

## Media Release

### Keppel makes compelling final offer of S\$2.351/share for SPH – 12% higher than initial offer, including additional cash of S\$0.200/share

- *Keppel's Final & Irrevocable Offer for Singapore Press Holdings ex-media ("SPH") provides*
  - *Compelling value for SPH shareholders with higher cash component of S\$0.200/share. SPH REIT and Keppel REIT units allow shareholders to participate in the growth of the REITs as well as enjoy recurring income*
  - *Highest transaction certainty as all regulatory approvals have been obtained*
  - *Shortest transaction timeline with consideration payable to SPH shareholders by mid January 2022*
- *SPH acknowledges that Keppel's final offer is superior to the competing offer from Cuscaden Peak and will undertake to call for the SPH scheme meeting*
- *Proposed acquisition is strategic and financially attractive for Keppel even at higher consideration, and is well supported by improving values of SPH's portfolio and growing synergies identified*
  - *Higher cash consideration increases pro forma net gearing post-transaction by only 0.03x; net gearing expected to remain <1x<sup>1</sup>, leaving adequate capacity to pursue other Vision 2030 growth opportunities and reward shareholders*
  - *Proposed transaction remains earnings accretive on a pro forma basis<sup>2</sup>*

**Singapore, 9 November 2021** – Keppel Corporation Limited, through its wholly-owned subsidiary Keppel Pegasus Pte Ltd (the "Offeror") made a joint revised announcement with SPH today (the "Joint Revision Announcement") in relation to the Offeror's revised offer consideration to acquire all of the issued and paid-up ordinary shares in the capital of SPH (excluding treasury shares). Keppel has now increased the cash component of the consideration by S\$0.200/share and the cumulative value of SPH REIT and Keppel REIT units offered has also increased by S\$0.052/share<sup>3</sup> with improving market conditions. The revised consideration ("Final Consideration") of S\$2.351/ share is final and would not be increased. SPH acknowledges that Keppel's final offer is superior to the competing offer from Cuscaden Peak and will undertake to call for the SPH scheme meeting.

<sup>1</sup> Based on Keppel Corporation Limited's net gearing as at 30 June 2021

<sup>2</sup> Based on (a) Keppel's unaudited results for the half year ended 30 Jun 2021 (the "KCL 1H2021 Results") and (b) the SPH Group's unaudited consolidated financial statements for the half year ended 28 Feb 2021 (the "SPH 1H2021 Results")

<sup>3</sup> From the period starting 30 July 2021 to 9 November 2021

<b>S\$/SPH share</b>	<b>Initial Consideration<sup>4</sup> (2 August 2021)</b>	<b>Final Consideration<sup>5</sup> (9 November 2021)</b>
Cash	S\$0.668	S\$0.868
0.596 Keppel REIT units	S\$0.715	S\$0.685
0.782 SPH REIT units	S\$0.716	S\$0.798
<b>Total value</b>	<b>S\$2.099</b>	<b>S\$2.351</b>

Keppel's Final Consideration provides SPH shareholders with a compelling offer, with the highest deal certainty and, if the transaction is approved, the fastest payout. Subject to approvals by Keppel's and SPH's shareholders at their respective extraordinary general meetings expected to be around 8 December, as well as the sanction of the scheme by the High Court of Singapore and the completion of SPH's media restructuring exercise, the effective date of the implementation of the scheme is expected to be in end December 2021 / early January 2022 and SPH shareholders can expect to receive the Final Consideration by mid January 2022.

For further details on the proposed transaction, please refer to the Joint Revision Announcement and the SGXNET announcement released today by Keppel in relation to the proposed transaction (the "Keppel Announcement").

**Compelling value for SPH shareholders** – The Final Consideration represents a 12%<sup>6</sup> increase from the Initial Consideration, with a 57% premium to the undisturbed trading price on 30 March 2021 and 9% premium to the last trading price on 9 November 2021<sup>7</sup>. SPH shareholders will continue to receive the same mix of Keppel REIT and SPH REIT units, with additional cash of S\$0.200/ share. Based on the SPH REIT and Keppel REIT traded prices since the Initial Consideration announcement date, the Final Consideration implies a range of S\$2.201 – 2.355/share. In addition, SPH shareholders will be receiving Keppel REIT units at an attractive valuation of 10% discount to its net asset value<sup>8</sup>. SPH shareholders will be able to participate in the potential growth of both Keppel REIT and SPH REIT as well as receive distributions from Keppel REIT and SPH REIT following the completion of the proposed transaction.

**Highest transaction certainty and shortest transaction timeline, with Final Consideration payable to SPH shareholders by mid January 2022** – The Final Consideration is a firm and irrevocable offer, with both the Implementation Agreement and Supplemental Implementation Agreement having been signed by the Offeror and SPH. Regulatory approvals from MAS and the Foreign Investment Review Board ("FIRB")

<sup>4</sup> Based on Keppel REIT unit price of S\$1.200/unit as of 30 July 2021 and SPH REIT unit price of S\$0.915/unit as of 30 July 2021

<sup>5</sup> Based on Keppel REIT unit price of S\$1.150/unit as of 9 November 2021 and SPH REIT unit price of S\$1.020/unit as of 9 November 2021

<sup>6</sup> Cash portion of Final Consideration increased by S\$0.200 per SPH share with no change in the number of Keppel REIT and SPH REIT units being offered. However, the cumulative value of Keppel REIT and SPH REIT units has gone up by S\$0.052/SPH share between 30 July 2021 to 9 November 2021 due to changes in unit prices of Keppel REIT and SPH REIT. Overall, the 12% increase is a combination of cash portion increase (c.10%) and increased value of Keppel REIT and SPH REIT consideration (c.2%)

<sup>7</sup> S\$2.160/SPH share

<sup>8</sup> As of 30 September 2021

of Australia have been obtained by Keppel, while no approval is required from IMDA. In contrast, any competing offeror would need to seek the various approvals for the transaction and there is no assurance that such approvals would be obtained. Moreover, Keppel has waived the condition relating to no occurrence of any event having a “material adverse effect” on SPH in the Implementation Agreement (the “MAC clause”) which gives substantially more deal certainty to SPH shareholders. The lifting of the Newspaper and Printing Presses Act (“NPPA”) restrictions on share ownership in December 2021 could bring about further uncertainties for SPH. An earlier resolution is beneficial not just to SPH shareholders, but also to SPH, as prolonged uncertainty and instability would affect staff morale and would not be conducive to SPH’s business or to preserving value.

**Strategic acquisition remains financially attractive for Keppel** – Keppel continues to believe that the Keppel Group is uniquely positioned to enhance and unlock value of SPH’s portfolio. Following the Initial Consideration, global economic conditions have continued to strengthen as many countries progressively lifted their COVID-19 restrictions. Stronger economic conditions and improvement in underlying SPH portfolio performance as disclosed at SPH’s full year results briefing last month have allowed Keppel to make a higher offer for SPH’s portfolio.

With the Final Consideration, the proposed transaction remains attractive and earnings accretive on a pro forma basis to Keppel<sup>9</sup>. The higher cash consideration is expected to increase Keppel’s pro forma net gearing post-transaction by only 0.03x, with pro forma net gearing expected to remain <1x<sup>10</sup>, Keppel’s net gearing is expected to decline further following Keppel’s continuing asset monetisation programme. Since the asset monetisation programme was launched in September 2020, Keppel has announced about S\$2.4 billion in asset monetisation, received about S\$1.6 billion of this in cash, and further announced that it is on track to exceed the target of S\$5 billion by the end of 2023. There will be sufficient capacity for Keppel to pursue other growth opportunities in line with Vision 2030, and to also continue rewarding shareholders.

Mr Loh Chin Hua, CEO of Keppel Corporation Limited said, “Taking into account improving global economic conditions as well as growing synergies which we have identified between Keppel and SPH’s portfolio, Keppel is offering SPH shareholders a higher and final consideration of S\$2.351/ share. We believe this is a compelling and win-win proposition for both Keppel and SPH shareholders.

“We have explained the rationale for the proposed acquisition, which has not changed. This is a strategic and rare opportunity for Keppel to acquire a quality platform that is strongly aligned and complementary to Keppel’s business model and capabilities. In our Final Consideration, we have maintained the same structure in our offer of offering cash

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<sup>9</sup> Based on (a) Keppel’s unaudited results for the half year ended 30 Jun 2021 (the “KCL 1H2021 Results”) and (b) the SPH Group’s unaudited consolidated financial statements for the half year ended 28 Feb 2021 (the “SPH 1H2021 Results”)

<sup>10</sup> Based on 30 June 2021 Keppel Corporation Limited’s net gearing

and Keppel REIT units, but increased the cash component, while SPH continues to undertake a distribution in-specie (DIS) of SPH REIT units. Even with the additional cash consideration of S\$0.200/ share, we continue to see value in the SPH portfolio. The additional impact on our net gearing is marginal, and we would retain the capacity to pursue Vision 2030 growth opportunities in areas such as renewables and decarbonisation solutions, as well as reward shareholders.

“While we believe that this is an attractive acquisition, Keppel will remain disciplined. We will not acquire SPH at any cost, and have made it clear that this is the Final Consideration. We have obtained the requisite regulatory approval from MAS and FIRB, and do not require IMDA approval for SPH’s M1 stake. In addition, we have waived the material adverse effect clause in the Implementation Agreement, which allows the Offeror to walk away if certain material adverse changes to SPH’s financial condition occur, with the consent of the Securities Industry Council, thus giving certainty to SPH’s stakeholders.

“We believe that this is an attractive offer which will give SPH’s shareholders the greatest deal certainty, the fastest payout and the opportunity to receive cash while also enjoying regular distributions and potential upside as a unitholder of Keppel REIT and SPH REIT. We are keen to hold the scheme meeting as soon as possible, so as to reduce any further uncertainty and instability, which would not be conducive to SPH’s business. If the transaction is completed, SPH shareholders can receive their consideration by mid January 2022. We hope that both Keppel and SPH shareholders would consider this win-win offer favourably.”

### **Advisers**

J.P. Morgan (S.E.A.) Limited is the sole financial adviser, and WongPartnership LLP is the legal adviser, to the Company in respect of the proposed transaction and the scheme. Further information on the proposed transaction and the scheme can be found in the Joint Revision Announcement and Keppel Announcement, which can be downloaded from SGXNET or from the Company’s website. This media release is qualified in its entirety by, and should be read in conjunction with, the full text of the Joint Revision Announcement. In the event of any inconsistency or conflict between the Joint Revision Announcement and the information contained in this media release, the Joint Revision Announcement shall prevail.

### **Responsibility Statements**

The directors of the Company (including those who may have delegated detailed supervision of this media release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this media release which relate to the Company (excluding information relating to SPH, SPH REIT and Keppel REIT, save for the Company’s unitholding interest in Keppel REIT) are fair and accurate and that there are no other material facts not contained in this media release, the omission of which would

make any statement in this media release misleading. The directors of the Company jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from SPH, the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this media release. The directors of the Company do not accept any responsibility for any information relating to SPH, SPH REIT or Keppel REIT (save for the Company's unitholding interest in Keppel REIT).

### **Forward-looking Statements**

All statements other than statements of historical facts included in this media release are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future and conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements. Neither the Company nor J.P. Morgan (S.E.A.) Limited guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements.

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## **About Keppel Corporation**

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