



**SINGAPORE PRESS HOLDINGS LIMITED**

(Registration No: 198402868E)

(Incorporated in the Republic of Singapore)

**PROPOSED ACQUISITION OF INTERESTS IN  
KBS US PRIME PROPERTY MANAGEMENT PTE. LTD. AND PRIME US REIT**

**1. INTRODUCTION**

**1.1 Proposed Transactions.** Singapore Press Holdings Limited (“**SPH**”) wishes to announce that Times Properties Private Limited, a wholly-owned subsidiary of SPH (“**TPPL**”), has today entered into:

- (i) a call option agreement (the “**Call Option Agreement**”) with KBS Asia Partners Pte. Ltd. (“**KAP**”), pursuant to which KAP has granted to TPPL a call option for TPPL to acquire a 20 per cent. interest in KBS US Prime Property Management Pte. Ltd. (“**Prime US REIT Manager**”) for a consideration of USD14,600,000 (subject to adjustments)<sup>1</sup> (such call option, the “**Call Option**”). The Call Option is exercisable by TPPL during the period commencing on the date that the Monetary Authority of Singapore (“**MAS**”) approves of the application for TPPL to be a substantial shareholder of the Prime US REIT Manager (“**MAS Approval**”) in accordance with the Guidelines on Fit and Proper Criteria issued by the MAS (such date, the “**MAS Approval Date**”), and ending on the date falling three months after the MAS Approval Date; and
- (ii) a subscription agreement with the Prime US REIT Manager to subscribe for units in Prime US REIT, such that TPPL would hold 6.765 per cent. of the units in Prime US REIT (the “**TPPL Units**”) immediately following the completion of the initial public offering of Prime US REIT (the “**Subscription**” and such agreement, the “**Subscription Agreement**”). The consideration payable for the TPPL Units is USD55,000,000 and shall be paid in cash.

(collectively, the “**Proposed Transactions**”).

As the relative figures computed on the bases set out in Rule 1006 of the Listing Manual (the “**Listing Manual**”) of the SGX-ST (as defined below) in respect of the Proposed Transactions do not exceed 5 per cent., the Proposed Transactions constitute non-disclosable transactions under Chapter 10 of the Listing Manual, and this Announcement is being made pursuant to Rule 704(17) of the Listing Manual.

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<sup>1</sup> The consideration was arrived at on a willing-buyer, willing-seller basis, taking into account various factors such as the projected net income before tax of the Prime US REIT Manager. The net asset value of the Prime US REIT Manager as at 28 June 2019 is USD1,000,010.

## 1.2 Prime US REIT and the Prime US REIT Manager

Prime US REIT is a US commercial real estate investment trust which is intended to be a real estate investment trust listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and will have an investment strategy of principally investing, directly or indirectly, in stabilised income-producing office assets, and real estate-related assets, in the United States. The initial public offering portfolio will consist of 11 office assets which will be injected into Prime US REIT by KBS Real Estate Investment Trust III, Inc.

The Prime US REIT Manager is the proposed manager of Prime US REIT.

The Prime US REIT Manager has today lodged the preliminary prospectus of Prime US REIT with the MAS.

## 1.3 Completion

- (i) The Subscription is conditional upon, *inter alia*, the registration of the final prospectus of Prime US REIT by the MAS and the entry into of the underwriting agreement between the Prime US REIT Manager and the underwriters in connection with the initial public offering of Prime US REIT.
- (ii) The completion of the Call Option by TPPL is conditional upon, *inter alia*, the satisfaction or waiver of the following conditions:
  - (a) there being no decree, determination, injunction, judgment or other order (which is final and non-appealable) entered or issued by any court or governmental authority of competent jurisdiction which has the effect of restraining or otherwise prohibiting consummation of the exercise of the Call Option, and which remains in force and effect as at the date the Call Option is completed;
  - (b) the listing and admission to trading of the units of Prime US REIT on the SGX-ST having occurred (“**IPO Completion**”); and
  - (c) MAS Approval having been granted.
- (iii) Following the exercise of the Call Option by TPPL, completion of the Call Option will be effected and the Prime US REIT Manager will be an associate company of the Company.

## 2. SHAREHOLDERS OF THE PRIME US REIT MANAGER

The shareholders of the Prime US REIT Manager are KAP, Keppel Capital Two Pte. Ltd. (“**Keppel Capital Two**”), and Experion Holdings Pte. Ltd. and they each hold a 60%, 30% and 10% stake, respectively, in the Prime US REIT Manager.

## 3. RULE 704(17)(b) OF THE LISTING MANUAL

Pursuant to Rule 704(17)(b) of the Listing Manual, the Company (and together with its subsidiaries, the “**Group**”) wishes to announce that the Group’s aggregate cost of investment in quoted securities are as follows:

		(A)	(B)
		Before the Subscription	After the Subscription
(i)	Aggregate cost of the Group's quoted investments (S\$'000)	104,838	179,088
	Aggregate cost of the Group's quoted investments as a percentage of the latest audited consolidated net tangible assets of the Group as at August 31, 2018*	3.19%	5.44%
(ii)	Total market value of the Group's quoted investments (S\$'000)	150,266	224,516
(iii)	Amount of any provision for diminution in value of quoted investments (S\$'000)	4,855	4,855
	*Audited consolidated net tangible assets of the Group as at August 31, 2018* (S\$'000)	3,290,904	

For the avoidance of doubt, the Company wishes to clarify that the figures in column (B) above are calculated on the assumptions that the Subscription has been completed pursuant to the terms of the Subscription Agreement, and that IPO Completion has taken place. The indicative USD-to-SGD exchange rate used for the purposes of computing the figures in this paragraph 3 is USD1:SGD1.35.

#### **4. FURTHER INFORMATION**

##### **4.1 Interest of Directors and Controlling Shareholders**

Save that Dr. Lee Boon Yang is the chairman of the board of directors of both Keppel Corporation Limited (the ultimate holding company of Keppel Capital Two) and SPH, none of the Directors of SPH has any interest, direct or indirect, in the Call Option and the Subscription, other than through their shareholding in SPH. SPH has no controlling shareholders.

##### **4.2 Impact on Earnings Per Share and Net Tangible Assets Per Share**

The exercise of the Call Option and the completion of the Subscription are not expected to have any material impact on the earnings per share or net tangible assets per share of SPH for the current financial year.

**Issued by Singapore Press Holdings Limited**

Singapore,

28 June 2019

**IMPORTANT NOTICE**

This announcement does not constitute an offer, invitation to purchase or subscribe for or solicitation of units in Prime US REIT (“**Units**”) in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment whatsoever. The information in this announcement is qualified in its entirety by, and is subject to, the more detailed information to be set out in the final prospectus of Prime US REIT (the “**Final Prospectus**”) to be registered by the MAS. The information presented in this announcement is subject to change. Anyone wishing to purchase Units should read the Final Prospectus before deciding whether to purchase Units and will need to make an application in the manner set out in the Final Prospectus. Any decision to purchase Units should be made solely on the basis of information contained in the Final Prospectus and no reliance should be placed on any information other than that contained in the Final Prospectus.