

Proposed Restructuring of the MEDIA BUSINESS OF SPH



To be read in conjunction with the circular ("Circular") to the shareholders ("Shareholders") of Singapore Press Holdings Limited (the "Company" or "SPH") dated 17 August 2021, as published on www.sgx.com and on the Company's website at https://investor.sph.com.sg/agm_egm.html. All capitalised but undefined terms used in this factsheet shall bear the meaning given to them in the Circular.

The Circular is in relation to the Proposed Restructuring of the Media Business of SPH.

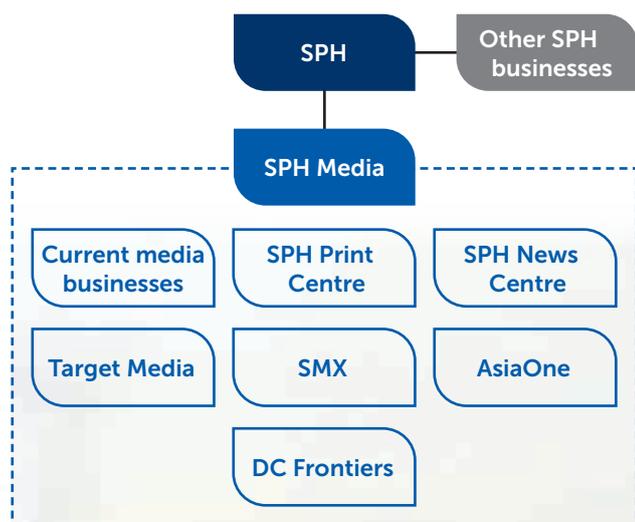
Under the Proposed Restructuring, SPH will transfer SPH Media Holdings Pte Ltd ("SPH Media") to a not-for-profit entity for nominal consideration, and will subsequently transfer its media business ("Media Business") to SPH Media.

The not-for-profit entity will be a newly formed company limited by guarantee ("CLG").

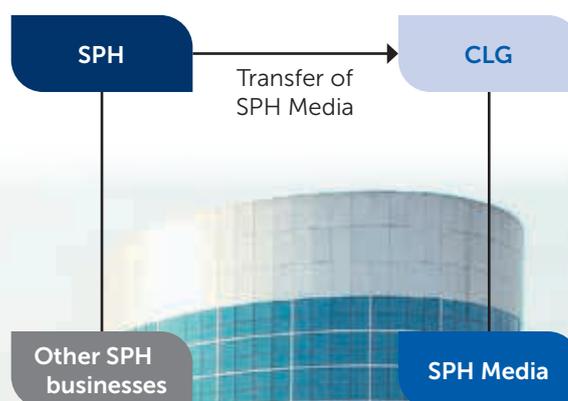
SPH is seeking approval from its Shareholders in respect of the Proposed Restructuring as well as the following corporate actions following closing of the Proposed Restructuring:

- (i) the conversion of each management share in the capital of the Company into one ordinary share, in accordance with the constitution of the Company (the "Proposed Conversion") and
- (ii) the proposed adoption of a new constitution of the Company ("Proposed Adoption of a New Constitution").

Current Structure



Post-restructuring and transfer of SPH Media





Why is the Proposed Restructuring needed?

- Traditional print media is undergoing unavoidable secular decline
- Competition for digital revenue has intensified
- As a result, the Media Business has been loss-making
- Running the Media Business under the current organisation structure of the listed SPH entity is not feasible, but given its public role, winding up or selling off the Media Business are not feasible options

How will Shareholders benefit?

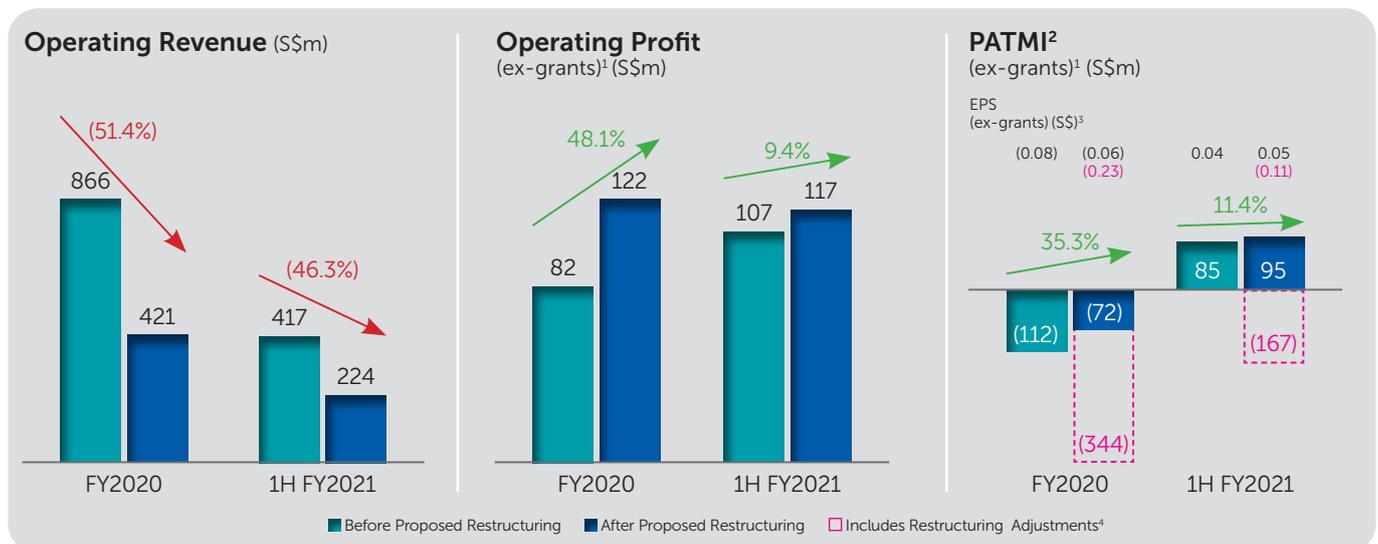
1 Greater flexibility for SPH

- Upon completion of the Proposed Restructuring, SPH will no longer be bound by the provisions of the Newspaper Act
- SPH will be better able to tailor its capital and shareholding structure to seize strategic growth opportunities
- One-off earnings impact for long-term financial flexibility



2 Improvements in profitability

- Deconsolidation from SPH removes any future funding requirements and potential losses due to the Media Business from the financials of the Group



3 First step in the strategic review

- A key outcome of the strategic review
- Completion of the Proposed Restructuring is a condition of the second step of the strategic review, the proposed privatisation of SPH by Keppel

Source: Company information.

1 Excludes Job Support Scheme grant income attributable to the Media Business amounting to S\$28.1m in FY2020 and S\$12.8m in 1H FY2021.

2 Profit after tax and minority interests.

3 EPS calculation includes accrued distribution for perpetual securities for the relevant period. Before the Proposed Restructuring, EPS is calculated based on a weighted average number of Shares (excluding treasury shares) amounting to 1,609,413,594 Shares and 1,607,244,446 Shares as at 31 August 2020 and 28 February 2021 respectively. After the Proposed Restructuring, additional Shares amount to 6,868,132 Shares.

4 Restructuring Adjustments include 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.

What is the opinion of the financial advisor to the Board of Directors of SPH (“Board”) on the Proposed Restructuring?

SPH has appointed Evercore Asia (Singapore) Pte. Ltd. (“**Evercore**”) to advise the Board as to whether the Proposed Restructuring is, from a financial point of view, in the overall interests of the Company and its Shareholders.

An extract of Evercore’s opinion is set out below:

“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...

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

Note: The above is an extract of the Evercore Letter to the Board of Directors of SPH, as set out in Appendix A of the Circular. Shareholders are strongly advised to read and consider the entirety of the Circular and the Evercore Letter. In rendering their Opinion, Evercore has 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, Evercore has advised 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/her specific investment objectives or portfolio to consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

What does the Board recommend?

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 Board is 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.

What are the possible outcomes of the EGM?

3 POSSIBLE OUTCOMES

OUTCOME 1

Shareholders approve **ALL** of the proposed resolutions at the EGM

SPH Media will be transferred to the CLG

SPH will **no longer be bound** by the provisions of the Newspaper Act after completion of the **Proposed Restructuring**

Shareholders will have the opportunity to participate and vote in respect of the proposed privatisation of SPH by Keppel

OUTCOME 2

Shareholders approve **ONLY** the Proposed Restructuring but not the Proposed Conversion and Proposed Adoption of a New Constitution

SPH Media will be transferred to the CLG

SPH will **no longer be bound** by the provisions of the Newspaper Act after completion of the Proposed Restructuring but will **continue to be bound** by the existing Constitution which incorporates the provisions of the Newspaper Act. The Management Shares will also not be converted into Ordinary Shares in accordance with the constitution of the Company.

A condition precedent to the proposed privatisation of SPH by Keppel will not be satisfied

OUTCOME 3

Shareholders do not approve the Proposed Restructuring

SPH will **continue to own** SPH Media

SPH will **continue bearing the potential losses** and ongoing financial requirements of the Media Business

SPH will **continue to be bound** by the provisions of the Newspaper Act and the new Constitution will **not** be adopted (since the resolution to adopt the new Constitution is conditional on the approval of the Proposed Restructuring). The Management Shares will also not be converted into Ordinary Shares in accordance with the constitution of the Company.

Proposed privatisation of SPH by Keppel will not proceed

What do I need to do to vote in relation to or attend the EGM?

If you are a Shareholder, vote on the Proposed Restructuring by submitting a proxy form to the Company in the following manner:

- ▶ 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
- ▶ 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 Shareholder 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.
- **Shareholders are strongly encouraged to submit completed proxy forms electronically.**
- Investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) (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.

Pre-register for the online EGM at https://investor.sph.com.sg/agm_egm.html by 2.30 p.m. on 7 September 2021

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

- (a) watch the EGM proceedings via "live" audio-and-video webcast or listen to the EGM proceedings via "live" audio feed;
- (b) submit questions in advance of, or "live" at, the EGM; and/or
- (c) vote by appointing the Chairman of the EGM as proxy at the EGM.

What are the important dates and times that I need to be aware of?

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 the Circular for further details

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, and any regulations promulgated thereunder (including 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 SGXNet.

Where can I find more information about the Proposed Restructuring?

For more information, please visit https://investor.sph.com.sg/agm_egm.html, or www.sgx.com for announcements made in relation to the Proposed Restructuring

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.

Information relating to the proposed privatisation of SPH by Keppel (announced on 2 August 2021)

To be read in conjunction with the joint announcement by SPH and Keppel Pegasus Pte. Ltd. (the “**Offeror**”), a wholly-owned subsidiary of Keppel Corporation Limited (“**Keppel**”), on 2 August 2021 that SPH and the Offeror are proposing to undertake a scheme of arrangement (the “**Scheme**”), as published on www.sgx.com and on the Company’s website at www.sph.com.sg. Further information on the Scheme and the terms and conditions upon which the Scheme will be implemented by SPH and the Offeror, as well as the terms and conditions of the DIS (as defined below), will be set out in a composite document to be issued by SPH to Shareholders containing, inter alia, details of the Scheme and the DIS.

1 What is the Scheme?

- SPH and the Offeror, a wholly-owned subsidiary of Keppel, jointly announced on 2 August 2021 (the “**Joint Announcement Date**”) that the Offeror has proposed to acquire 100% of the ordinary shares of SPH (“**Shares**”) post the Proposed Restructuring through the Scheme
- Pursuant to the Scheme, for each Share held as at the record date, a Shareholder will receive a total consideration of **S\$2.099** per Share⁵, comprising:
 - ▶ (i) cash of **S\$0.668** per Share,
 - ▶ (ii) **0.596** Keppel REIT units valued at S\$0.715 per Share⁵
 - ▶ (iii) **0.782** SPH REIT units valued at S\$0.716 per Share⁵ from a distribution in-specie (“**DIS**”) by SPH
- **The Scheme is a separate transaction from the Proposed Restructuring**

2 Why is SPH undertaking both the Proposed Restructuring and Scheme?

- The Proposed Restructuring announced on 6 May 2021 is the **first step in the Strategic Review** and the Scheme is the **final step and outcome of the process**
- The key objectives of the Strategic Review are to:
 - ▶ Ensure a sustainable future for SPH Media
 - ▶ Unlock and maximise value for all Shareholders
 - ▶ Deal with the consequences of the lifting of Newspaper Act restrictions
 - ▶ Conduct an orderly process to minimise disruption to SPH operations and various stakeholders

3 Can I vote in respect of the Scheme in this EGM / is this EGM also the same shareholders’ meeting for the Scheme?

- No. **The Scheme is a separate transaction from the Proposed Restructuring**
- Shareholders will also be invited to a separate EGM / Scheme Meeting where they can vote in respect of the DIS and Scheme in due course



4 How is the Scheme relevant to the Proposed Restructuring?

- The Scheme is conditional on the successful completion of the Proposed Restructuring. As such, **if the Proposed Restructuring is not approved, the Scheme will not proceed**

⁵ The value of the Keppel REIT Units is determined based on the closing price of the Keppel 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\$1.200 per Keppel REIT Unit. The value of the SPH REIT Units is determined based on the closing price of the SPH REIT Units on the Last Trading Day, being S\$0.915 per SPH REIT Unit.



5 How was the Scheme chosen?

- There was a thorough and orderly 2-stage process to solicit and evaluate proposals from a number of parties with the help of financial advisor Credit Suisse (Singapore)
- The final closed bids were evaluated on:
 - ▶ Price
 - ▶ Transaction structure and consideration mix
 - ▶ Terms, conditions and regulatory approvals
 - ▶ Financing certainty



6 Why was the Scheme chosen?

- The Scheme to privatise SPH was the preferred solution among various options considered to maximise value and minimise disruption for SPH
- It provides a better overall valuation outcome for Shareholders with control premium paid on the entire outstanding share capital and avoids a situation where SPH assets are cherry-picked, leaving SPH with remaining debt and risk of monetising remaining assets
- The Scheme was chosen for delivering the higher value to Shareholders and being superior across all criteria:
 - ▶ Complete solution for the whole of SPH
 - ▶ Opportunity for all Shareholders to realise their investment in SPH at a significant premium to historical trading prices
 - ▶ Provides deal certainty with low regulatory approval risk
 - ▶ Provides Shareholders the opportunity to participate in the recovery upside of the retail and commercial sectors at attractive dividend yields

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

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