OPENING REMARKS BY DR LEE BOON YANG, CHAIRMAN,

SINGAPORE PRESS HOLDINGS, AT SPH VIRTUAL ANNUAL GENERAL MEETING HELD ON THURSDAY, 18 NOVEMBER 2021

Good afternoon, ladies and gentlemen.

Welcome to the SPH Virtual Annual General Meeting 2021.

Before we commence the business of the meeting, let me make some brief opening remarks.

The past financial year marked a major turning point for SPH.

Owing to the dramatic and pervasive impact of digital technologies and social media, SPH's Media business has come under increasing threat especially in the past five years. Hence the Board undertook a strategic review of SPH's business to consider various options to maximise shareholder value and to ensure a sustainable future for the Media business.

On 6 May 2021, SPH announced its plans to transfer the loss-making Media Business to a not-for-profit company limited by guarantee (CLG).

On 10 September 2021, shareholders approved the restructuring at the virtual Extraordinary General Meeting (EGM), with approximately 97.55% of the total number of votes cast in favour of the proposed transfer.

As part of a CLG, Media will be freed from the expectations of shareholders and will be able to tap on alternative funding sources. Media can then focus on its role of providing quality journalism and credible information in the public interest.

The transition process is now underway, with the completion of the Media restructuring expected in December.

Strategic Review

With Media Restructuring done, the Board turned its attention to a comprehensive review of various options for the company less the Media segment. These options included maintaining status quo, monetisation of certain assets, partial sale or privatisation of the company.

As the objective is to maximise value and minimise disruption for shareholders after the lifting of the Newspaper Act restrictions, the Board concluded that privatisation of the entire company would be the preferred option. Privatisation will create a better valuation outcome for all shareholders as it is likely to lead to payment of a control premium for the entire company.

As the final stage in the Strategic Review, a thorough and rigorous two-stage process, with support from Financial and Legal Advisers, was conducted to solicit and evaluate proposals from a number of potentially interested parties. Arising from this process, the Offer from Keppel to privatise SPH was selected after careful evaluation by the Independent Directors, excluding myself, leading to the joint announcement of Keppel's proposed privatisation offer on 2 Aug 2021.

On 29 October 2021, Cuscaden announced its all-cash proposal followed by Keppel's announcement of the Revised Keppel Proposal on 9 November 2021. Meanwhile SPH continued its discussions with Cuscaden with a view to giving Cuscaden the opportunity to improve their current proposal.

On 15 Nov 2021, following approval by the Independent Directors, excluding Mr Andrew Lim, Mr Quek See Tiat and myself, SPH and Cuscaden entered into an implementation Agreement to effect the Cuscaden Scheme.

The shareholder meetings related to these proposals will be held in the coming months.

Review of SPH Group's Performance

I will now provide a brief overview of SPH Group's performance in the past financial year.

The Covid-19 pandemic continued to have an impact on print advertising revenue and footfall and sales at retail malls. Despite these challenges, SPH achieved a resilient performance for the financial year ended 31 Aug 2021.

SPH reported operating profit rose 69.8% to S$206.7 million. The improved performance was across all segments, including Retail & Commercial and PBSA (Purpose-Built Student Accommodation). Net profit attributable to shareholders was S$92.9 million, after taking into account the loss from discontinued operation relating to the Media business as well as fair value gains on investment properties.

I will now briefly cover SPH's developments in the areas of media, property, digital and aged care in the past financial year.

Media

Total advertisement revenue was down 14.1% year-on-year in FY2021 as the secular decline of print advertising continues unabated.

However, we made significant progress in our digital transformation efforts to engage our audience with innovative digital products, and expand our reach.

Property and Asset Management

Despite the disruptions and tightened measures due to the ongoing pandemic, the property segment has seen a gradual recovery.

Retail

In Retail, SPH REIT achieved a significant improvement in its financial performance for FY2021 as the economy picked up. The results were also boosted by the full-year contribution from Westfield Marion Shopping Centre in Adelaide, Australia.

PBSA

We strengthened our position as a major PBSA owner-operator in the UK with the expansion of our in-house property management capabilities which enables us to manage operating costs and the marketing of our assets more efficiently.

Aged Care

Following our foray into Japan, we will continue to identify and acquire quality assets to expand our portfolio.

Digital

The joint development of data centre facilities at 82 Genting Lane commenced in June 2021. The project is expected to benefit from the growing demand for digitalisation and the tight supply situation.

Board

On board matters, I would like to welcome our new director, Mr Yeoh Oon Jin, who joined the Board on 9 July 2021.

Conclusion

In conclusion, we have remained resilient despite the unprecedented challenges posed by the pandemic and global economic uncertainties.

With the Media business established on a solid foundation to create a new future for journalism in Singapore, I would like to take this opportunity to thank all shareholders again for their support of the major restructuring. I would like to express my thanks and appreciation to shareholders who have stood behind us all these years and we seek your support for the upcoming resolutions.

Ends