVIDENDS

140. The Company may by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company or in excess of the amount recommended by the Directors.
141. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:—
- (i) all dividends in respect of shares must be paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
 - (ii) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

142. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed preferential dividends on any express class of shares carrying a fixed preferential dividend expressed to be payable on fixed dates on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time declare and pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit.

APPENDIX D: THE NEW CONSTITUTION

143. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
144. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith.
145. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
146. The Directors may retain the dividends payable on shares in respect of which any person is under this Constitution as to the transmission of shares entitled to become a Member or which any person under this Constitution is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.
147. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
148. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable shall be forfeited and shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date on which such dividend or moneys are first payable.
149. The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.
150. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a Member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such

APPENDIX D: THE NEW CONSTITUTION

persons) or to such person at such address as such Member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 152, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

151. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.
152. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares.
153. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer.

RESERVES

154. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

155. (1) The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 62(2)):-
 - (i) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:-

APPENDIX D: THE NEW CONSTITUTION

- (a) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
- (b) (in the case of an Ordinary Resolution passed pursuant to Article 62(2)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and/or

- (ii) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:–

- (a) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
- (b) (in the case of an Ordinary Resolution passed pursuant to Article 62(2)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

- (2) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under Article 155(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue and/or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- (3) In addition and without prejudice to the powers provided for by Articles 155(1) and 155(2), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue:–
 - (i) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit; or

APPENDIX D: THE NEW CONSTITUTION

- (ii) be held by or for the benefit of non-executive Directors as part of their fees and/or remuneration under Article 103(1) and/or Article 103(2) approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

MINUTES AND BOOKS

156. (1) The Directors shall cause minutes to be made in books to be provided for the purpose:—
- (i) of all appointments of officers made by the Directors;
 - (ii) of the names of the Directors present at each meeting of Directors and of any committee of Directors; and
 - (iii) of all resolutions and proceedings at all Meetings of the Company and of any class of Members, of the Directors and of committees of Directors.
- (2) Any such minutes of any meeting, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence without any further proof of the facts stated therein.

157. The Directors shall duly comply with the provisions of the Act and in particular the provisions in regard to registration of charges created by or affecting property of the Company, in regard to keeping a Register of Members, a Register of Mortgages and Charges and a Register of Directors' Share and Debenture Holdings and in regard to the production and furnishing of copies of such Registers and of any Register of Holders of Debentures of the Company.

158. Any register, index, minute book, accounting record, minute or other book required by this Constitution or by the Act to be kept by or on behalf of the Company may, subject to and in accordance with the Act, be kept in hard copy form or in electronic form, and arranged in the manner that the Directors think fit. If such records are kept in electronic form, the Directors shall ensure that they are capable of being reproduced in hard copy form, and shall provide for the manner in which the records are to be authenticated and verified. In any case where such records are kept otherwise than in hard copy form, the Directors shall take reasonable precautions for ensuring the proper maintenance and authenticity of such records, guarding against falsification and for facilitating the discovery of any falsifications.

FINANCIAL STATEMENTS

159. The Directors shall cause to be kept such accounting and other records as are necessary to comply with the provisions of the Act and shall cause those records to be kept in such manner as to enable them to be conveniently and properly audited.
160. Subject to the provisions of Section 199 of the Act, the accounting records shall be kept at the Office or at such other place or places as the Directors think fit within Singapore. No Member (other than a Director) shall have any right of inspecting any account or book or document or other recording of the Company except as is conferred by law or authorised by the Directors or by an Ordinary Resolution of the Company.

APPENDIX D: THE NEW CONSTITUTION

161. In accordance with the provisions of the Act, the Directors shall cause to be prepared and to be laid before the Company in General Meeting such financial statements, balance-sheets, reports, statements and other documents as may be necessary. Whenever so required, the interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four months (or such other period as may be permitted by the Act).
162. A copy of the financial statements and, if required, the balance-sheet (including every document required by the Act to be attached thereto), which is duly audited and which is to be laid before the Company in General Meeting accompanied by a copy of the Auditor's report thereon, shall not less than fourteen days before the date of the Meeting be sent to every Member of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of this Constitution, provided that:—
- (i) these documents may, subject to the listing rules of any stock exchange upon which shares in the Company may be listed, be sent less than fourteen days before the date of the Meeting if all persons entitled to receive notices of Meetings from the Company so agree; and
 - (ii) this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of a share in the Company or the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

AUDITOR

163. An Auditor shall be appointed and its duties regulated in accordance with the provisions of the Act. Every Auditor of the Company shall have a right of access at all times to the accounting and other records of the Company and shall make its report as required by the Act.
164. Subject to the provisions of the Act, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.
165. The Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting to which any Member is entitled and to be heard at any General Meeting on any part of the business of the Meeting which concerns it as Auditor.

NOTICES

166. Any notice or document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid cover addressed to such Member at his registered address appearing in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. Where a notice or other

APPENDIX D: THE NEW CONSTITUTION

document is served or sent by post, service or delivery shall be deemed to be effected at the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

167. (1) Without prejudice to the provisions of Article 166, but subject otherwise to the Act and any regulations made thereunder and (where applicable) the listing rules of any stock exchange upon which shares in the Company may be listed, relating to electronic communications, any notice or document (including, without limitation, any accounts, balance-sheet, financial statements or report) which is required or permitted to be given, sent or served under the Act or under this Constitution by the Company, or by the Directors, to a Member may be given, sent or served using electronic communications:–
- (i) to the current address of that person; or
 - (ii) by making it available on a website prescribed by the Company from time to time, in accordance with the provisions of this Constitution, the Act and/or any other applicable regulations or procedures.
- (2) For the purposes of Article 167(1) above, a Member shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document.
- (3) Notwithstanding Article 167(2) above, the Directors may, at their discretion, at any time give a Member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a Member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.
- (4) Where a notice or document is given, sent or served by electronic communications:–
- (i) to the current address of a person pursuant to Article 167(1)(i), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or “returned mail” reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Act and/or any other applicable regulations or procedures; and
 - (ii) by making it available on a website pursuant to Article 167(1)(ii), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Act and/or any other applicable regulations or procedures.

APPENDIX D: THE NEW CONSTITUTION

- (5) Where a notice or document is given, sent or served to a Member by making it available on a website pursuant to Article 167(1)(ii), the Company shall give separate notice to the Member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:—
- (i) by sending such separate notice to the Member personally or through the post pursuant to Article 166;
 - (ii) by sending such separate notice to the Member using electronic communications to his current address pursuant to Article 167(1)(i);
 - (iii) by way of advertisement in the daily press; and/or
 - (iv) by way of announcement on any stock exchange upon which shares in the Company may be listed.
168. Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members or (as the case may be) the Depository Register in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in Singapore and not having supplied an address within Singapore for the service of notices shall be disregarded.
169. A Member who (having no registered address within Singapore) has not supplied to the Company or (as the case may be) the Depository an address within Singapore for the service of notices shall not be entitled to receive notices or other documents from the Company.
170. A person entitled to a share in consequence of the death or bankruptcy of a Member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also to the Company or (as the case may be) the Depository an address within Singapore for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the Member but for his death or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid, any notice or document delivered or sent by post to or left at the address of any Member or given or sent to, or served on, any Member using electronic communications in pursuance of this Constitution shall, notwithstanding that such Member be then dead or bankrupt or in liquidation, and whether or not the Company shall have notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member in the Register of Members or, where such Member is a Depositor, entered against his name in the Depository Register as sole or first-named joint holder.
171. Any notice on behalf of the Company or of the Directors shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company, whether such signature is printed or written.
172. When a given number of days notice or notice extending over any other period is required to be given the day of service shall, unless it is otherwise provided or required by this Constitution or by the Act, be not counted in such number of days or period.

APPENDIX D: THE NEW CONSTITUTION

173. Notice of every General Meeting shall be given in manner hereinbefore authorised to:–
- (i) every Member;
 - (ii) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the Meeting; and
 - (iii) the Auditor for the time being of the Company.

WINDING UP

174. If the Company is wound up (whether the liquidation is voluntary, under supervision or by the Court) the Liquidator may, with the authority of a Special Resolution, divide among the Members *in specie* or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority thinks fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other securities in respect of which there is a liability.
175. In the event of a winding up of the Company every Member of the Company who is not for the time being in Singapore shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some householder in Singapore upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination the Liquidator shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such Member for all purposes, and where the Liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such Member by advertisement in any leading daily newspaper in the English language in circulation in Singapore or by a registered letter sent through the post and addressed to such Member at his address as appearing in the Register of Members or (as the case may be) the Depository Register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

INDEMNITY

176. Subject to the provisions of and so far as may be permitted by the Act, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto, and in particular and without prejudice to the generality of the foregoing, no Director, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the

APPENDIX D: THE NEW CONSTITUTION

Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.

SECRECY

177. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Members of the Company to communicate to the public save as may be authorised by law or required by the listing rules of any stock exchange upon which shares in the Company may be listed.

PERSONAL DATA

178. (1) A Member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that Member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:-
- (i) implementation and administration of any corporate action by the Company (or its agents or service providers);
 - (ii) internal analysis and/or market research by the Company (or its agents or service providers);
 - (iii) investor relations communications by the Company (or its agents or service providers);
 - (iv) administration by the Company (or its agents or service providers) of that Member's holding of shares in the Company;
 - (v) implementation and administration of any service provided by the Company (or its agents or service providers) to its Members to receive notices of Meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
 - (vi) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any General Meeting (including any adjournment thereof);
 - (vii) implementation and administration of, and compliance with, any provision of this Constitution;
 - (viii) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
 - (ix) purposes which are reasonably related to any of the above purpose.

APPENDIX D: THE NEW CONSTITUTION

- (2) Any Member who appoints a proxy and/or representative for any General Meeting and/or any adjournment thereof is deemed to have warranted that where such Member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that Member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in Articles 178(1)(vi) and 178(1)(viii), and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such Member's breach of warranty.

APPENDIX D: THE NEW CONSTITUTION

We, the several persons whose names, addresses and descriptions are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
LIEN YING CHOW, "E" Holland Park, Singapore 1024 BANKER	ONE
YONG PUNG HOW, 48- A Nassim Road Singapore 1025 BANKER	ONE
Total Number of Shares Taken:—	TWO

Dated this 1st day of August, 1984.
Witness to the above signatures:—

LUCIEN WONG
Advocate & Solicitor,
24, Raffles Place, #23-01,
Clifford Centre, Singapore
0104.

APPENDIX E: PRO FORMA FINANCIALS

The Pro Forma Financials reflect the financial information of the Media Business (inclusive of the Key Leases) assuming the Media Business had been formed on 1 September 2017. In arriving at the Pro Forma Financials, certain adjustments have been made to the Media Segment, which include:

- (a) alignment of presentation for certain associates and joint ventures which were no longer grouped under the Media Segment from 1 September 2019 onwards;
- (b) exclusion of certain entities which had been divested by the Company between 1 September 2017 and 28 February 2021, and an investment in an associate;
- (c) inclusion of certain associates and joint ventures which were previously not grouped under the Media Segment but form part of the Media Business;
- (d) additional depreciation to account for the fair value uplift of the News Centre and Print Centre; and
- (e) adjustment in staff costs, overheads, income tax and elimination of inter-segmental transactions with other operating segments of the Company and its subsidiaries.

For the avoidance of doubt, the Pro Forma Financials as presented on a historical and illustrative basis include certain adjustments applied for the purposes of the Proposed Restructuring, and hence will differ from the historical financials of the Media Segment. A summary of key information from the Pro Forma Financials is shown in the table below:

Table 1: Selected Pro Forma Financials for the Media Business

(\$m)	FY2018	FY2019	FY2020	1H FY2021
Operating Revenue	612.4	546.0	427.1	192.6
<i>of which:</i>				
<i>Advertising Operating Revenue</i>	<i>430.1</i>	<i>377.3</i>	<i>262.0</i>	<i>120.3</i>
<i>Circulation Operating Revenue</i>	<i>150.3</i>	<i>139.4</i>	<i>140.1</i>	<i>61.6</i>
<i>Other Sales</i>	<i>32.0</i>	<i>29.3</i>	<i>25.0</i>	<i>10.7</i>
Other operating income	15.0	14.1	10.8	4.4
Grant income	–	–	31.7	13.3
<i>of which, JSS grant income</i>	<i>–</i>	<i>–</i>	<i>28.1</i>	<i>12.8</i>
Total costs	(512.7)	(485.0)	(462.5)	(201.5)
<i>of which, Depreciation (excluding right-of-use assets) & Amortisation</i>	<i>(26.1)</i>	<i>(27.0)</i>	<i>(27.1)</i>	<i>(13.1)</i>
Earnings Before Interest, Taxes, Depreciation, and Amortisation	140.7	102.1	34.2	21.8
Operating Profit	114.6	75.1	7.1	8.7
Profit before Tax	114.3	73.8	6.6	9.1
Profit after tax and minority interests (“PATMI”)	94.8	61.2	5.5	7.6

APPENDIX E: PRO FORMA FINANCIALS

The financials presented in this table assumes the same presentation as before the adoption of SFRS(I) 16 Leases for FY2020 and 1H FY2021.

By way of illustration, the table below shows a comparison of the operating revenue of the Media Business and the Media Segment from FY2018 to 1H FY2021. The differences in operating revenue between the Pro Forma Financials (which relates to the Media Business) and the financials for the Media Segment are due to the exclusion of certain divested entities as part of the adjustments for the Pro Forma Financials.

Table 2: Media Business and Media Segment operating revenue

(S\$m)	FY2018	FY2019	FY2020	1H FY2021	Compound Annual Growth Rate (FY2018 – FY2020)
Media Business Operating Revenue (Pro Forma)	612.4	546.0	427.1	192.6	(16.5%)
Media Segment Operating Revenue (Actual)	655.8	576.9	445.1	193.1	(17.6%)

The operating revenue for the excluded entities accounted for just 6.6%, 5.3%, 4.1% and 0.2% of the Media Segment's operating revenue in FY2018, FY2019, FY2020 and 1H FY2021. Further, over the last three years, the operating revenue of the Media Business and Media Segment declined at comparable compounded annual rates of 16.5% and 17.6% respectively. Hence, the management of SPH is of the view that the same business trends and financial performance trajectory apply to both the Media Business and the Media Segment.

APPENDIX F: ADDITIONAL INFORMATION ON THE SPH CONTRIBUTION VALUE

Further details on the NAV of the Target Shares of S\$98.8 million mentioned in paragraph 3.5(a) of this Circular are shown in the table below.

Table 1: NAV of the Target Shares as at 28 February 2021

(S\$ m)	28 February 2021
NAV of the Target Shares	98.8
<i>of which, relating to the NAV of the:</i>	
<i>Target Companies</i>	<i>12.0</i>
<i>Associated Companies</i>	<i>12.0</i>
<i>adjusted for estimates relating to settlement by the Company of:</i>	
<i>Historical staff-related expenses incurred prior to Closing</i>	<i>35.6</i>
<i>Historical tax-related liabilities incurred prior to Closing</i>	<i>16.4</i>
<i>Other historical and/or budgeted liabilities to be incurred prior to Closing</i>	<i>10.3</i>
<i>Potential transaction expenses and restructuring costs relating to the Proposed Restructuring</i>	<i>12.5</i>

The NAV of the Target Shares as at 28 February 2021:

- (a) is presented on a cash-free basis, before inclusion of the Minimum Cash Balance;
- (b) excludes the value of the Key Leases; and
- (c) is after deducting net grant receivables of the Media Business as at 28 February 2021.

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APPENDIX G: ADDITIONAL INFORMATION ON THE PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED RESTRUCTURING ON SPH

1. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED RESTRUCTURING ON THE FY2020 GROUP FINANCIALS

1.1 General

- (a) For illustrative purposes only, the financial effects of the Proposed Restructuring on the Company as set out below are prepared based on the Group's audited consolidated financial statements for FY2020 (being the latest announced consolidated full-year financial statements of the Group) and subject to the following key assumptions:
- (i) the effect of the Proposed Restructuring on the Company's NTA per Share is based on the assumption that the Proposed Restructuring had been effected at the end of FY2020;
 - (ii) the effect of the Proposed Restructuring on the Company's EPS for FY2020 is based on the assumption that the Proposed Restructuring had been effected at the beginning of FY2020;
 - (iii) the Media HoldCo is transferred to the CLG; and
 - (iv) Restructuring Adjustments.
- (b) The financial effects as set out below are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of the Company or the Group.

1.2 Operating Revenue and Operating Profit (ex-grants)

	Before the Proposed Restructuring	After the Proposed Restructuring
Operating revenue (S\$'000)	865,662	420,517
Operating profit (ex-grants) (S\$'000)	82,147	121,680

Note: "Ex-grants" refers to the exclusion of the JSS grant income attributable to the Media Business amounting to S\$28.1 million in FY2020.

APPENDIX G: ADDITIONAL INFORMATION ON THE PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED RESTRUCTURING ON SPH

1.3 PATMI (ex-grants)

	Before the Proposed Restructuring	After the Proposed Restructuring
PATMI (ex-grants) (S\$'000), before taking into account the Restructuring Adjustments	(111,776)	(72,312)
PATMI (ex-grants) (S\$'000), after taking into account the Restructuring Adjustments	(111,776)	(344,100)
Distribution for perpetual securities	(24,502)	(24,502)
Weighted average number of Shares (excluding treasury shares) ('000)	1,609,414	1,616,282
EPS (ex-grants) (S\$), before taking into account the Restructuring Adjustments	(0.08)	(0.06)
EPS (ex-grants) (S\$), after taking into account the Restructuring Adjustments	(0.08)	(0.23)

Note: "Ex-grants" refers to the exclusion of the JSS grant income attributable to the Media Business amounting to S\$28.1 million in FY2020.

2. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED RESTRUCTURING ON THE 1H FY2021 GROUP FINANCIALS

2.1 General

- (a) For illustrative purposes only, the financial effects of the Proposed Restructuring on the Company as set out below are prepared based on the Group's unaudited financial statements for 1H FY2021 (being the latest announced consolidated half-year financial statements of the Group) and subject to the following key assumptions:
- (i) the effect of the Proposed Restructuring on the Company's NTA per Share is based on the assumption that the Proposed Restructuring had been effected at the end of 1H FY2021;
 - (ii) the effect of the Proposed Restructuring on the Company's EPS for 1H FY2021 is based on the assumption that the Proposed Restructuring had been effected at the beginning of 1H FY2021;
 - (iii) the Media HoldCo is transferred to the CLG; and
 - (iv) the Restructuring Adjustments.
- (b) The financial effects as set out below are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of the Company or the Group.

APPENDIX G: ADDITIONAL INFORMATION ON THE PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED RESTRUCTURING ON SPH

2.2 Operating Revenue and Operating Profit (ex-grants)

	Before the Proposed Restructuring	After the Proposed Restructuring
Operating revenue (S\$'000)	417,135	224,051
Operating profit (ex-grants) (S\$'000)	107,027	117,099

Note: "Ex-grants" refers to the exclusion of the JSS grant income attributable to the Media Business amounting to S\$12.8 million in 1H FY2021.

2.3 PATMI (ex-grants)

	Before the Proposed Restructuring	After the Proposed Restructuring
PATMI (ex-grants) (S\$'000), before taking into account the Restructuring Adjustments	85,069	94,769
PATMI (ex-grants) (S\$'000), after taking into account the Restructuring Adjustments	85,069	(167,486)
Distribution for perpetual securities	(13,335)	(13,335)
Weighted average number of Shares (excluding treasury shares) ('000)	1,607,244	1,614,112
EPS (ex-grants) (S\$), before taking into account the Restructuring Adjustments	0.04	0.05
EPS (ex-grants) (S\$), after taking into account the Restructuring Adjustments	0.04	(0.11)

Note: "Ex-grants" refers to the exclusion of the JSS grant income attributable to the Media Business amounting to S\$12.8 million in 1H FY2021.

2.4 NTA

	Before the Proposed Restructuring	After the Proposed Restructuring
NTA (S\$'000)	3,480,406	3,232,623
Number of Shares (excluding treasury shares) ('000)	1,607,874	1,614,742
NTA per Share (S\$)	2.16	2.00

APPENDIX G: ADDITIONAL INFORMATION ON THE PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED RESTRUCTURING ON SPH

2.5 Gearing

	Before the Proposed Restructuring	After the Proposed Restructuring
Gearing ¹⁰ (%)	30.9%	32.5%

¹⁰ Based on net debt divided by total assets, with the total assets denominator adjusted for cash and cash equivalents.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Singapore Press Holdings Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198402868E)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Singapore Press Holdings Limited (the “**Company**”) will be held by way of electronic means on 10 September 2021 at 2:30 p.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolutions, of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution. All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 17 August 2021 (the “**Circular**”).

RESOLUTION 1: ORDINARY RESOLUTION – THE PROPOSED RESTRUCTURING

RESOLVED THAT:

- (a) approval be and is hereby given for the Proposed Restructuring, on the terms and subject to the conditions set out in the BRD (including, for the avoidance of doubt, the transfer by SPH of the Media HoldCo, which together with its subsidiaries will hold the Media Business, to the CLG for nominal consideration of S\$1); and
- (b) the Directors and each of them be and are hereby authorised to take any and all steps and to do and/or procure to be done any and all acts and things (including without limitation, to approve, sign and execute all such documents which they in their absolute discretion consider to be necessary, and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient in order to implement, finalise and give full effect to the Proposed Restructuring and/or the matters contemplated in this resolution.

RESOLUTION 2: SPECIAL RESOLUTION – THE PROPOSED CONVERSION AND PROPOSED ADOPTION OF A NEW CONSTITUTION

RESOLVED THAT subject to and contingent upon the passing of Ordinary Resolution 1 above and Closing:

- (a) (i) each Management Share held by a Management Shareholder as at Closing be converted into one Ordinary Share pursuant to Article 64(2) of the existing Constitution of the Company (the “**Existing Constitution**”); and
- (ii) the regulations contained in the new Constitution submitted to this Meeting and, for the purpose of identification, subscribed to by the Chairman thereof, be approved and adopted as the new Constitution of the Company in substitution for, and to the exclusion of, the Existing Constitution,

in each case, with effect from Closing; and

- (b) the Directors and each of them be and are hereby authorised to take any and all steps and to do and/or procure to be done any and all acts and things (including without limitation, to approve, sign and execute all such documents which they in their absolute discretion

NOTICE OF EXTRAORDINARY GENERAL MEETING

consider to be necessary, and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient in order to implement, finalise and give full effect to the Proposed Conversion, the Proposed Adoption of a New Constitution and/or the matters contemplated in this resolution.

By Order of the Board

Ginney Lim May Ling
Khor Siew Kim
Company Secretaries

Singapore Press Holdings Limited

17 August 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The EGM will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. All documents (including the Circular, the instrument for the appointment of proxy ("**proxy form**") and this Notice of EGM) and information relating to the EGM have been, or will be, published on SGXNet and the Company's website at https://investor.sph.com.sg/agm_egm.html. Printed copies of the documents will not be despatched to members but will be made available on request. A member will need an Internet browser and PDF reader to view these documents on SGXNet and the Company's designated website. Members are advised to check SGXNet and/or the Company's website regularly for updates.

A member may request for a printed copy of each of the Circular, proxy form and this Notice of EGM by submitting the request to the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), by post to 80 Robinson Road, #11-02, Singapore 068898 or via email to sg.is.sphproxy@sg.tricorglobal.com. To be valid, the request must:

- (a) be addressed to Singapore Press Holdings Limited c/o the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.);
 - (b) state the following:
 - (i) the document(s) requested;
 - (ii) the full name of the member;
 - (iii) the mailing address of the member;
 - (iv) the manner in which the member holds Shares (e.g., via CDP, CPF/SRS and/or scrip); and
 - (v) the member's CDP Securities Account No. (if his or her Shares are held through CDP); and
 - (c) be received by the Company's Share Registrar no later than 5 September 2021.
3. The proceedings of the EGM will be broadcast "live" through an audio-and-video webcast and an audio-only feed. Members and CPF and SRS investors who wish to follow the proceedings through a "live" audio-and-video webcast via their mobile phones, tablets or computers or listen to the proceedings through a "live" audio-only feed via telephone must pre-register at https://investor.sph.com.sg/agm_egm.html no later than 2:30 p.m. on 7 September 2021 ("**Registration Cut-Off Time**"). Following verification, an email containing instructions on how to access the "live" audio-and-video webcast and audio-only feed of the proceedings of the EGM will be sent to authenticated members and CPF and SRS investors by 2:30 p.m. on 9 September 2021. Members and CPF and SRS investors who do not receive any email by 2:30 p.m. on 9 September 2021, but have registered by the Registration Cut-Off Time, should contact the Company by email at support@varietycommunications.com before 12:00 p.m. on 10 September 2021.

Investors holding shares through depository agents (other than CPF and SRS investors) must contact their respective depository agents as soon as possible to indicate their interest in order for the depository agents to make the necessary arrangements for them to participate in the "live" broadcast of the EGM.

4. **As a precautionary measure due to the current COVID-19 situation in Singapore, members (including investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) ("Investors")) will not be able to attend the EGM in person. Members will also not be able to vote online on the ordinary and special resolutions to be tabled for approval at the EGM. A member (whether individual or corporate) must appoint the Chairman of the EGM ("Chairman") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.** The Chairman, as proxy, need not be a member of the Company. The proxy form may be accessed at the Company's website at https://investor.sph.com.sg/agm_egm.html or on SGXNet. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.
5. The proxy form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. Investors (other than CPF and SRS investors) who wish to vote should approach their relevant intermediaries as soon as possible to specify their voting instructions. CPF and SRS investors who wish to vote should approach their respective CPF agent banks or SRS operators to submit their voting instructions by 5:00 p.m. on 31 August 2021.

NOTICE OF EXTRAORDINARY GENERAL MEETING

6. **The proxy form must be submitted to the Company in the following manner:**

- (a) if submitted by post, by lodging it with the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road, #11-02, Singapore 068898; or
- (b) if submitted electronically, by:
 - (i) submitting it via email to the Company's Share Registrar at sg.is.sphproxy@sg.tricorglobal.com; or
 - (ii) uploading it via the Company's website at https://investor.sph.com.sg/agm_egm.html,

in each case, by 2:30 p.m. on 7 September 2021, being **not less than 72 hours before the time appointed for holding the EGM.**

A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above or uploading it onto the Company's website at the URL provided above.

Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically.

- 7. In the case of a member whose Shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
- 8. Members may submit substantial and relevant questions related to the ordinary and special resolutions to be tabled for approval at the EGM in advance of, or "live" at, the EGM.
- 9. All questions submitted in advance of the EGM must be submitted by 2:30 p.m. on 7 September 2021 (being 72 hours before the time appointed for holding the EGM) in the following manner:
 - (a) (for members and CPF and SRS investors who have pre-registered to observe and/or listen to the EGM) online via the pre-registration website at https://investor.sph.com.sg/agm_egm.html;
 - (b) by email to the Company at agmegm@sph.com.sg; or
 - (c) by post to:
Singapore Press Holdings Limited
1000 Toa Payoh North,
News Centre,
Singapore 318994,
Attention: Investor Relations Department,

and when submitting questions via email or by post, members must also state the following:

- (I) the full name of the member;
- (II) the registered address of the member;
- (III) the manner in which the member holds Shares (e.g., via CDP, CPF/SRS and/or scrip); and
- (IV) the member's CDP Securities Account No. (if his or her Shares are held through CDP).

Members can also ask the Chairman of the EGM substantial and relevant questions related to the ordinary and special resolutions to be tabled for approval at the EGM, "live" at the EGM, by typing in and submitting their questions through the "live" chat function via the audio-and-video webcast platform. Members and CPF and SRS investors who wish to ask questions "live" at the EGM must pre-register at the URL https://investor.sph.com.sg/agm_egm.html, so that an email containing instructions on how to access the "live" webcast of the proceedings of the EGM can be sent to them following verification. Investors (other than CPF and SRS investors) who wish to submit questions to the Chairman of the EGM in advance of, or "live" at, the EGM should contact their respective depository agents as soon as possible to indicate their interest in order for the depository agents to make the necessary arrangements for them to participate in the "live" broadcast of the EGM. Members will not be able to ask questions "live" at the EGM via the audio feed of the EGM proceedings.

The Company will endeavour to address all substantial and relevant questions (which are related to the ordinary and special resolutions to be tabled for approval at the EGM) validly submitted in accordance with this Note 9 prior to, or "live" at, the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Personal data privacy:

“**Personal data**” in this notice has the same meaning as “personal data” in the Personal Data Protection Act 2012. By submitting an instrument appointing the Chairman to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or its service providers) to update its scrip holders’ information (if applicable) and to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the “**Purposes**”). Personal data of the member may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company’s verification and record purposes.

Voting rights of Shareholders:

The holders of Management Shares and Ordinary Shares shall be entitled to one vote for each Share, except that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, the holders of the Management Shares shall be entitled either on a poll or show of hands to 200 votes for each Management Share held in accordance with the provisions of the Newspaper Act.

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PROXY FORM

Singapore Press Holdings Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198402868E)

PROXY FORM EXTRAORDINARY GENERAL MEETING

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. The EGM will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of EGM and this proxy form will not be sent to members but will be made available on request. Instead, the Notice of EGM and this proxy form will be sent to members by electronic means via publication on the Company's website at https://investor.sph.com.sg/agn_egm.html and on SGXNet. Please refer to Note 2 of the Notice of EGM on how to request for a printed copy of the Notice of EGM and this proxy form.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via "live" audio-and-video webcast or "live" audio-only feed), submission of questions to the Chairman of the EGM in advance of, or "live" at, the EGM, addressing of substantial and relevant questions prior to, or "live" at, the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM and circular to shareholders of the Company dated 17 August 2021.
3. As a precautionary measure due to the current COVID-19 situation in Singapore, members (including investors holding shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) ("Investors")) will not be able to attend the EGM in person. Members will also not be able to vote online on the resolutions to be tabled for approval at the EGM. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. In appointing the Chairman of the EGM as proxy, a member must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
4. This proxy form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. Investors (other than CPF and SRS investors) who wish to vote should approach their relevant intermediaries as soon as possible to specify their voting instructions. CPF and SRS investors who wish to vote should approach their respective CPF agent banks or SRS operators to submit their voting instructions by 5:00 p.m. on 31 August 2021.
5. By submitting this proxy form, a member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of EGM.
6. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the EGM as a member's proxy to attend, speak and vote on his/her/its behalf at the EGM.

I/We _____ (Name) _____ (NRIC/Passport No./UEN No.)
of _____ (Address)
being a member/members* of Singapore Press Holdings Limited (the "**Company**"), hereby appoint the Chairman of the Extraordinary General Meeting ("**EGM**") of the Company as *my/our proxy to attend, to speak and to vote for *me/us and on *my/our behalf at the EGM of the Company, to be held by way of electronic means on 10 September 2021 at 2:30 p.m. and at any adjournment thereof.

*I/We direct the Chairman of the EGM to vote for or against, or to abstain from voting on, the ordinary and special resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

Resolutions	For**	Against**	Abstain**
RESOLUTION 1: ORDINARY RESOLUTION To approve the Proposed Restructuring			
RESOLUTION 2: SPECIAL RESOLUTION To approve the Proposed Conversion and Proposed Adoption of a New Constitution			

* Please delete accordingly.

** Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", please indicate with a "X" in the box provided. Otherwise, please indicate the number of votes "For" or "Against" within the box provided. If you mark the abstain box for a particular resolution, you are directing the Chairman of the EGM as your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.

Dated this _____ day of _____ 2021.

Total No. of Ordinary Shares Held
Total No. of Management Shares Held

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ THE NOTES OVERLEAF CAREFULLY BEFORE COMPLETING THIS FORM.

PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you only have Shares entered against your name in the Depository Register (as defined in Part IIIAA of the SFA), you should insert that number of Shares. If you only have Shares registered in your name in the Register of Members, you should insert that number of Shares. However, if you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the proxy form shall be deemed to relate to all the Shares held by you (in both the Register of Members and the Depository Register).
2. **As a precautionary measure due to the current COVID-19 situation in Singapore, members (including Investors) will not be able to attend the EGM in person. Members will also not be able to vote online on the ordinary and special resolutions to be tabled for approval at the EGM. A member (whether individual or corporate) must appoint the Chairman of the EGM (“Chairman”) as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.** The Chairman, as proxy, need not be a member of the Company. The instrument for the appointment of proxy (“**proxy form**”) may be accessed at the Company’s website at https://investor.sph.com.sg/agm_egm.html or on SGXNet. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid. Printed copies of this proxy form will be made available to members on request. Please refer to Note 2 of the Notes to the Notice of EGM on how to make a request for a printed copy of this proxy form.
3. The proxy form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. Investors (other than CPF and SRS investors) who wish to vote should approach their relevant intermediaries as soon as possible to specify their voting instructions. CPF and SRS investors who wish to vote should approach their respective CPF agent banks or SRS operators to submit their voting instructions by 5:00 p.m. on 31 August 2021.
4. **The proxy form must be submitted to the Company in the following manner:**
 - (a) if submitted by post, by lodging it with the Company’s Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road, #11-02, Singapore 068898; or
 - (b) if submitted electronically, by:
 - (i) submitting it via email to the Company’s Share Registrar at sg.is.sphproxy@sg.tricorglobal.com; or
 - (ii) uploading it via the Company’s website at https://investor.sph.com.sg/agm_egm.html,

in each case, by 2:30 p.m. on 7 September 2021, **being not less than 72 hours before the time appointed for holding the EGM.**

A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above or uploading it onto the Company’s website at the URL provided above.

Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically.

5. The proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where a proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the proxy form is submitted by post, be lodged with the proxy form or, if the proxy form is submitted electronically via email or via upload onto the Company’s website, be emailed or uploaded (as the case may be) with the proxy form, failing which the proxy form may be treated as invalid.
6. The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form (including any related attachment). In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company shall be entitled to reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

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