



SINGAPORE PRESS HOLDINGS LIMITED

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

SUCCESSFUL TENDER FOR CLEMENTI MALL

1. Introduction

Singapore Press Holdings Limited (“**SPH**”) refers to its announcement dated 10 November 2009 in relation to the increase in shares in its indirect subsidiary, SG Domain Pte Ltd (“**SGDPL**”), and the submission of a tender by CM Domain Pte Ltd (“**CMDPL**”), a direct subsidiary of SGDPL, to the Housing and Development Board (“**HDB**”) for the purchase of Clementi Mall, a retail/commercial leasehold property at Commonwealth Avenue West/Clementi Avenue 3, Singapore (the “**Property**”).

SPH wishes to announce that CMDPL has today received formal notification from the HDB that it has won the tender for the purchase of the Property at the bid price of S\$541,898,000 (the “**Purchase Price**”).

CMDPL is wholly-owned by SGDPL. SGDPL is in turn owned by Times Properties Private Limited (“**TPPL**”), a wholly-owned subsidiary of SPH, as to 60%, NTUC FairPrice Co-Operative Limited (“**NTUC FairPrice**”) as to 20% and NTUC Income Insurance Co-Operative Limited (“**NTUC Income**”) as to 20%.

2. Acquisition of the Property

2.1 The Property

The Property is part of a mixed development situated at Clementi Town Centre at Commonwealth Avenue West/Clementi Avenue 3, which also includes 2 blocks of 40-storey residential flats (total 388 dwelling units) and a podium block with direct connection to the Clementi MRT Station and a bus interchange. The Property is estimated to contain a total commercial gross floor area of 25,000 square metres.

The Property will be leased from the HDB for a term of 99 years commencing from the handover date (the “**Handover Date**”), currently estimated in the Conditions of Tender to be 31 August 2010.

HDB will build only the core and facade of the Property, and will hand it over to CMDPL on the Handover Date. CMDPL will then finish the project internally, and will have flexibility to plan the theme and layout.

The Property will not be income-generating until after CMDPL’s project for the fitting out of the Property has been completed. There is therefore no net profit attributable to the Property as at the date of this announcement. The Property is targeted to start operations in the first half of 2011.

2.2 Purchase Price

The Purchase Price of S\$541,898,000 was arrived at after considering the economic potential of the Property based on stabilised operations after rental renewal cycle and enhancing yield over time. Factors such as the expected net lettable area, rental rates and property yields, market positioning, and trade and tenant mix were also taken into account. Due to scarcity of land and the growing population in Singapore, prospects for capital appreciation of the Property are viewed as positive.

5% of the Purchase Price (the “**Tender Deposit**”) will be paid within 7 days of the date of acceptance of the tender by HDB (the “**Acceptance Date**”). 25% of the Purchase Price, less the Tender Deposit, and applicable GST, will be paid within 28 days of the Acceptance Date. A further 25% of the Purchase Price, and applicable GST, will be paid within 90 days of the Acceptance Date, with the balance 50% of the Purchase Price, and applicable GST, to be paid on the Handover Date.

The Purchase Price will be funded by a combination of internal resources and external borrowings. Details of the financing arrangements have not been determined as at the date of this announcement.

2.3 Documents with HDB

CMDPL will enter into the relevant documents with the HDB in respect of its purchase of a 99-year leasehold interest in the Property. These documents will include terms that the Property will be sold subject to certain easement rights and privileges reserved in favour of the HDB, the Ministry of Transport, the Land Transport Authority and certain other parties, and that the HDB will have the right, upon the occurrence of certain events of default on the part of CMDPL, to re-enter and resume possession of the Property.

2.4 Financial Effects

For illustration purposes only, the financial effects of the acquisition of the Property on the net tangible assets per share and earnings per share, based on the audited consolidated financial statements of the Group for the financial year ended 31 August 2009, are set out below:

Net tangible assets (NTA)

Assuming that the acquisition of the Property had been completed on 31 August 2009, and based on the audited consolidated financial statements of the Group for the financial year ended 31 August 2009, the effect on the NTA per share as at 31 August 2009 would be as follows:

| | Before the Acquisition | After the Acquisition |
|---------------------|------------------------|-----------------------|
| NTA (S\$'000) | 2,012,034 | 2,228,793 |
| NTA per share (S\$) | 1.26 | 1.39 |

The above assumes that the acquisition of the Property will be entirely funded by equity as details of the financing arrangements have not been determined as at the date of this announcement. The increase in NTA and NTA per share is attributable to the assumed equity funding from NTUC FairPrice and NTUC Income.

Earnings per share (EPS)

The acquisition of the Property is not expected to have any material financial effect on the EPS for the financial year ended 31 August 2009, assuming that it had been completed on 1 September 2008 and based on the audited consolidated financial statements of the Group for the financial year ended 31 August 2009.

2.5 Relative Figures

The relative figures for the acquisition of the Property computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

| | | |
|-----|--|-------------------|
| (a) | Net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets. | N.A. |
| (b) | Net profits attributable to the Property, compared with the Group's net profits. | N.A. ¹ |
| (c) | Aggregate value of consideration given, compared with the issuer's market capitalisation of S\$6.0 billion as at 16 November 2009 ² , based on the total number of issued shares (excluding treasury shares and management shares). | 9.03% |
| (d) | Number of equity securities issued by the issuer as consideration for the acquisition, compared with the number of equity securities previously in issue. | N.A. |

2.6 Shareholders' Agreement

TPPL, NTUC FairPrice and NTUC Income intend to commence negotiations for the entry by them into a shareholders' agreement (the "**Shareholders' Agreement**") to regulate their relationship *inter se* as shareholders of SGDPL.

3. Rationale

SPH has existing investments in properties such as Paragon and Sky@eleven. The Property will enhance the retail mall and residential property portfolio of SPH.

SPH also has previous experience in property development with the building, reconstruction and retrofitting of SPH News Centre, Media Centre and Print Centre. Its goal with regard to the Property is to develop it into a profitable suburban mall, together with its partners, NTUC FairPrice and NTUC Income.

SPH sees potential in the Property's strategic location in Clementi Town, with its catchment area of Holland, Bukit Timah and West Coast in which the key tertiary institutions of NUS, Ngee Ann Polytechnic, Singapore Polytechnic and UniSIM are located. The Property is sited in a high traffic area due to the presence of the integrated transport amenities of Clementi MRT Station and bus interchange, and there are not many other malls nearby, thus providing it with a unique opportunity to be the anchor attraction in the area. The Property has already attracted strong tenant interest.

¹ The Property will not be income-generating until after CMDPL's project for the fitting out of the Property has been completed. There is therefore no net profit attributable to the Property as at the date of this announcement.

² 16 November 2009 is the market day preceding the Acceptance Date.

Subject to the terms of the Shareholders' Agreement, TPPL may nominate an entity to be the project manager for the development works, and may nominate an entity to be the property manager, in relation to the Property.

NTUC FairPrice will take up a lease at basement 1 of the Property for use as a supermarket, and additional space for use as a convenience store, subject to certain conditions. NTUC Income and SPH may also take up space in the Property.

SPH believes that suburban malls are generally well patronised with resilient rentals and sustainable income, and that the Property will provide a steady recurrent income stream. The acquisition of the Property is testament to SPH's willingness to seek out opportunities to create shareholder value, in the long term, wherever possible.

4. Directors' Interests

Mr Ng Ser Miang and Mr Willie Cheng Jue Hiang, Directors of SPH, are also Directors of NTUC FairPrice. Save as disclosed, none of the Directors of SPH has any interest, direct or indirect, in the acquisition of the Property.

BY ORDER OF THE BOARD

Ginney Lim May Ling
Khor Siew Kim
Company Secretaries

17 November 2009