

Cuscaden Responses to Questions from SIAS

12 December 2021

On 23 November 2021, Cuscaden received questions from Securities Investors Association (Singapore) ("SIAS") in relation to its Implementation Agreement with Singapore Press Holdings ("SPH") to acquire all the issued and paid-up ordinary shares in the capital of SPH, by way of a scheme of arrangement ("Cuscaden Scheme").

Through our responses to the SIAS questions, we are pleased to have the opportunity to provide further information on the Cuscaden Scheme and its benefits for SPH Shareholders:

1. **In terms of deal certainty, would Cuscaden be able to obtain the FIRB approval before SPH Shareholders vote on the Keppel Scheme?**
2. **Has Cuscaden considered waiving the MAE clause before the Keppel Scheme Meeting so as to remove this uncertainty for SPH Shareholders who have to decide between the two competing offers? Can Cuscaden show its commitment to the deal?**

- As announced on 2 December 2021, Cuscaden has received FIRB approval and has also waived the MAE Condition (as defined below) to deliver transaction certainty to SPH Shareholders.
 - The approval from FIRB was the final outstanding regulatory approval to be obtained by Cuscaden¹. This follows the earlier regulatory approvals received from the Monetary Authority of Singapore ("MAS") and the Info-Communications Media Development Authority ("IMDA"), as announced on 21 November 2021.
 - To demonstrate our strong commitment to providing SPH Shareholders with greater transaction certainty, Cuscaden has also agreed to enter into a supplemental letter with SPH to unconditionally and irrevocably waive its right to walk away from the transaction upon the occurrence of a Material Adverse Effect ("MAE Condition") under the Implementation Agreement between Cuscaden and SPH.
- With the fulfilment of all regulatory approvals to be obtained by Cuscaden, the waiver of the MAE Condition, and no shareholder approval required on the part of Cuscaden, **Cuscaden provides deal certainty to SPH shareholders. The success of the Cuscaden Scheme is now in the hands of SPH Shareholders².**
- We are working closely with SPH towards achieving successful completion of the Cuscaden Scheme expeditiously, a key factor of which will be the convening of the Cuscaden Scheme Meeting as soon as circumstances allow, in the interests of SPH Shareholders.

¹ FIRB refers to the Foreign Investment Review Board ("FIRB") under the Australian Foreign Acquisitions and Takeovers Act 1975. The remaining regulatory approval to be obtained is in respect of the approval-in-principle from the SGX-ST of the Composite Document and for the proposed delisting of the Company from the SGX-ST, which is to be obtained by the Company.

² Subject to (i) approval -in -principle from the SGX-ST of the Cuscaden Composite Document and the proposed delisting of the Company, (ii) Court approval for the convening of the Cuscaden Scheme Meeting; and (iii) if approved by SPH Shareholders at the Cuscaden Scheme Meeting, the sanction of the Cuscaden Scheme by the Court.

3. Will Cuscaden be giving SPH Shareholders a further improved (and final) offer?

- Due to regulations under the Singapore Code on Take-Overs and Mergers, we are unable to comment on queries pertaining to revisions (if any) of the offer price at this stage.

4. Given that Keppel and Cuscaden have bidden against each other for SPH, why should SPH Shareholders accept Cuscaden's offer for SPH at this juncture instead of keeping faith with the SPH board/management to crystallise value for shareholders?

We believe that the Cuscaden Scheme, which offers both superior value and the highest cash component of any offer available to SPH Shareholders to date, provides an opportunity for SPH Shareholders to crystallise their investment in SPH at a compelling value.

Cuscaden Scheme is the outcome of a thorough strategic review carried out by SPH

- As highlighted by SPH in its press releases of 2 August 2021 and 15 November 2021, among others, the SPH Board conducted a strategic review to unlock and maximise value for shareholders post-restructuring of the Media Business.
- This included a comprehensive review of the various strategic options, including maintaining the status quo, monetisation of certain assets, a partial sale or privatisation of SPH post-restructuring of the Media Business.
- The SPH Board had in its earlier press releases stated that based on the review, the privatisation of the entire company would be the preferred solution. It derives a better valuation outcome for all shareholders where a control premium is paid for the entire company.
- Based on SPH's announcements, this led the SPH Board and its advisers to conduct a thorough 2-stage process to solicit and evaluate proposals for SPH from more than 20 potentially interested parties.
- In its press release of 15 November 2021, SPH indicated that the Cuscaden Scheme is the outcome of this strategic review and SPH's active engagement with (i) Cuscaden following Cuscaden's initial possible offer announcement, and (ii) Keppel with regards to the Keppel Scheme.
- Cuscaden has put forward a compelling offer for SPH Shareholders with a consideration value of up to S\$2.400³ per Share and a significantly higher cash component as compared to the Keppel Scheme.
- **Between the two Schemes currently available to SPH Shareholders, SPH has acknowledged that the Cuscaden Scheme is superior to the Keppel Scheme.**

³ Illustrative price based on SPH REIT closing price of S\$1.020 per SPH REIT Unit as at 12 November 2021, being the last trading day immediately prior to the date of the Joint Announcement between SPH and Cuscaden on the Cuscaden Scheme ("Last Trading Day") and as at 9 November 2021, being the date of the Keppel Revision Announcement.

Cuscaden Scheme delivers compelling value to SPH Shareholders

We believe the Cuscaden Scheme offers compelling value and maximises optionality for SPH Shareholders:

- a) it represents an opportunity for SPH Shareholders to realise their investment at an attractive premium of up to 60%⁴ to the last undisturbed trading price of SPH⁵;
- b) it fully values SPH at a premium of up to 10%⁶ to SPH's FY2021 pro forma NAV per SPH share of S\$2.18⁶; and
- c) it provides each SPH Shareholder maximum optionality to choose the option that best suits their individual investment needs, with the opportunity to elect between either (i) the Cuscaden All Cash Consideration or (ii) the Cuscaden Cash and Units Consideration.
 - This flexibility allows SPH Shareholders electing the Cuscaden All Cash Consideration to receive their proceeds with value certainty and no potential transaction costs, particularly in an environment of rising interest rates and the continued impact of Covid-19.
 - SPH Shareholders who prefer to continue to enjoy the future growth and dividends of SPH REIT can elect for the Cuscaden Cash and Units Consideration, while still receiving a meaningful cash consideration.

Cuscaden Scheme is the highest offer available to SPH Shareholders to date

- The Cuscaden Scheme represents a consideration value of up to S\$2.400 per share, at a premium to any other offer available to SPH Shareholders, and with a higher cash component up to 100%.
- The Cuscaden All Cash Consideration results in no brokerage fees and/or price uncertainty around the value realised on any consideration paid in REIT units.
- Based on the latest closing prices on 10 December 2021, the value of the Keppel Scheme represents S\$2.324, compared to S\$2.372 for the Cuscaden Scheme under the Cuscaden Cash and Units Consideration, and S\$2.360 under the Cuscaden All Cash Consideration.

Cuscaden / Keppel implied scheme consideration value over time⁷

- Both options under the Cuscaden Scheme consistently have higher total consideration value and a greater cash component as compared to the Keppel Scheme consideration.

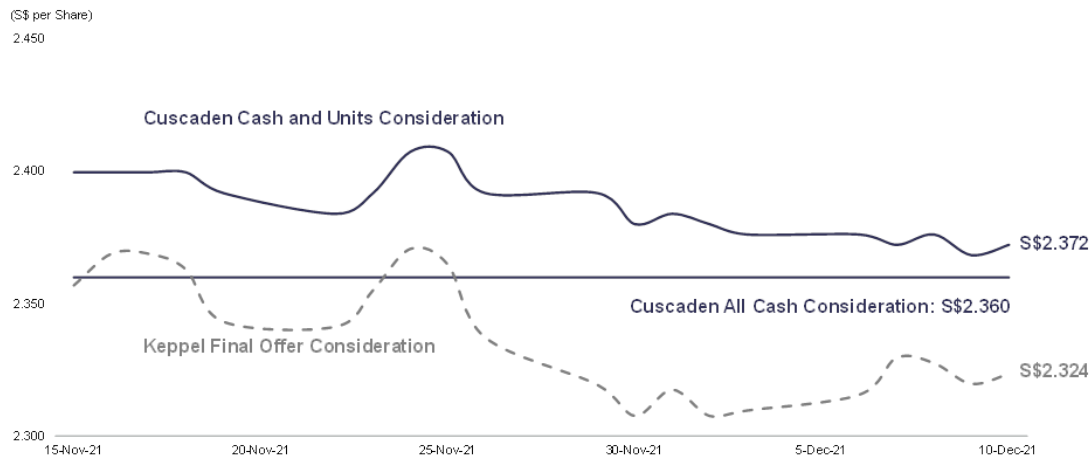
⁴ Based on illustrative Cash and Unit Consideration of S\$2.400 per Share based on SPH REIT closing price of S\$1.020 per SPH REIT Unit as at the Last Trading Day and as at 9 November 2021, being the date of the Keppel Revision Announcement.

⁵ Based on the last close as at 30 March 2021, being the last trading day prior to the announcement of the SPH Strategic Review.

⁶ Based on Implied P / NAV based on Cuscaden's Cash and Units Consideration, as provided by SPH in its press release of 15 November 2021.

⁷ Illustrative price based on closing prices from 15 November 2021, being the date of the Cuscaden Joint Announcement, and up to 10 December 2021.

- In fact, the difference in value between both schemes **has widened over time**⁸, between 15 November 2021 (being the date SPH acknowledged that the Cuscaden Scheme is a superior proposal in the Cuscaden Joint Announcement) and the latest closing prices as of 10 December 2021.



5. What are the long-term plans for SPH REIT should the Cuscaden Scheme be successful? What is Cuscaden’s intention with regard to the listing status of SPH REIT? If a chain offer is triggered, what are the factors that will determine the chain offer price for SPH REIT, given the current trading price at \$1.01 as of 22 November 2021?

- As disclosed in the Cuscaden Joint Announcement, the level of ownership by Cuscaden and its concert parties in SPH REIT immediately post completion of the Cuscaden Scheme (including those SPH REIT Units held by the Company after the completion of the DIS) would vary between 20% and 66% of SPH REIT Units with the eventual level of election by SPH Shareholders for either of the two Consideration options provided.
- If more SPH Shareholders elect for the All Cash Consideration, Cuscaden and its concert parties would hold more SPH REIT Units. If more SPH Shareholders elect for the Cash and Units Consideration, Cuscaden would hold fewer SPH REIT Units.
- If Cuscaden and its concert parties end up holding 30% or more of SPH REIT Units post completion of the Cuscaden Scheme, a chain offer (“SPH REIT Chain Offer”) for all of the units in SPH REIT will be triggered in compliance with the Singapore Code on Take-Over and Mergers.
- As stated in our clarification announcement on 1 November 2021, the minimum offer price for the SPH REIT Chain Offer, if and when made, will be S\$0.964 fully in cash for each SPH REIT Unit. Cuscaden will not be obliged to offer a higher price than S\$0.964 per SPH REIT Unit.
- If a SPH REIT Chain Offer is made, Cuscaden will provide further information on its intentions as required under the Singapore Code on Take-Over and Mergers. Also, depending on the level of acceptance by SPH REIT Unitholders, Cuscaden and its concert parties may end up holding an aggregate of between 30% and 100% of SPH REIT Units post completion of the SPH REIT Chain Offer.

⁸ Comparing the Cuscaden All Cash Consideration against the Keppel Scheme consideration.

6. Can Cuscaden confirm that SPH is free to schedule its Cuscaden Scheme Meeting (without the 8-week buffer) if the Keppel Scheme is not approved by SPH Shareholders on 8 December? If so, when is the earliest the Cuscaden Scheme Meeting can be held? Will Cuscaden be conducting a Scheme meeting and/or have live “Q&A” and live voting at the hybrid/online Scheme Meeting? What are the outstanding milestones that may delay the expected completion date?

- On 24 November 2021, SPH announced that the Keppel Scheme Meeting will be held after 8 December 2021 due to a delay arising solely from obtaining the requisite approvals from regulators such as the SIC and the SGX-ST or finalisation of the IFA’s opinion.
- Given this announcement, Cuscaden will respond to this question in due course once there is further clarity on the Keppel Scheme Meeting.

Cuscaden looks forward to the support of SPH Shareholders in bringing them this Compelling and Superior Offer.

IMPORTANT NOTICE

The information in this document is qualified by and should be read in conjunction with the full text of the Joint Announcement dated 15 November 2021 and the update announcements dated (i) 18, 21 and 26 November 2021; and (ii) 1 and 2 December 2021 (collectively, the "Cuscaden Announcements"). In the event of any inconsistency or conflict between this response and the Cuscaden Announcements, the information set out in the relevant Cuscaden Announcement(s) shall prevail.

Nothing in this document is intended to be, or shall be taken as, an advice, a recommendation or a solicitation to the SPH Shareholders or any other party. Morgan Stanley Asia (Singapore) Pte. is acting for and on behalf of Cuscaden and does not purport to advise any SPH Shareholder or any other party.

SPH Shareholders are advised to be cautious when dealing in their Shares and refrain from taking any action in relation to their Shares which may be prejudicial to their interests.

Capitalised terms used but not otherwise defined herein shall have the meanings given to them in the relevant Cuscaden Announcement(s), which is available on www.sgx.com.

Responsibility Statement

The directors of Cuscaden (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 response (excluding information relating to SPH, SPH REIT or the Keppel Scheme or any opinion expressed by SPH, Keppel Pegasus Pte. Ltd. or the IFA) are fair and accurate and that, where appropriate, no material facts which relate to Cuscaden have been omitted from this response the omission of which would make any statement in this response misleading. The directors of Cuscaden jointly and severally accept responsibility accordingly.

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