



SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 198402868E

LETTER TO SHAREHOLDERS

Board of Directors:

Lee Boon Yang (Chairman and Independent Director)
Ng Yat Chung (Chief Executive Officer)
Janet Ang Guat Har (Independent Director)
Bahren Shaari (Independent Director)
Chong Siak Ching (Independent Director)
Andrew Lim Ming-Hui (Independent Director)
Quek See Tiat (Independent Director)
Tan Chin Hwee (Independent Director)
Tan Yen Yen (Independent Director)

Registered Office:

1000 Toa Payoh North
News Centre
Singapore 318994

1 November 2017

To: The Shareholders of
Singapore Press Holdings Limited

Dear Sir/Madam

PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

1. BACKGROUND

1.1 **Introduction.** At the Annual General Meeting of Singapore Press Holdings Limited (the “**Company**”) held on 1 December 2016 (the “**2016 AGM**”), shareholders of the Company (“**Shareholders**”) had approved, *inter alia*, the renewal of a mandate (the “**Share Buy Back Mandate**”) to enable the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Ordinary Shares**”). The rationale for, the authority and limitations on, and the financial effects of, the Share Buy Back Mandate were set out in the Letter to Shareholders dated 1 November 2016 and Ordinary Resolution No. 7(ii) set out in the Notice of the 2016 AGM.

The Share Buy Back Mandate was expressed to take effect on the date of the passing of Ordinary Resolution No. 7(ii) at the 2016 AGM and will expire on the date of the forthcoming Thirty-Third Annual General Meeting which has been convened to be held on 1 December 2017 (the “**2017 AGM**”).

1.2 **Proposed Renewal of the Share Buy Back Mandate.** The Directors of the Company (the “**Directors**”) propose that the Share Buy Back Mandate be renewed at the 2017 AGM to authorise the Company to purchase or acquire issued Ordinary Shares. The Share Buy Back Mandate is set out in Ordinary Resolution No. 7(iii) under the heading “Special Business” in the Notice of the 2017 AGM.

1.3 **SGX-ST.** The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.

1.4 **Advice to Shareholders.** If a Shareholder is in any doubt as to the course of action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. THE SHARE BUY BACK MANDATE

2.1 **Rationale.** The rationale for the Company to undertake the purchase or acquisition of its issued Ordinary Shares (“**Share Buy Back**”) is as follows:

- (a) It is a principal mission of the Directors and management to constantly increase Shareholders’ value and to improve, *inter alia*, the return on equity (“**ROE**”) of the Company and its subsidiaries (the “**Group**”). Share Buy Backs at the appropriate price level is one of the ways through which the ROE of the Group may be enhanced.
- (b) The Share Buy Back Mandate will enable the Directors to return part of the Group’s surplus funds, in excess of the financial and possible investment needs of the Group, to the Shareholders. It is an expedient, effective and cost-efficient way of returning surplus cash to Shareholders.
- (c) The Share Buy Back Mandate will give the Company greater flexibility to control, *inter alia*, the Company’s share capital structure and give the Directors the ability to purchase the Ordinary Shares on the SGX-ST, where appropriate.
- (d) Repurchased Ordinary Shares which are held in treasury may be transferred for the purposes of employee share schemes implemented by the Company. The use of treasury shares in lieu of issuing new Ordinary Shares would also mitigate the dilution impact on existing Shareholders.

2.2 **Authority and Limits on the Share Buy Back Mandate.** The authority and limitations placed on purchases or acquisitions of Ordinary Shares under the Share Buy Back Mandate, if renewed at the 2017 AGM, are substantially the same as previously approved by Shareholders and are as follows:

2.2.1 Maximum Number of Ordinary Shares

Only Ordinary Shares which are issued and fully paid may be purchased or acquired by the Company. The total number of Ordinary Shares which may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate is limited to that number of Ordinary Shares representing not more than 10% of the issued Ordinary Shares as at the date of the 2017 AGM at which the renewal of the Share Buy Back Mandate is approved. Treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST (the “**Listing Manual**”)⁽¹⁾) will be disregarded for purposes of computing the 10% limit.

As at 3 October 2017 (the “**Latest Practicable Date**”), the Company had 2,036,910 treasury shares and no subsidiary holdings.

⁽¹⁾ “Subsidiary holdings” is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50.

Based on 1,600,649,121 issued Ordinary Shares as at the Latest Practicable Date (and disregarding 2,036,910 Ordinary Shares held in treasury as at that date) and assuming on or prior to the 2017 AGM (i) no further Ordinary Shares are issued or repurchased and held as treasury shares, and (ii) no Ordinary Shares are held as subsidiary holdings, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Ordinary Shares (excluding the 2,036,910 Ordinary Shares held in treasury) will result in the purchase or acquisition of 159,861,221 Ordinary Shares.

2.2.2 Duration of Authority

Purchases or acquisitions of Ordinary Shares may be made, at any time and from time to time, on and from the date of the 2017 AGM at which the renewal of the Share Buy Back Mandate is approved up to:

- (a) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Buy Back Mandate is revoked or varied; or
- (c) the date on which purchases and acquisitions of Ordinary Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated,

whichever is the earliest.

2.2.3 Manner of Share Buy Back

A Share Buy Back may be made by way of:

- (a) an on-market Share Buy Back (“**On-Market Share Buy Back**”), transacted on the SGX-ST through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (b) an off-market Share Buy Back (“**Off-Market Equal Access Share Buy Back**”) effected pursuant to an equal access scheme under Section 76C of the Companies Act, Chapter 50 (the “**Companies Act**”).

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy Back Mandate, the Listing Manual, including any amendments made thereto up to the Latest Practicable Date and the Companies Act, as amended or modified from time to time, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Equal Access Share Buy Back must, however, satisfy all the following conditions:

- (i) offers for the Share Buy Back shall be made to every person who holds Ordinary Shares to purchase or acquire the same percentage of their Ordinary Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and

- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Ordinary Shares with different accrued dividend entitlements and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Ordinary Shares.

If the Company wishes to make an Off-Market Equal Access Share Buy Back in accordance with an equal access scheme, it will, pursuant to Rule 885 of the Listing Manual, issue an offer document containing at least the following information:

- (I) terms and conditions of the offer;
- (II) period and procedures for acceptances; and
- (III) information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

2.2.4 **Purchase Price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for an Ordinary Share will be determined by the committee constituted for the purposes of effecting Share Buy Backs. The purchase price to be paid for the Ordinary Shares pursuant to Share Buy Backs (both On-Market Share Buy Backs and Off-Market Equal Access Share Buy Backs) must not exceed 105% of the Average Closing Price of the Ordinary Shares (excluding related expenses of the purchase or acquisition).

For the above purposes:

“Average Closing Price” means the average of the last dealt prices of an Ordinary Share for the five consecutive market days on which the Ordinary Shares are transacted on the SGX-ST immediately preceding the date of the On-Market Share Buy Back by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Equal Access Share Buy Back, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for an Off-Market Equal Access Share Buy Back, stating the purchase price (which shall not be more than 105% of the Average Closing Price of the Ordinary Shares, excluding related expenses of the purchase or acquisition) for each Ordinary Share and the relevant terms of the equal access scheme for effecting the Off-Market Equal Access Share Buy Back.

- 2.3 **Status of Purchased Ordinary Shares.** Ordinary Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Ordinary Shares will expire on such cancellation) unless such Ordinary Shares are held by the Company as treasury shares. The total number of issued Ordinary Shares will be diminished by the number of Ordinary Shares purchased or acquired by the Company and which are not held as treasury shares.

2.4 **Treasury Shares.** Under the Companies Act, Ordinary Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.4.1 **Maximum Holdings**

The number of Ordinary Shares held as treasury shares⁽²⁾ cannot at any time exceed 10% of the total number of issued Ordinary Shares.

2.4.2 **Voting and Other Rights**

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.4.3 **Disposal and Cancellation**

Where Ordinary Shares are held as treasury shares, the Company may at any time (but subject always to the Singapore Code on Take-overs and Mergers (the "**Take-over Code**")):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

⁽²⁾ For these purposes, "treasury shares" shall be read as including shares held by a subsidiary under Sections 21(4B) or 21(6C) of the Companies Act, Chapter 50.

2.5 **Funding of Share Buy Backs.** The Company may use internal sources of funds, or a combination of internal resources and external borrowings, to finance Share Buy Backs. The Directors do not propose to exercise the Share Buy Back Mandate to such an extent that the financial condition of the Group would be materially and adversely affected.

2.6 **Financial Effects.** The financial effects of a Share Buy Back on the Group and the Company will depend on, *inter alia*, whether the Ordinary Shares are purchased or acquired out of profits and/or capital of the Company, the number of Ordinary Shares purchased or acquired, the price paid for such Ordinary Shares and whether the Ordinary Shares purchased or acquired are held in treasury or cancelled. The financial effects on the audited financial information of the Group and the Company for the financial year ended 31 August 2017 are based on the assumptions set out below:

2.6.1 **Purchase or Acquisition out of Profits and/or Capital**

Under the Companies Act, purchases or acquisitions of Ordinary Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Ordinary Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Ordinary Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

2.6.2 **Number of Ordinary Shares Purchased or Acquired**

Based on 1,600,649,121 issued Ordinary Shares as at the Latest Practicable Date (and disregarding the 2,036,910 Ordinary Shares held in treasury as at that date), and assuming that on or prior to the 2017 AGM (i) no further Ordinary Shares are issued or repurchased and held as treasury shares, and (ii) no Ordinary Shares are held as subsidiary holdings, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Ordinary Shares (excluding the 2,036,910 Ordinary Shares held in treasury) will result in the purchase or acquisition of 159,861,221 Ordinary Shares.

2.6.3 **Maximum Price Paid for Ordinary Shares Purchased or Acquired**

Assuming that the Company purchases or acquires the 159,861,221 Ordinary Shares at the maximum price of S\$2.85 for one Ordinary Share (being the price equivalent to 105% of the average last dealt prices of the Ordinary Shares for the five consecutive market days on which the Ordinary Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for such Share Buy Back is approximately S\$456 million.

The maximum amount of funds required for such Share Buy Back is the same regardless of whether the Company effects an On-Market Share Buy Back or an Off-Market Equal Access Share Buy Back.

For illustrative purposes only, assuming:

- (a) the Share Buy Back Mandate had been effective on 1 September 2016;
- (b) the Company had purchased 159,861,221 Ordinary Shares on 1 September 2016 at S\$2.85 for each Ordinary Share (being 105% of the average last dealt prices of the Ordinary Shares for the five consecutive market days on which the Ordinary Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date);
- (c) the purchase or acquisition of 159,861,221 Ordinary Shares was made equally out of profits and capital, and cancelled; and
- (d) the purchase or acquisition of 159,861,221 Ordinary Shares was made equally out of profits and capital, of which the maximum number of Ordinary Shares permitted under the Companies Act to be held in treasury are held in treasury and the balance cancelled,

the financial effects of the Share Buy Back (whether pursuant to an On-Market Share Buy Back or an Off-Market Equal Access Share Buy Back) on the audited financial information of the Group and the Company for the financial year ended 31 August 2017 would have been as follows:

Scenario 1

Share Buy Back of up to a maximum of 10% made equally out of profits (5%) and capital (5%) and all cancelled

| | Group | | Company | |
|---|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| | Per Audited Financial Statements | Proforma after the Share Buy Back | Per Audited Financial Statements | Proforma after the Share Buy Back |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Shareholders' funds ^(a) | 3,488,398 | 3,027,372 | 1,825,629 | 1,369,383 |
| Net assets ^(b) | 3,488,398 | 3,027,372 | 1,825,629 | 1,369,383 |
| Current assets | 1,031,803 | 658,549 | 2,579,989 | 2,123,611 |
| Current liabilities | 1,260,931 | 1,260,952 | 1,332,696 | 1,332,564 |
| Total borrowings ^(c) | 1,499,739 | 1,499,739 | 296,000 | 296,000 |
| Profit attributable to Shareholders [^] | 350,085 | 352,739 | 507,722 | 507,078 |
| Number of Shares ('000) | | | | |
| Ordinary Shares | 1,600,649 | 1,440,788 | 1,600,649 | 1,440,788 |
| Management Shares | 16,362 | 16,362 | 16,362 | 16,362 |
| Less: treasury shares | (2,037) | (2,037) | (2,037) | (2,037) |
| Issued and paid-up share capital (net of treasury shares) | 1,614,974 | 1,455,113 | 1,614,974 | 1,455,113 |
| Weighted average number of issued and paid-up shares | 1,615,083 | 1,455,222 | 1,615,083 | 1,455,222 |
| Financial Ratios | | | | |
| Net assets per share | S\$2.16 | S\$2.08 | S\$1.13 | S\$0.94 |
| Current ratio ^(d) (times) | 0.82 | 0.52 | 1.94 | 1.59 |
| Gearing ^(e) (times) | 0.43 | 0.50 | 0.16 | 0.22 |
| Earnings per share ^(f) | S\$0.22 | S\$0.24 | S\$0.31 | S\$0.35 |
| Return on Shareholders' funds ^(g) (%) | 10.04 | 11.65 | n.m. | n.m. |

Notes:

For the purposes of the above calculations:

- "Shareholders' funds" means the aggregate amount of issued share capital, treasury shares, capital reserve, share-based compensation reserve, hedging reserve, fair value reserve, currency translation reserve and retained profits;
- "Net assets" as disclosed above excludes non-controlling interests;
- "Total borrowings" means the aggregate borrowings from banks, financial institutions and non-controlling shareholders;
- "Current ratio" represents the ratio of Current assets to Current liabilities;
- "Gearing" represents the ratio of Total borrowings to Shareholders' funds;
- "Earnings per share" is calculated based on Profit attributable to Shareholders and Weighted average number of issued and paid-up shares; and
- "Return on Shareholders' funds" is calculated based on Profit attributable to Shareholders and Shareholders' funds.

"n.m." means not meaningful.

[^] The increase in the Group's Profit attributable to Shareholders from S\$350.1 million to S\$352.7 million arises mainly from the assumed sale of certain investments at market values prevailing on 31 August 2017, net of income foregone on funds used to finance the Share Buy Back.

Scenario 2

Share Buy Back of up to a maximum of 10% made equally out of profits (5%) and capital (5%) and up to the maximum number permitted held in treasury and the balance cancelled

| | Group | | Company | |
|---|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| | Per Audited Financial Statements | Proforma after the Share Buy Back | Per Audited Financial Statements | Proforma after the Share Buy Back |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Shareholders' funds ^(a) | 3,488,398 | 3,027,372 | 1,825,629 | 1,369,383 |
| Net assets ^(b) | 3,488,398 | 3,027,372 | 1,825,629 | 1,369,383 |
| Current assets | 1,031,803 | 658,549 | 2,579,989 | 2,123,611 |
| Current liabilities | 1,260,931 | 1,260,952 | 1,332,696 | 1,332,564 |
| Total borrowings ^(c) | 1,499,739 | 1,499,739 | 296,000 | 296,000 |
| Profit attributable to Shareholders [^] | 350,085 | 352,739 | 507,722 | 507,078 |
| Number of Shares ('000) | | | | |
| Ordinary Shares | 1,600,649 | 1,598,612 | 1,600,649 | 1,598,612 |
| Management Shares | 16,362 | 16,362 | 16,362 | 16,362 |
| Less: treasury shares | (2,037) | (159,861) | (2,037) | (159,861) |
| Issued and paid-up share capital (net of treasury shares) | 1,614,974 | 1,455,113 | 1,614,974 | 1,455,113 |
| Weighted average number of issued and paid-up shares | 1,615,083 | 1,455,222 | 1,615,083 | 1,455,222 |
| Financial Ratios | | | | |
| Net assets per share | S\$2.16 | S\$2.08 | S\$1.13 | S\$0.94 |
| Current ratio ^(d) (times) | 0.82 | 0.52 | 1.94 | 1.59 |
| Gearing ^(e) (times) | 0.43 | 0.50 | 0.16 | 0.22 |
| Earnings per share ^(f) | S\$0.22 | S\$0.24 | S\$0.31 | S\$0.35 |
| Return on Shareholders' funds ^(g) (%) | 10.04 | 11.65 | n.m. | n.m. |

Notes:

For the purposes of the above calculations:

- "Shareholders' funds" means the aggregate amount of issued share capital, treasury shares, capital reserve, share-based compensation reserve, hedging reserve, fair value reserve, currency translation reserve and retained profits;
- "Net assets" as disclosed above excludes non-controlling interests;
- "Total borrowings" means the aggregate borrowings from banks, financial institutions and non-controlling shareholders;
- "Current ratio" represents the ratio of Current assets to Current liabilities;
- "Gearing" represents the ratio of Total borrowings to Shareholders' funds;
- "Earnings per share" is calculated based on Profit attributable to Shareholders and Weighted average number of issued and paid-up shares; and
- "Return on Shareholders' funds" is calculated based on Profit attributable to Shareholders and Shareholders' funds.

"n.m." means not meaningful.

[^] The increase in the Group's Profit attributable to Shareholders from S\$350.1 million to S\$352.7 million arises mainly from the assumed sale of certain investments at market values prevailing on 31 August 2017, net of income foregone on funds used to finance the Share Buy Back.

SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE FOR ILLUSTRATION PURPOSES ONLY (BASED ON THE AFOREMENTIONED ASSUMPTIONS). IN PARTICULAR, IT IS IMPORTANT TO NOTE THAT THE ABOVE ANALYSIS IS BASED ON THE HISTORICAL PROFORMA NUMBERS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2017, AND IS NOT NECESSARILY REPRESENTATIVE OF FUTURE FINANCIAL PERFORMANCE.

Although the Share Buy Back Mandate would authorise the Company to purchase or acquire up to 10% of its issued Ordinary Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of its issued Ordinary Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Ordinary Shares repurchased or hold all or part of the Ordinary Shares repurchased as treasury shares.

- 2.7 **Shareholding Limits.** The Newspaper and Printing Presses Act, Chapter 206 (the “**Newspaper Act**”) prohibits any person from being a substantial shareholder of a newspaper company or any person, whether alone or together with his associates (as defined in the Newspaper Act), from holding or controlling 12% of the voting shares or any person from being an indirect controller (as defined in the Newspaper Act) of a newspaper company (collectively, the “**Prescribed Limits**”), without first obtaining the approval of the Minister for Communications and Information (the “**Minister**”).

A Share Buy Back may inadvertently cause the percentage shareholding of a Shareholder whose current shareholding in the Company is close to any of the Prescribed Limits, to exceed such limits.

A Shareholder whose current shareholding is close to any of the Prescribed Limits and whose shareholding may exceed any such limits by reason of a Share Buy Back **is advised to seek the prior approval of the Minister** to continue to hold, on such terms as may be imposed by the Minister, the Ordinary Shares which he may hold in excess of any of the Prescribed Limits, as a consequence of a Share Buy Back.

- 2.8 **Take-over implications arising from Share Buy Backs.** Appendix 2 of the Take-over Code (“**Appendix 2**”) contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Ordinary Shares are set out below.

2.8.1 **Obligation to make a Take-over Offer**

If, as a result of any purchase or acquisition by the Company of Ordinary Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or a group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

2.8.2 **Persons Acting in Concert**

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Ordinary Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.8.3 **Effect of Rule 14 and Appendix 2**

In general terms, the following are the effects of Rule 14 and Appendix 2 of the Take-over Code:

- (a) Unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Ordinary Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.
- (b) A Shareholder who is not acting in concert with Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Ordinary Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder increases by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy Back Mandate.

Based on information in the Company's Register of Substantial Shareholders as at the Latest Practicable Date, there are no substantial Shareholders, and no Shareholder will become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase or acquisition by the Company of the maximum limit of 10% of its issued Ordinary Shares (excluding treasury shares) as at the Latest Practicable Date.

Shareholders are reminded that those who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of Share Buy Backs by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

- 2.9 **Listing Status of the Ordinary Shares.** The Listing Manual requires a listed company to ensure that at least 10% of the equity securities (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public (as defined in the Listing Manual). As at the Latest Practicable Date, not less than 99.99% of the issued Ordinary Shares (excluding Ordinary Shares held in treasury) are held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of Ordinary Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Ordinary Shares up to the full 10% limit pursuant to the proposed Share Buy Back Mandate without affecting the listing status of the Ordinary Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

The Company will not effect a Share Buy Back if immediately following the Share Buy Back, the continuing shareholding spread requirement prescribed by the SGX-ST which is in force at the time of the intended Share Buy Back cannot be maintained. The Directors will ensure that Share Buy Backs will not have an adverse effect on the listing status of the Ordinary Shares on the SGX-ST.

- 2.10 **Reporting Requirements.** Rule 886 of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of an On-Market Share Buy Back, on the market day following the day of purchase or acquisition of any of its shares, and (b) in the case of an Off-Market Equal Access Share Buy Back, on the second market day after the close of acceptances of the offer. Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and subsidiary holdings after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

- 2.11 **No Purchases During Price Sensitive Developments.** While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Ordinary Shares pursuant to the proposed Share Buy Back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices on securities dealing set out in Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Ordinary Shares through On-Market Share Buy Backs or Off-Market Equal Access Share Buy Backs during the period of two weeks immediately preceding the announcement of the Company's results for

each of the first three quarters of the financial year, and during the period of one month immediately preceding the announcement of the Company's annual results.

- 2.12 **Previous Purchases.** As at the Latest Practicable Date, the Company had, pursuant to the Share Buy Back Mandate approved by Shareholders at the 2016 AGM, purchased or acquired an aggregate of 1,300,000 Ordinary Shares by way of On-Market Share Buy Backs. The highest and lowest price paid was S\$3.49 and S\$3.38 per Ordinary Share respectively. The total consideration (including clearing charges, etc.) paid was S\$4,486,587.93.

3. DIRECTORS' INTERESTS

- 3.1 **Directors' Interests in Ordinary Shares.** The interests of the Directors in Ordinary Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

| Director | Direct Interest | | Deemed Interest | |
|---------------------|------------------------|---|------------------------|-------|
| | No. of Ordinary Shares | % | No. of Ordinary Shares | % |
| Lee Boon Yang | – | – | – | – |
| Ng Yat Chung | – | – | – | – |
| Janet Ang Guat Har | – | – | 4,250 | – |
| Bahren Shaari | – | – | – | – |
| Chong Siak Ching | – | – | – | – |
| Andrew Lim Ming-Hui | – | – | – | – |
| Quek See Tiat | – | – | 47,000 | 0.003 |
| Tan Chin Hwee | – | – | – | – |
| Tan Yen Yen | – | – | – | – |

The interests of the Directors in outstanding awards granted under the SPH Performance Share Plan and the SPH Performance Share Plan 2016 as at the Latest Practicable Date are set out below:

| Director | No. of Ordinary Shares comprised in outstanding awards |
|--------------|--|
| Ng Yat Chung | – |

- 3.2 **Directors' Interests in Management Shares.** The interests of the Directors in management shares of the Company as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

| Director | Direct Interest | | Deemed Interest | |
|---------------------|--------------------------|---|--------------------------|---|
| | No. of Management Shares | % | No. of Management Shares | % |
| Lee Boon Yang | 4 | – | – | – |
| Ng Yat Chung | 16 | – | – | – |
| Janet Ang Guat Har | 4 | – | – | – |
| Bahren Shaari | 4 | – | – | – |
| Chong Siak Ching | 4 | – | – | – |
| Andrew Lim Ming-Hui | 4 | – | – | – |
| Quek See Tiat | 4 | – | – | – |
| Tan Chin Hwee | 4 | – | – | – |
| Tan Yen Yen | 4 | – | – | – |

4. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Buy Back Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution No. 7(iii), being the Ordinary Resolution relating to the proposed renewal of the Share Buy Back Mandate to be proposed at the 2017 AGM.

5. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 1000 Toa Payoh North, News Centre, Singapore 318994 during normal business hours from the date of this Letter up to the date of the 2017 AGM:

- (a) the Letter to Shareholders dated 1 November 2016;
- (b) the Annual Report of the Company for the financial year ended 31 August 2017; and
- (c) the Constitution of the Company.

The Letter to Shareholders dated 1 November 2016 and the Annual Report of the Company for the financial year ended 31 August 2017 may also be accessed at the URL <http://sph.com.sg/investor-relations/financial-results/annual-report>.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Share Buy Back Mandate, and the Company and its subsidiaries which are relevant to the Share Buy Back Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

Yours faithfully
for and on behalf of the
Board of Directors of
Singapore Press Holdings Limited

Lee Boon Yang
Chairman

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