

RESULTS ENGAGING CONNECT FOCUS RESPONSIVE FOCUS IMPACT AWARDS
VIBRANT GOAL IDEA PEOPLE LIFESTYLE THINK COMMUNITY FORWARD
RESILIENCE CUSTOMERS GOAL INTEGRITY SYNERGY EVOLVE
CAPTIVATE COMMUNICATE SHARE VALUES SCALE DELIVER TECHNOLOGY STRATEGY
BROADCAST SUSTAINABLE ENVIRONMENT CAPTIVATE RESPONSIVE VALUES SHARE FORWARD UNITY
EXPERIENCE FORWARD GOVERNANCE QUALITY LEVERAGE GOVERNANCE
ENTERTAINMENT FOCUS PROPERTIES REACH LEVERAGE GOVERNANCE
PERFORMANCE SYNERGY VIBRANT INNOVATIVE SUCCESS INFORMATION COMMUNICATE
DIVERSITY PRUDENT PROGRESS LEADING COMMUNITY STRENGTH MEDIA
LEAD GLOBAL GOAL LEADING COMMUNITY STRENGTH MEDIA
STRATEGY GOAL DYNAMIC RESULTS STRENGTH MEDIA
INFORMATION EVENTS RETAIL ENGAGING MALLS NEWS GOVERNANCE TECHNOLOGY
OPPORTUNITY ENVIRONMENT MEDIA CONNECT FOCUS DIGITAL VALUES CREATIVE NEWS ENTERTAINMENT
COMMUNICATE TRUST STRENGTH ENRICHING FACTS PERFORMANCE
PASSION **TRANSFORMATION** EVOLVE
PROPERTIES INFORMATION
INTEGRITY SUCCESS
PROGRESS COMMUNICATE INTEGRITY UNITY MANAGE IMPACT PROPERTIES OPPORTUNITY ONLINE
FORWARD EVOLVE BROADCAST BOLD EXCEL THINK AWARDS SUSTAINABLE
COMMUNITY LIFESTYLE FORWARD SHARE DRIVEN STRATEGY PASSION INFORM
RESULTS SCALE PERFORMANCE LEAD CUSTOMERS PARTNER PEOPLE STRATEGY
INNOVATIVE COMMUNICATE ENVIRONMENT TECHNOLOGY TRANSPARENCY GLOBAL TRANSPARENCY
PRUDENT ENGAGING MUSIC INFORMATION DELIVER GLOBAL EVENTS
ENTERTAINMENT SYNERGY MAGAZINES EXPERIENCE PUBLISH GLOBAL CUSTOMERS
ENRICHING LEADING ENGAGING ONLINE WORDS INFORM GLOBAL PERFORMANCE
DYNAMIC GOVERNANCE IDEAS CONNECT ENVIRONMENT MANAGE
CREATIVE PRUDENT INFORMATION CAPTIVATE EXPERIENCE
SUSTAINABLE RESPONSIVE
VIBRANT QUALITY UNITY BRANDS DELIVER FORWARD
DELIVER STRENGTH BOLD DIVERSITY
BROADCAST DIGITAL CREATIVE COMMUNITY PRUDENT ENRICHING FOCUS
RESPONSIVE GOVERNANCE PERFORMANCE INNOVATIVE RESULTS MANAGE OPPORTUNITY RESULTS
MEDIA ONLINE CUSTOMERS EVENTS PRUDENT SCALE STRENGTH
PROPERTIES





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TRANSFORMATION

Social media, mobile and internet – these are technologies that have revolutionised the way people and businesses communicate, connect and discover.

These disruptions have changed audience behaviours, values and expectations, and how they consume media as part of their lifestyles.

We have embraced these challenges, and we strive to turn them into opportunities.

As part of our transformation efforts, we will continue to strengthen and innovate our core media business. We will also strategically diversify and invest in adjacent businesses to stay nimble and profitable.

CORPORATE PROFILE

INCORPORATED IN 1984, MAIN BOARD-LISTED SINGAPORE PRESS HOLDINGS LTD (SPH) IS ASIA'S LEADING MEDIA ORGANISATION, ENGAGING MINDS AND ENRICHING LIVES ACROSS MULTIPLE LANGUAGES AND PLATFORMS.

Media

The English/Malay/Tamil Media group comprises the print and digital operations of The Straits Times, The Business Times, The New Paper, Berita Harian, Tamil Murasu, tabla! and their respective student publications. It also includes subsidiaries book publishing arm Straits Times Press; SPH Data Services, which licenses the use of the Straits Times Index in partnership with the Singapore Exchange and FTSE-Russell Ltd; financial data company ShareInvestor; the two English stations of SPH Radio – Kiss92 and ONE FM 91.3 and SPH Golf (including SPH Pacom Ltd).

The Chinese Media Group publishes three Chinese newspapers in print and digital format - Lianhe Zaobao, Lianhe Wanbao and Shin Min Daily News; four student weeklies – zbCOMMA, Thumbs Up, Thumbs Up Junior and Thumbs Up Little Junior, and ZBBZ Newgazette. It also operates SPH Radio's Chinese radio station, UFM100.3, and Focus Publishing, which produces a range of books and magazines including U-Weekly.

SPH's other digital media initiatives include AsiaOne, Stomp, zaobao.sg and zaobao.com.

On an average day, 2.5 million* individuals or 59 per cent of people above 15 years old, read one of SPH's news publications in print copies or one of our digital platforms.

SPH Magazines, SPH's wholly-owned subsidiary, publishes and produces more than 80 magazine titles and has various online sites, like hardwarezone.com, herworldplus.com and luxuryinsider.com in Singapore and the region, covering a broad range of interests from lifestyle to information technology. It has also invested in digital newsstand Magzter.

SPH also provides outdoor advertising options where it manages large format digital screens and static billboards at key locations in the Central Business District, Orchard Road, City Fringe as well as major heartland hubs.

SPH Buzz is a modern retail convenience chain with a network of stores around the island.

Properties

SPH REIT is a Singapore-based REIT established to invest in a portfolio of income-producing real estate primarily for retail purposes. SPH REIT comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road and The Clementi Mall, a mid-market suburban mall in the centre of Clementi town.

The Seletar Mall, located in Sengkang, is SPH's latest retail development. This property is a potential asset to be injected into SPH REIT. SPH's wholly-owned subsidiary, Times Development Pte Ltd, also developed a 43-storey upmarket residential condominium, Sky@eleven, at Thomson Road.

Other Businesses

Online Classifieds

SPH's online classifieds include the leading online marketplace for jobs (STJobs, FastJobs), property (STProperty), cars (STCars) and general classifieds (STClassifieds), sgCarMart and StreetSine.

SPH's regional joint venture online classifieds business has a number of leading online classifieds sites in the region.

Events and Exhibitions

Sphere Exhibits, Sphere Conferences, Exhibits Inc and Bizlink Exhibition Services organise innovative consumer and trade events and exhibitions as well as large scale conferences in Singapore and the region.

Healthcare

SPH owns Orange Valley which operates nursing homes.

Education

SPH has a 22 per cent stake in preschool and enrichment provider MindChamps.

For more information, please visit www.sph.com.sg

* Nielsen Media Index 2016, Monday-Sunday, read any SPH newspapers in print or digital format

Print Tradition to Digital Innovation

We have always embraced change and prized innovation to help create value for our audiences. We have the brands, content, distribution channels and platforms to succeed in this transformational media marketplace. To ensure long-term success, we will strive to maximise the number of audiences as active users of both our print and digital channels as we traverse different economic environments, business cycles and generations.



Loading



of knowledge...

Staying Wired or Going Wireless

To inform, entertain and connect the world to audiences whether they are wired or on the move. We deliver a whole suite of online offerings across multiple digital platforms that people search for and share every day. No matter what time of day, SPH digital is the place where everything about anything that's happening is served to users with consummate ease.





Breaking News to Funky Tunes

Music moves the soul. It is like literature to the heart. With the addition of two radio stations in the pipeline, SPH Radio will be the go-to place for listeners to get their daily fix of breaking news stories or insightful financial information, while dissolving the perplexities of the day listening to funky beats.





Window Shopping to Online Browsing

The internet has revolutionised the retail landscape. Shoppers can enjoy quick and convenient access to a wide variety of products as they browse through online classifieds sites and digital marketplaces. In unison with our malls, SPH's presence in the online and physical retail space serve as consumer touchpoints that deliver compelling and unforgettable shopping memories, from the current trends to the latest must-try experiences.



ENGLISH ▾

PARAGON



HOME

STORES

WHAT'S NEW

TOURISTS

JUNIOR

SERVICES



What's on



Commune
Start it with flowers this Mother's Day

SPEND & REDEEM WITH MASTERCARD®

25 APR - 25 MAY

Charge S\$300 to your Mastercard at participating malls on Orchard Road to redeem S\$30 worth of

CITIBANK

25 APR - 25 MAY

CITIBANK GOURMET PLEASURES

8 APR - 14 MAY

Enjoy exclusive 1-for-1 deals at Paragon

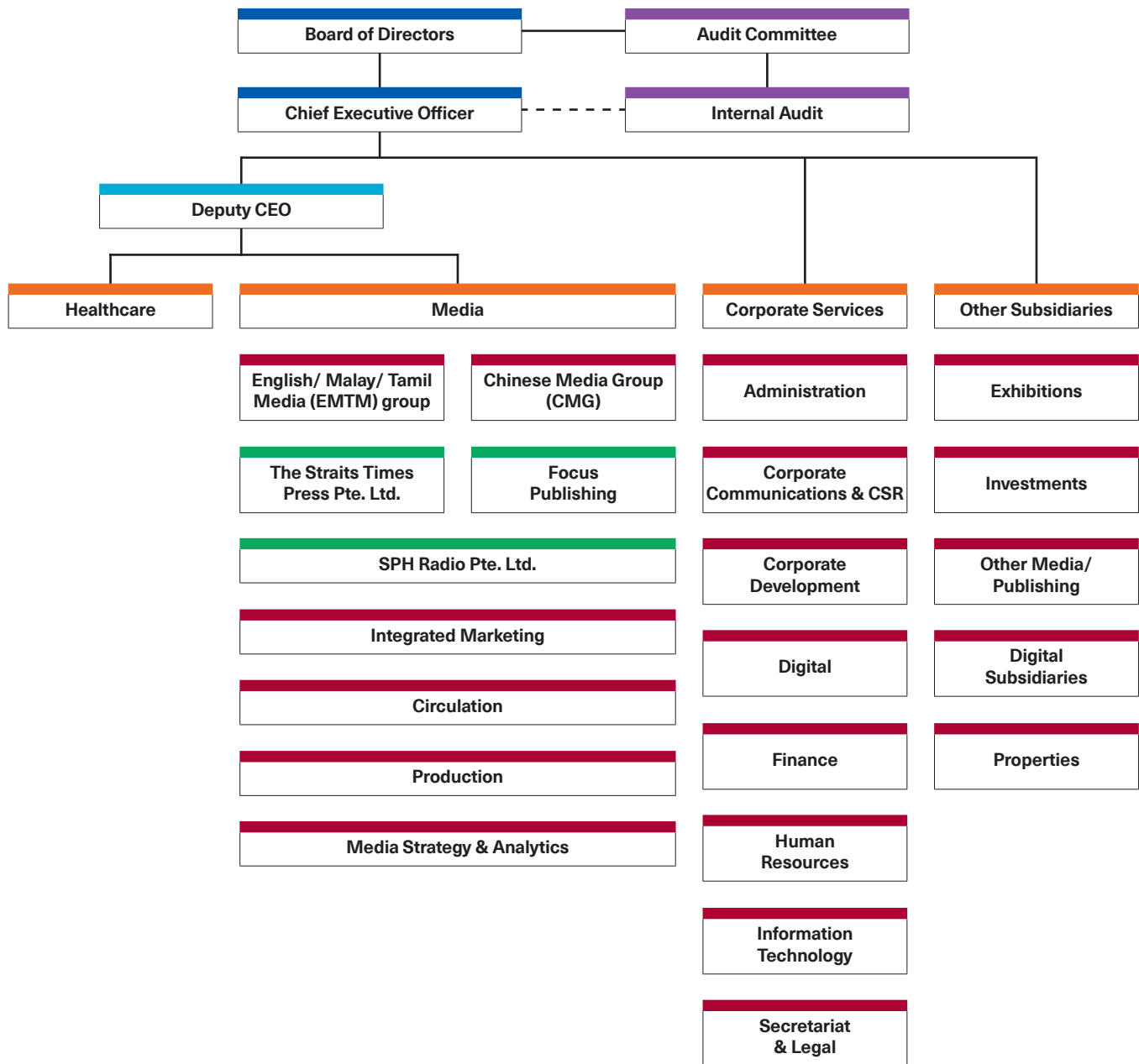
Outdoor Spaces to Indoor Events

Opportunity is a powerful force. It stirs the imagination and accelerates the momentum to drive businesses forward. Being at the right place at the right time by creating a strong visual impact opens up the dimension to limitless possibilities. Our successful track record lies in our strategic marketing mediums, large scale exhibitions and lifestyle themed events that link businesses to their potential customers.

**GREAT
EXPOSURE
STUNNING
RESULTS**



ORGANISATION STRUCTURE



LEGEND

- Denotes SPHL
- Denotes subsidiary company

GROUP FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

	2017 S\$'000	2016 S\$'000	Change %
Operating revenue	1,032,515	1,124,349	(8.2)
Operating profit[#]	205,448	305,169	(32.7)
Profit before taxation	431,492	361,041	19.5
Profit after taxation	395,216	306,139	29.1
Non-controlling interests	(45,131)	(40,846)	10.5
Profit attributable to shareholders	350,085	265,293	32.0
Shareholders' interests	3,488,398	3,517,326	(0.8)
Total assets	6,106,410	5,943,888	2.7
Total liabilities	1,883,086	1,702,484	10.6
Non-controlling interests	734,926	724,078	1.5
Dividends declared for the financial year	242,276	290,664	(16.6)

Profitability ratios	%	%	% points
Operating margin [^]	19.9	27.1	(7.2)
Return on operating revenue	33.9	23.6	10.3
Return on shareholders' funds	10.0	7.5	2.5

Per share data			%
Net assets attributable to shareholders (S\$)	2.16	2.18	(0.9)
Profit attributable to shareholders (S\$)	0.22	0.16	37.5
Dividends declared for the financial year (cents) ^{##}	15	18	(16.7)
Dividend cover for the financial year (times)	1.5	0.9	66.7

Value added	S\$	S\$	%
Per employee	162,996	193,792	(15.9)
Per \$ employment costs	2.01	2.20	(8.6)
Per \$ investment in property, plant and equipment (before depreciation)	0.70	0.82	(14.6)
Per \$ operating revenue	0.71	0.73	(2.7)

[#] This represents the recurring earnings of the media, property and other businesses.

[^] Computed based on recurring earnings.

^{##} These dividends are tax-exempt. The proposed final dividend of 9 cents per share, comprising a normal dividend of 3 cents per share and a special dividend of 6 cents per share, is subject to approval by shareholders at the Annual General Meeting on December 1, 2017.

CHAIRMAN'S STATEMENT



In the past financial year, Singapore was buffeted by volatility in the global market. Several notable events took place which impacted the world economy. The US abandonment of the Trans-Pacific Partnership, the increase in interest rates by the United States' Federal Reserve, North Korea's nuclear weapon programme leading to heightened tension in the Korean Peninsula and continued technological disruptions have impacted market conditions both globally and in Singapore. SPH's performance could not be isolated from these uncertainties.

We ended the Financial Year 2017 with a net profit of \$350.1 million. This is \$84.8 million or 32 per cent higher compared to FY2016 as the Group's results was boosted by a gain of \$149.7 million from partial divestment of the regional online classifieds business.

Group recurring earnings excluding impairment charges was lower by \$67.5 million or 20.2 per cent. Group operating revenue of \$1,032.5 million was \$91.8 million or 8.2 per cent lower than FY2016.

Revenue from the Group's core Media business slid by \$108.8 million or 13 per cent year-on-year. Against FY2016, advertisement revenue was down \$102.5 million or 16.9 per cent, and circulation revenue dipped \$8.7 million or 5.1 per cent.

Other information on the Group is set out in this report.

The Board has proposed a dividend of 9 cents per share, comprising a Normal Dividend of 3 cents per share and a Special Dividend of 6 cents per share in respect of the financial year ended 31 August 2017. We had earlier declared and paid an interim dividend of 6 cents per share.

Transformation for Sustainability and Growth

The theme for this year's annual report is "Transformation", which aptly describes what we are doing at SPH for sustainability and growth. We have embarked on wide-ranging projects to rejuvenate, reinvent and reposition ourselves as we face a period of rapid changes in the media industry. We will persevere in transforming our business model as we forge ahead.

We are also pressing on to build on our core media business with quality content, strategic partnerships and technological innovations. In this era of fake news and alternative facts, we will stay true to our mission of delivering original, in-depth, boots-on-the-ground and accurate journalism. At the same time, we need to reshape our newsrooms and strengthen the various platforms to meet the changing demands of our advertisers and consumers.

Lee Boon Yang
Chairman



TRANS

FORM



CHAIRMAN'S STATEMENT

Enhancing our Core Media Products

Newspapers and Magazines

SPH's total newspaper circulation, covering both print and digital editions, averaged 923,000 copies per day, a year-on-year increase of 4.4 per cent*. Total digital circulation is at 285,600 daily digital copies, a robust growth of 40.3 per cent year-on-year*.

In a bid to refresh and rationalise our suite of products, we merged My Paper with The New Paper (TNP) to form a revamped TNP and distributed it free across multiple distribution points including MRT stations. With an increase in daily circulation of 300,000 copies from Mondays to Saturdays, we are able to serve our readers with a strong product and with revamped content.

We also launched two new education portals, under the SPH Education initiative that will bring current affairs into the classroom. Spearheaded by The Straits Times and Lianhe Zaobao, these portals will feature digitised multimedia from newspapers, radio, animation and interactive broadcasting.

Our Chinese Media Group launched its Readers Club in May this year to reward subscribers of our Chinese newspaper titles. Besides offering discounts and privileges from partner merchants and advertisers, it also aims to provide a platform for subscribers, journalists and merchants to interact and increase engagement through a variety of events and showcases.

With more than one hundred titles in both print and digital formats, SPH Magazines remained the leader in magazine publishing in Asia. To reach out to more readers and advertisers, it partnered Singtel to offer its postpaid mobile customers digital and print subscriptions to a variety of local and international publications. It also worked with OCBC Bank to offer its customers unlimited free access to 100 magazines from the digital magazine library by

leveraging on the bank's existing free WIFI network at selected locations islandwide.

Digital

Our Digital Division continued to make strategic investments in the digital space. In June 2017, we launched Recommend.sg. This joint venture between SPH Interactive Pte Ltd, a fully-owned subsidiary of SPH, and RecomN Technologies Pte Ltd, a leading online service company with operations in Indonesia, Malaysia and Thailand, will see both parties leverage on each others' strengths and create a portal for customers to find and hire services in Singapore.

We forged a partnership with the Info-communications Media Development Authority (IMDA) to produce and distribute short form digital video content on SPH multimedia platforms as part of a pilot Public Service Broadcast initiative.

We also entered into a licensing partnership with Business Insider (BI), the US-based global business news source, to operate Singapore and Malaysia editions of BI. By combining our deep understanding of business media and digital space with BI's strong following among a young and mobile readership, we are able to appeal to young professionals and entrepreneurs with relevant topics.

In February this year, we signed a Joint Venture Agreement with ZBJ Network, Inc., China's largest online creative services platform. This collaboration will see SPH provide a one-stop package for local SMEs by engaging service providers that offer international standards of work at affordable prices.

The highly anticipated English version of the Belt and Road portal was launched in August, complementing the Chinese-language portal developed in March 2016. Lianhe Zaobao partnered the Singapore Business Federation to develop a portal dedicated to the

Belt and Road initiative to promote better understanding and facilitate business activities between Singapore enterprises and counterparts in China and ASEAN.

In August this year, SPH signed a Memorandum of Understanding with Mediacorp to form an alliance to create a new digital advertising marketplace using world-class programmatic solutions. With inventory residing across desktop, mobile web and mobile app, as well as leading sites from both parties, this alliance will be able to offer brands a high-quality advertising environment, effective targeting and brand safety.

Radio

In the latest Nielsen survey which ended in June 2017, Kiss92 regained its position as Singapore's Number 1 English music station based on percentage share of listenership. Its cumulative listenership also saw the biggest leap among all English radio stations – from 567,000 to 661,000. Mandarin station UFM100.3 saw a leap in listenership while ONE FM 91.3's listenership remained stable.

A significant development for SPH Radio was winning the tender by IMDA in March 2017 to operate two more radio stations. One of them will be Singapore's first business and personal finance radio station in English, while the other will be a Chinese Infotainment station for active seniors aged 50 and above. The new stations will be launched in January 2018. Together with our three existing stations, we will continue to deliver entertaining, engaging and enriching content for both our listeners and advertisers.

Growing our Adjacent and Other Businesses

As part of our transformation, we have branched into new areas to complement and support our media business, as well as to diversify our revenue streams to maximise shareholder value.

* Excludes The New Paper which was converted to a freesheet in December 2016.

Properties

SPH retail properties continued its strong showing. The malls under SPH REIT - Paragon and The Clementi Mall - enjoyed 100 per cent occupancy, while The Seletar Mall achieved an occupancy of 99.6 per cent. We constantly rejuvenate the malls and the tenant mix to enhance shoppers' experience. This will help us to weather the challenges posed by competing brick-and-mortar stores and online retailers.

The consortium formed by SPH and Kajima Development Pte Ltd was awarded the tender for a 99-year leasehold mixed commercial and residential site in the Bidadari estate at Woodleigh in June 2017. Adjacent to Woodleigh MRT station and Bidadari Park, this development will be the centre piece of the Bidadari New Town. We will continue to assess opportunities to grow and strengthen our property business.

Healthcare

The acquisition of Orange Valley Healthcare Pte Ltd in April 2017 marks a strategic move to enter the senior healthcare sector. With the population of the elderly expected to double by 2030, the demand for quality aged care services across the spectrum from home care, community-based care to nursing homes will increase. We intend to nurture this acquisition to become a major player to cater to the growing demand.

Events, Conferences and Exhibitions

Sphere Exhibits, SPH's events and exhibitions arm, organised more than 30 exhibitions and conferences in Singapore, Malaysia, Myanmar and the Philippines in the past year. Sphere Conferences, which was set up to boost its presence in the local and regional MICE business, launched the inaugural Indochina Aviation Conference in Thailand earlier this year. We are making progress in the region with new concepts and events, and remain committed to doing more.

Outdoor Media

SPHMBO, our outdoor media advertising arm, grew its stable of media inventories and secured marketing rights to new advertising locations in the Central Business District, its fringes, and in major heartland hubs.

Book Publishing

Straits Times Press launched several new titles such as "Neither Civil Nor Servant - The Philip Yeo Story" by former news editor Peh Shing Huei of The Straits Times, and "E W Barker: The People's Minister" by former journalist and Indonesia Bureau Chief Susan Sim, which also won an award in Best Non-Fiction Title category at the Singapore Book Awards 2017.

SPH Buzz

SPH Buzz, a modern retail convenience chain, owns a strong network of more than 50 outlets strategically located at places with high human traffic to provide a wide range of items and services.

Education

Following our investment in MindChamps, we are acquiring Han Language Centre, an established local brand name in the Chinese tuition and education scene. This will enable our Chinese Media Group's wealth of multimedia resources to integrate with Han Language Centre's innovative curriculum and systematic teaching methods. The transaction, when completed, will see SPH hold a 75 per cent share in Han Language Centre.

Corporate Social Responsibility

As a responsible corporate citizen, we continue to champion a diversity of programmes and initiatives to give back to society. SPH and SPH Foundation were honoured with the Corporate Platinum Award by the Community Chest for the eighth consecutive year. SPH, SPH Foundation and SPH Radio also received the Distinguished Patron of the Arts Award for our long-standing support of the arts.

We have included a sustainability section in this annual report for the sixth consecutive year. We are constantly addressing material factors that impact our business operations and looking for ways to reduce the negative impact on the environment by lowering our carbon emissions and improving energy efficiency in our daily operations. We are working towards full sustainability reporting next year.

Tribute and Thanks

At the end of the financial year, our CEO Mr Alan Chan and Deputy CEO Mr Patrick Daniel stepped down after many years of dedicated and distinguished service. Mr Daniel remains as a part-time consultant and will oversee some of SPH's subsidiaries. I thank both SPH stalwarts for their past contributions.

Mr Ng Yat Chung succeeded Mr Chan as CEO, and will work closely with Deputy CEO Mr Anthony Tan, the management team, and all staff to propel the company forward.

I would also like to thank Mr Lucien Wong, who retired on 15 December 2016 after taking on the role of Attorney-General of Singapore. Our new director, Mr Andrew Lim, joined the Board on 1 January 2017. He has been a valuable member of the team as he complements our diverse strengths and expertise.

I would also like to express my deepest gratitude to management, staff, business associates, unions, investors and all other stakeholders for your continued confidence and support of the Company.

We will remain prudent, agile and resilient as we look out for potential opportunities to add value to the Group. I am confident that with the continued support of all our stakeholders, SPH can ride the challenges and strive for the long term sustainability and growth of the company.

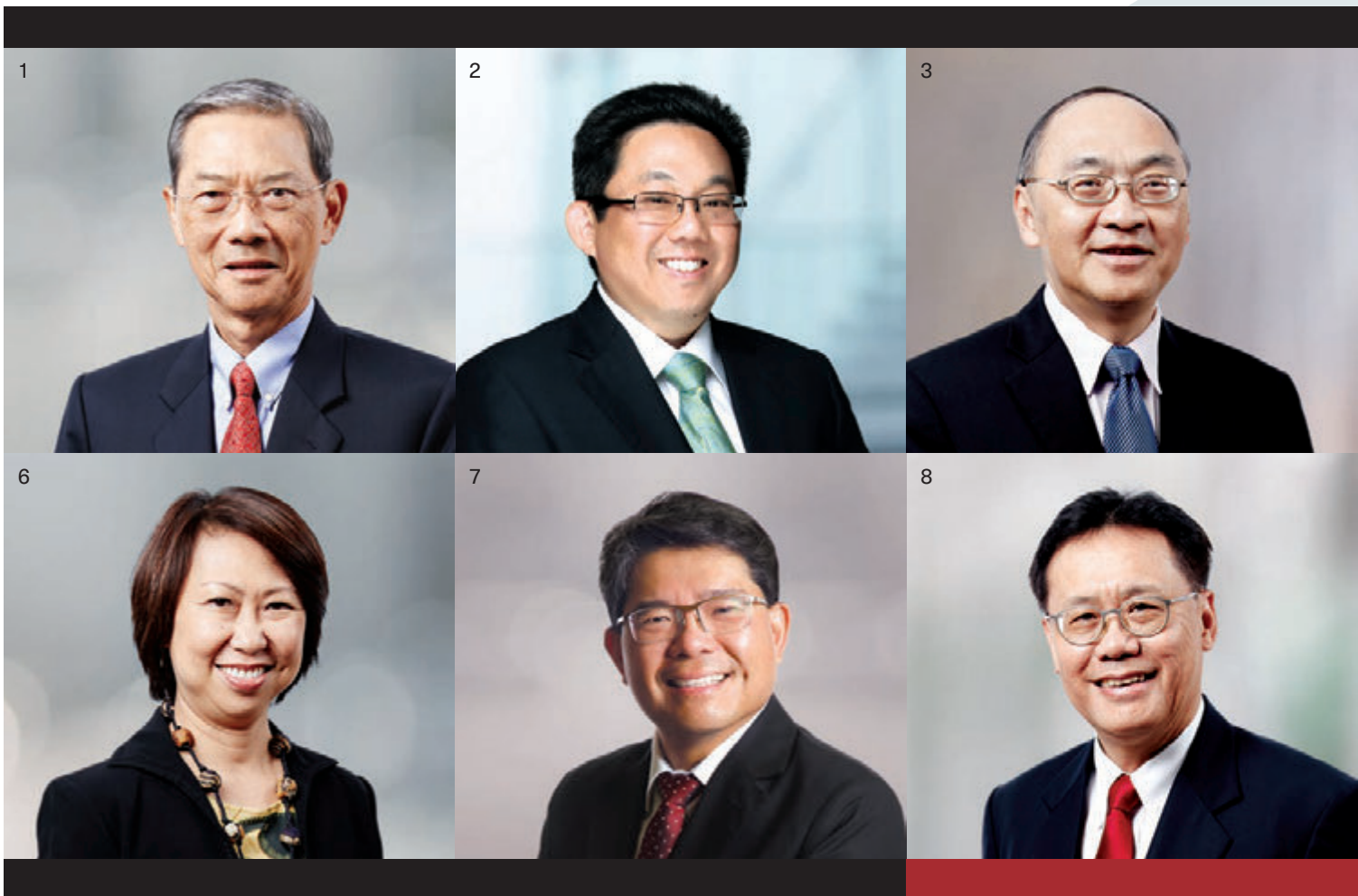
Thank you.



Lee Boon Yang
Chairman

BOARD OF DIRECTORS

OUR BOARD OF DIRECTORS COME FROM A WIDE RANGE OF BACKGROUNDS TO ENABLE US TO ACCESS A BROAD KNOWLEDGE BASE. THEY DEFINE SPH'S STRATEGY AND OVERSEE ITS PERFORMANCE.





1. Lee Boon Yang
Chairman
Non-Executive and
Independent Director

2. Ng Yat Chung
Chief Executive Officer[@]
Executive and
Non-Independent Director[^]

3. Alan Chan Heng Loon
Chief Executive Officer[#]
Executive and
Non-Independent Director[#]

4. Janet Ang Guat Har
Non-Executive and
Independent Director

5. Bahren Shaari
Non-Executive and
Independent Director

6. Chong Siak Ching
Non-Executive and
Independent Director

7. Andrew Lim Ming-Hui
Non-Executive and
Independent Director

8. Quek See Tiat
Non-Executive and
Independent Director

9. Tan Chin Hwee
Non-Executive and
Independent Director

10. Tan Yen Yen
Non-Executive and
Independent Director

[@] appointed as CEO-designate on 1 July 2017, and as CEO on 1 September 2017

[^] with effect from 1 July 2017

[#] stepped down on 1 September 2017

4

5

9

10



BOARD OF DIRECTORS

Lee Boon Yang

Boon Yang was appointed a Director of SPH on 1 October 2011. He is the Non-Executive Chairman of Keppel Corporation Limited. He is also Chairman of Singapore Press Holdings Foundation Limited, Keppel Care Foundation Limited, Jilin Food Zone Pte Ltd and Jilin Food Zone Investment Holdings Pte Ltd.

He has extensive experience in public service. He served as Member of Parliament for Jalan Besar and Jalan Besar Group Representation Constituency (GRC) from December 1984 to April 2011. He was the Minister for Information, Communications and the Arts before retiring from political office in March 2009.

From 1991 to 2003, he served as Minister in the Prime Minister's Office, Minister for Defence, Minister for Labour and later Minister for Manpower. Prior to that, he held several public appointments including Senior Minister of State for Defence, National Development and Home Affairs, and Parliamentary Secretary to the Ministers for Environment, Finance, Home Affairs, and Communications and Information.

Before entry into politics, he worked as a veterinarian and R&D Officer in the Primary Production Department. He has also worked as the Assistant Regional Director for the US Feed Grains Council, and as Senior Project Manager for the Primary Industries Enterprise Pte Ltd.

Boon Yang holds a B.V.Sc Hon (2A) from the University of Queensland.

Ng Yat Chung

Yat Chung was appointed a Director on 1 August 2016 and CEO-designate on 1 July 2017. He became the CEO on 1 September 2017.

He is the Chairman of the Singapore Institute of Technology Board of Trustees.

He was the Executive Director of Neptune Orient Lines Ltd, having served as its Group President and CEO. He was Senior Managing Director at Temasek Holdings (Private) Limited. Before joining Temasek Holdings, he was the Chief of Defence Force in the Singapore Armed Forces. He has also served as a Director of Fraser & Neave Limited and Singapore Technologies Engineering Ltd.

Yat Chung holds a Bachelor of Arts (Engineering Tripos) and a Master of Arts from Cambridge University, a Master of Military Art and Science (General Studies) from the US Army Command & General Staff College, USA, and a MBA from Stanford University. He has been conferred several awards, including the Meritorious Service Medal (Military) and the Public Administration Medal (Gold) (Military).

Alan Chan Heng Loon

Alan joined SPH as its Group President on 1 July 2002, and was appointed Chief Executive Officer on 1 January 2003.

He was responsible for managing the group's portfolio of businesses for the past 15 years, and resigned as Director and CEO of SPH with effect from 1 September 2017.

He served on the boards of several SPH subsidiaries including SPH REIT Management Pte Ltd. He was also a Director of Singapore Press Holdings Foundation Limited, MediaCorp TV Holdings Pte Ltd and MediaCorp Press Ltd.

Alan is a Director of Lan Ting Holdings Pte Ltd, Pavilion Energy Pte Ltd and Pavilion Gas Pte Ltd. He is the Chairman of the Land Transport Authority of Singapore and the Singapore-China Foundation. He is also a member of the Public Service Commission (PSC) and the Singapore Symphony Orchestra Council. He chaired the Council that revised the Code of Corporate Governance in 2012.

Before joining SPH, Alan was an Administrative Officer in the Civil Service. He has worked in the Government for 25 years and some of his previous appointments included Permanent Secretary of the Ministry of Transport, Deputy Secretary of the Ministry of Foreign Affairs, Principal Private Secretary to Senior Minister Lee Kuan Yew and Director of Manpower, Ministry of Defence.

Alan holds a Diplome d'Ingenieur from the Ecole Nationale de l'Aviation Civile, France and MBA (with Distinction) from INSEAD, France. He is a President's Scholar and was conferred the Public Administration Medal (Gold and Silver) and Meritorious Service Medal for his contributions to public service. In 2009, he was selected by INSEAD as "one of 50 Alumni who changed the world".

Janet Ang Guat Har

Janet was appointed a Director on 17 October 2014.

She is Vice-President, IBM Asia Pacific. In her current role, Janet is responsible for leading IBM's industry value creation for Asia Pacific clients across key industries by bringing together IBM's portfolio of Cognitive Solutions and Cloud Platform Infra-structure. She also leads the charge for helping cities in Asia become smarter, cognitive cities. She assumed different management roles including as Managing Director of IBM Singapore and has been on four international assignments in Tokyo and Beijing including four years with the Lenovo Group.

Janet is a board member of the Public Utilities Board (PUB), the InfoCommunications Media Development Authority (IMDA), and is Chair of Caritas Singapore, Chair of the NUS Institute of Systems Science (ISS), and a Council Member of the Singapore Business Federation (SBF). Janet represents Singapore on the B20 Digitalization Task Force, is a member of Singapore Diversity Action Committee, and is the Immediate Past President of the International Women's Forum (Singapore).

Janet graduated with a Business Administration (Honors) degree from the National University of Singapore. In 2014, Janet was awarded the NUS Business School Eminent Alumni Award and in 2015, she received the NUS Distinguished Alumni Service Award.

Bahren Shaari

Bahren Shaari was appointed to the Board on 1 April 2012. He is Chief Executive Officer of Bank of Singapore.

Bahren was appointed Chief Executive Officer of Bank of Singapore on 1 February 2015. He was previously the Senior Managing Director and Global Market Head of South East Asia. He has more than 30 years of banking experience and is an executive committee member of Singapore's Private Banking Industry Group which shapes the private banking competency standards of the wealth management sector. In 2016, he was conferred the Singapore Institute of Banking and Finance Distinguished Fellow award, in recognition of his significant contributions to the financial industry and outstanding leadership capabilities.

Prior to joining Bank of Singapore, Bahren served as Managing Director at UBS Wealth Management, responsible for the South East Asian and Australian Markets.

Bahren is an alternate member of the Council of Presidential Advisers. From 2000 to 2012, Bahren served on the board of the Maritime and Port Authority of Singapore. He was conferred the Public Service Medal in 2008 by the President of Singapore.

Bahren graduated with an accountancy degree from the National University of Singapore and has completed the Advanced Management Program at Wharton Business School and Columbia University.

Chong Siak Ching

Siak Ching was appointed a Director of SPH on 22 October 2010. She is the Chief Executive Officer and a Board Director of the National Gallery Singapore. She was recognised as the 'Outstanding CEO of the Year' in the Singapore Business Awards 2009.

Siak Ching is the Chairperson of the Singapore Note and Coin Advisory Committee (SNCAC). She is also a Director of Mandai Park Holdings Pte. Ltd., the Singapore Tyler Print Institute, the Singapore Art Museum and Yale-NUS College Governing Board. She is Singapore's Non-Resident Ambassador to Chile.

She was President and Chief Executive Officer of Ascendas Pte. Ltd and served in the Ascendas group of companies from 2000 to 2013. Prior to this, she was Deputy Chief Executive Officer of JTC Corporation from 2000 to 2001.

Siak Ching graduated from the National University of Singapore (NUS) with an Honours Degree in Estate Management. She also has a Masters in Business Administration from NUS and has completed the Advance Management Program at Harvard Business School. She was conferred a Distinguished Alumni Award by NUS in the Faculty of Architecture and Building Management in 1999. In 2009, she was again conferred a NUS Distinguished Alumni Service Award in recognition of her unwavering commitment and service to her alma mater.

BOARD OF DIRECTORS

Andrew Lim Ming-Hui

Andrew was appointed a Director of SPH on 1 January 2017. He is a Partner of Allen & Gledhill LLP and is Co-Head of its Corporate Mergers & Acquisitions Department. He has extensive experience in domestic and cross-border mergers and is recognized as a leading lawyer in his area of expertise.

Andrew serves as a Trustee on the Board of Trustees of the National University of Singapore and is a member of the Committee for Private Education, which is a committee of the SkillsFuture Singapore Board. He is also a Member of the Monetary Authority of Singapore Financial Centre Advisory Panel, and is also currently a Director of Jurong Engineering Limited and Singex Holdings Pte Ltd. He is a Fellow of the Singapore Institute of Directors.

Andrew holds a Bachelor of Law (Honours) degree from the National University of Singapore and was called to the Singapore Bar in 1986.

Quek See Tiat

See Tiat joined the SPH Board on 1 September 2013.

From 1 July 1987 to 30 June 2012, See Tiat was a Partner and subsequently Deputy Chairman of PricewaterhouseCoopers LLP. He has extensive audit and business advisory experience, and has been involved in planning, executing and managing audits of large public listed companies in Singapore.

See Tiat serves on the boards of Singapore Technologies Engineering Ltd, the Monetary Authority of Singapore, Energy Market Authority and Temasek Foundation Connects CLG Limited. He is also the President of the Council of Estate Agencies. He was the Chairman of the Building and Construction Authority and a Director of Neptune Orient Lines Ltd.

See Tiat graduated with Honours (Second Class Upper) in Economics from the London School of Economics & Political Science. He is also a Fellow with the Institute of Chartered Accountants in England and Wales. He was conferred the Public Service Medal in 2009 and the Public Service Star in 2014.

Tan Chin Hwee

Chin Hwee was appointed a Director on 1 March 2014.

He is a Director of Trafigura Holdings Pte Ltd. He serves on the Board of Trustees of the Nanyang Technological University. Chin Hwee is an Adjunct Professor in a number of universities, and is an advisory board member for the Shanghai Advance Institute of Finance. He also serves on the Finance Centre Advisory Panel of the Monetary Authority of Singapore. Chin Hwee was the founding partner and Director of Apollo Management Singapore Pte Ltd., Managing Director of Amaranth Advisors, as well as President and Director of CFA Singapore. He sits on the Maritime and Port Authority of Singapore's International Maritime Centre (IMC) 2030 Advisory as a Committee Member as well as the International Olympic Council in a Financial Advisor role.

He was a Director of Keppel REIT Management Limited (as manager of Keppel REIT), Trafigura Pte Ltd. and Lien Aid Limited.

Chin Hwee holds a Bachelor of Accountancy (Second Class Upper Honours) from Nanyang Technological University, and a MBA from Yale University. He completed a postgraduate course at Harvard Kennedy School. He is a Chartered Financial Analyst (CFA) and is both an Australian and Singapore registered Certified Public Accountant (CPA).

Chin Hwee was honoured as a World Economic Forum Young Global Leader 2010 and is the winner of the Singapore 2013 Distinguished Financial Industry Certified Professional (FICP) Award. He was also voted by the Hedge Fund Journal as among the emerging top 40 absolute return investors globally and was also named as Best Asia Credit Hedge Fund Manager by Hong Kong-based publication, The Asset.

Tan Yen Yen

Yen Yen joined the Board on 1 April 2012. She is currently President, Asia Pacific, Vodafone Global Enterprise Singapore Pte Ltd.

She is the Chairman of the Singapore Science Centre, a member of the Defence Science & Technology Agency (DSTA) Board, and Director of Cap Vista Pte Ltd and Gemalto NV. Additionally, she sits on the Board of Advisors of the Singapore Institute of Directors. She is a member of the National University of Singapore's School of Computing.

She was Regional Vice-President and Managing Director of SAS South Asia Pacific, SAS Institute Inc. Prior to that, she was Senior Vice President, Applications, Oracle Corporation Asia Pacific, and Vice President and Managing Director for Hewlett-Packard Singapore.

Yen Yen has played an active role in Singapore's infocomm industry, having served as Chairman of the Singapore Infocomm Technology Federation and Deputy Chairperson on the Ministry of Information, Communications and the Arts (MICA) Internet and Media Advisory Committee. She was also a member of the Government Parliamentary Council of MICA and the Economic Strategies Committee's IT Working Group subcommittee and the Singapore Institute of Management's International Academic Panel. She is in the Ministry of Culture, Community and Youth's High Performance Sports Performance & Selection Sub-Committee that steers the development of High Performance Sports in Singapore. She is a member of the sub-committee for Corporate Capabilities and Innovation for the Singapore Government's Committee on the Future Economy.

Yen Yen has a degree in Computer Science from the National University of Singapore and an Executive MBA degree with Helsinki School of Economics Executive Education.

FURTHER INFORMATION ON BOARD OF DIRECTORS

Lee Boon Yang

Chairman

Non-Executive and Independent Director

Date of first appointment as a director:

1 October 2011

Date of last re-election as a director:

1 December 2016

Board Committee(s) served on:

- Executive Committee (Chairman)
- Remuneration Committee (Chairman)
- Nominating Committee

Current Directorships/Principal Commitments

- Keppel Corporation Limited* (Chairman)
- Keppel Care Foundation Limited (Chairman)
- Singapore Press Holdings Foundation Limited (Chairman)
- Jilin Food Zone Pte. Ltd. (Chairman)
- Jilin Food Zone Investment Holdings Pte. Ltd. (Chairman)

Directorships over the past 3 years (1/9/14 - 31/8/17)

Nil

Ng Yat Chung

Chief Executive Officer[@]

Executive and Non-Independent Director[^]

Date of first appointment as a director:

1 August 2016

Date of last re-election as a director:

1 December 2016

Board Committee(s) served on:

- Executive Committee[#]
- Remuneration Committee[&]
- Board Risk Committee[%]
- Nominating Committee⁺

Current Directorships/Principal Commitments

- Singapore Institute of Technology (Chairman, Board of Trustees)

Directorships over the past 3 years (1/9/14 - 31/8/17)

- Neptune Orient Lines Ltd* (Director)

[@] appointed as CEO-designate on 1 July 2017, and as CEO on 1 September 2017

[^] with effect from 1 July 2017

[#] appointed on 1 January 2017

[&] appointed on 1 January 2017 and stepped down on 1 July 2017

[%] appointed as member and Chairman on 1 January 2017 and stepped down as Chairman on 1 July 2017

⁺ appointed on 1 December 2016 and stepped down on 1 January 2017

* Public-listed company

Alan Chan Heng Loon

Chief Executive Officer[#]

Executive and Non-Independent Director[#]

Date of first appointment as a director:

1 July 2002

Date of last re-election as a director:

2 December 2014

Board Committee(s) served on:

- Executive Committee[#]

Current Directorships/Principal Commitments

- Land Transport Authority of Singapore (Chairman)
- Singapore-China Foundation Ltd. (Chairman)
- Public Service Commission (Member)
- Lan Ting Holdings Pte. Ltd. (Director)
- Pavilion Energy Pte. Ltd. (Director)
- Pavilion Gas Pte. Ltd. (Director)
- Singapore Symphony Orchestra Council (Member)
- Trailblazer-LHL Fund Sponsorship Committee (Member)

Directorships over the past 3 years (1/9/14 - 31/8/17)

- Business China (Director)
- Lee Kuan Yew Fund for Bilingualism (Member)
- Singapore Press Holdings Foundation Limited (Director)
- SPH REIT Management Pte. Ltd. (Director) (as Manager of SPH REIT*)
- MediaCorp Press Ltd. (Director)
- MediaCorp TV Holdings Pte. Ltd. (Director)
- World Association of Newspapers - IFRA (Director)
- Federation Internationale of Periodics Publishers (Member)
- Centre for Liveable Cities (Member)
- External Review Panel for SAF Safety (Chairman)

[#] stepped down on 1 September 2017

* Public-listed company

* Public-listed company

Janet Ang Guat Har
Non-Executive and Independent Director

Date of first appointment as a director:
17 October 2014

Date of last re-election as a director:
1 December 2016

Board Committee(s) served on:

- Audit Committee
- Board Risk Committee

Current Directorships/Principal Commitments

- Caritas Singapore (Chairman)
- InfoCommunications Media Development Authority of Singapore (Board Member)
- Public Utilities Board (Board Member)
- NUS Institute of Systems Science (ISS) (Chairman)
- Singapore Business Federation (Council Member)
- Business China (Member)

Directorships over the past 3 years (1/9/14 - 31/8/17)

- IBM Singapore Pte. Ltd. (Director)
- International Women's Forum Singapore (President)
- National Volunteer & Philanthropy Centre (Board Member)

Bahren Shaari
Non-Executive and Independent Director

Date of first appointment as a director:
1 April 2012

Date of last re-election as a director:
1 December 2015

Board Committee(s) served on:

- Audit Committee (Chairman)[@]
- Executive Committee
- Nominating Committee (Chairman)[#]

Current Directorships/Principal Commitments

- Bank of Singapore Ltd. (Director)
- Council of Presidential Advisers (Alternate Member)

Directorships over the past 3 years (1/9/14 - 31/8/17)

- BOS Korea Securities Co. Ltd (Director)

Chong Siak Ching
Non-Executive and Independent Director

Date of first appointment as a director:
22 October 2010

Date of last re-election as a director:
1 December 2016

Board Committee(s) served on:

- Nominating Committee
- Remuneration Committee

Current Directorships/Principal Commitments

- Singapore-India Partnership Foundation (Director)
- Nanyang Business School Advisory Board (Director)
- Yale-NUS College Governing Board (Director)
- 3Fleur Pte. Ltd. (Director)
- National Gallery Singapore (Director)
- Singapore Tyler Print Institute (Director)
- Singapore Art Museum (Director)
- National Arts Council (Council Member)
- Ministry of Foreign Affairs (Non-Resident Ambassador to Chile)
- Institute of South Asian Studies (ISAS), National University of Singapore (NUS) (Member)
- Singapore Note and Coin Advisory Committee (SNCAC) (Chairperson)
- Mandai Park Holdings Pte. Ltd. (Director)

Directorships over the past 3 years (1/9/14 - 31/8/17)

- National University of Singapore Board of Trustees (Trustee)
- Jurong Health Services Pte. Ltd. (Director)

[@] stepped down as member and Chairman on 1 January 2017

[#] appointed as member and Chairman on 1 January 2017

* Public-listed company

* Public-listed company

* Public-listed company

FURTHER INFORMATION ON BOARD OF DIRECTORS

Andrew Lim Ming-Hui Non-Executive and Independent Director

Date of first appointment as a director:
1 January 2017

Date of last re-election as a director:
N.A.

Board Committee(s) served on:

- Audit Committee[@]
- Nominating Committee[@]
- Board Risk Committee (Chairman)[#]

Current Directorships/Principal Commitments

- Committee for Private Education (a Committee of the SkillsFuture Singapore Board) (Member)
- National University of Singapore, Board of Trustees (Trustee)
- Singex Holdings Pte. Ltd. (Director)
- Jurong Engineering Limited (Director)
- Monetary Authority of Singapore Financial Centre Advisory Panel (Member)
- Allen & Gledhill LLP (Partner)

Directorships over the past 3 years (1/9/14 - 31/8/17)

- Board of Governors of St Andrew's Junior College (Member)
- Community Chest of Singapore (Committee Member)

Quek See Tiat Non-Executive and Independent Director

Date of first appointment as a director:
1 September 2013

Date of last re-election as a director:
1 December 2015

Board Committee(s) served on:

- Board Risk Committee (Chairman)[@]
- Executive Committee
- Audit Committee (Chairman)[#]

Current Directorships/Principal Commitments

- Singapore Technologies Engineering Ltd* (Director)
- Monetary Authority of Singapore (Board Member)
- Energy Market Authority (Board Member)
- Temasek Foundation Connects CLG Limited (Director)
- Council of Estate Agencies (President)

Directorships over the past 3 years (1/9/14 - 31/8/17)

- Building and Construction Authority (Chairman)
- Neptune Orient Lines Ltd* (Director)

Tan Chin Hwee Non-Executive and Independent Director

Date of first appointment as a director:
1 March 2014

Date of last re-election as a director:
1 December 2016

Board Committee(s) served on:

- Audit Committee
- Board Risk Committee

Current Directorships/Principal Commitments

- Trafigura Holdings Pte Ltd (Director)
- Nanyang Technological University (Trustee)
- SingHealth Fund Limited (Institution Fund Committee Member & Audit Committee Member)
- Maritime and Port Authority of Singapore's International Maritime Centre (IMC) 2030 Advisory (Committee Member)
- International Olympic Council (Financial Advisor)

Directorships over the past 3 years (1/9/14 - 31/8/17)

- Trafigura Pte Ltd. (Director)
- Keppel REIT Management Limited (Director) (as manager of Keppel REIT*)
- Lighthouse (Mauritius) Ltd (Director)
- Apollo Management Singapore Pte. Ltd. (Director)
- CFA Singapore (President & Director)
- Panel for Government Parliamentary Committee for Finance and Trade and Industry (Member)
- Advisory Panel for Volunteer Youth Corp, Ministry of Community, Culture and Youth (Member)
- Lien Aid Limited (Director)

@ appointed on 1 January 2017

appointed as member and Chairman on 1 July 2017

* Public-listed company

@ stepped down on 1 January 2017

appointed as Chairman on 1 January 2017

* Public-listed company

* Public-listed company

Tan Yen Yen**Non-Executive and Independent
Director****Date of first appointment as a director:**

1 April 2012

Date of last re-election as a director:

1 December 2015

Board Committee(s) served on:

- Remuneration Committee
- Board Risk Committee

**Current Directorships/Principal
Commitments**

- Singapore Science Centre (Chairman)
- Defence Science & Technology Agency (Director)
- Cap Vista Pte Ltd (Director)
- Gemalto NV*[@] (Director)
- National University of Singapore's School of Computing (Member)
- TNF Ventures (Advisor Mentor)
- Singapore Institute of Directors (Director)
- Ministry of Culture, Community and Youth High Performance Sports, Performance & Selection Committee (Member)
- Singapore Committee on the Future Economy-sub-committee for Corporate Capabilities and Innovation (Member)
- Asia Pacific, Vodafone Global Enterprise Singapore Pte Ltd (President)

**Directorships over the past 3 years
(1/9/14 - 31/8/17)**

- Ministry of Communications & Information – Infocomm Media Masterplan's Talent and Manpower Working Committee (Member)
- Ministry of Culture, Community and Youth – ASEAN Para Games Steering Committee (Member)

* *Public-listed company*@ *listed on NYSE Euronext Amsterdam, and NYSE Euronext Paris*

SENIOR MANAGEMENT





1. Patrick Daniel
2. Anthony Tan
3. Tony Mallek
4. Low Huan Ping
5. Ginney Lim May Ling
6. Mable Chan Kam Man
7. Chua Wee Phong
8. Elsie Chua
9. Janice Wu Sung Sung
10. Julian Tan Woon-Ka
11. Warren Fernandez
12. Goh Sin Teck
13. Susan Leng Mee Yin
14. Loh Yew Seng
15. Chua Boon Ping
16. Lim Swee Yeow
17. Sim Say Nee
18. Lee Huay Leng

SENIOR MANAGEMENT

Patrick Daniel Consultant (from 1 Sept 2017) Deputy Chief Executive Officer (till 31 Aug 2017)

Prior to Patrick's appointment as a part-time consultant from 1 September 2017, he was Deputy Chief Executive Officer from 1 July 2016. As Deputy CEO, he oversaw the English/Malay/Tamil Media group as well as SPH's Integrated Marketing, Information Technology, Legal/Secretariat, Corporate Communications & CSR, and Risk Management functions.

Prior to this, Patrick was Editor-in-Chief of the English & Malay Newspapers Division of SPH from January 2007. Under his charge, the division was renamed English/Malay/Tamil Media group in January 2015, incorporating both the print and digital operations, as well as business adjacencies. His earlier roles included being Managing Editor of the division from September 2002, and Editor of The Business Times from May 1992. He joined the company in October 1986 from the Singapore Government's Administrative Service where his last position was Director in the Ministry of Trade and Industry.

Patrick also chaired three SPH subsidiaries – SPH Radio, Straits Times Press and ShareInvestor.com Holdings Pte Ltd – and was a director of SPH Magazines and Tamil Murasu Ltd. He also continues to serve on the board of the Singapore University of Technology and Design.

Patrick graduated from University College, Oxford in 1976 with a Bachelor of Arts (Honours) in Engineering Sciences and Economics. He also has a Masters in Public Administration from the John F. Kennedy School of Government, Harvard University.

In May 2017, SPH announced that Patrick will retire and step down as Deputy Chief Executive Officer on 1 September 2017. He continues as a part-time Consultant and assists Mr Ng Yat Chung in managing several SPH subsidiaries and special projects.

Anthony Tan Deputy Chief Executive Officer

Anthony joined SPH as Executive Vice-President, Chinese Media Group in February 2015. Anthony was appointed Deputy Chief Executive Officer on 1 July 2016.

He oversees the media businesses such as Chinese Media Group, English/Malay/Tamil Media group and SPH Radio, as well as Circulation, Integrated Marketing, Media Strategy & Analytics, and Production divisions.

Anthony will also oversee the Group's Healthcare business.

Prior to joining SPH, Anthony was Deputy Secretary (Policy), Ministry of Health and concurrently Special Assistant to the late Mr Lee Kuan Yew (2011-2014). During his career with the Singapore Public Service spanning more than 15 years, he served in various organisations including the Ministry of Finance, Home Affairs, Manpower as well as the People's Association.

Anthony currently sits on several SPH subsidiaries. He also serves on private/non-profit organisations.

Anthony graduated from the National University of Singapore in 1997 with a Bachelor of Social Science (Honours) in Political Science. He also has a Master of Science (Management) degree from the Stanford Business School.

Tony Mallek Chief Financial Officer

Tony is the Chief Financial Officer of SPH. Before this appointment in January 2010, he served as Executive Vice-President, Finance from July 2006 and Senior Vice-President, Finance when he joined in June 2003. Prior to this, he was General Manager, Finance for Intraco Limited from 1999 to 2001. Originally from Hong Kong, he started his career in 1978 in the United Kingdom and has been with various US multinationals until 1991 when he was posted to Singapore.

His Singapore experience has mainly been in the healthcare industry, including general manager positions in finance and business development for Parkway Holdings Limited from 1994 to 1997.

Tony is a director of SPH REIT Management Pte Ltd, as manager of SPH REIT. He also oversees SPH's Retail Property business.

Tony holds a Bachelor of Technology (Honours) degree in Operations Management from The University of Bradford. He is a Fellow of the Chartered Institute of Management Accountants and Fellow Chartered Accountant Singapore. He has served on the Council of Institute of Singapore Chartered Accountants (ISCA) since 2014.

He was named Best Chief Financial Officer (market capitalisation \$1 billion and above) at the Singapore Corporate Awards in 2016.

Low Huan Ping Executive Vice-President Technology (IT)

Huan Ping is the Executive Vice-President, Technology (IT).

He has been with the Group since 1987. Huan Ping is also a director of M1 Limited, iFast Corporation Pte Ltd and ShareInvestor.com Holdings Pte Ltd.

Huan Ping started his career at the Ministry of Defence, where he subsequently headed various IT departments.

Huan Ping holds a Bachelor of Arts (Honours) and Master of Arts from Cambridge University, where he read Engineering and a Master of Science from the National University of Singapore. He also graduated from Harvard Business School's Advanced Management Program.

Ginney Lim May Ling
General Counsel; Executive Vice-President, Corporate Communications & CSR, and Group Company Secretary

Ginney heads the Secretariat/Legal Division and oversees the Corporate Communications & CSR Division of SPH. She is also the General Manager of Singapore Press Holdings Foundation Limited, an Institution of Public Character established in 2003 by SPH.

When she joined SPH in 1991, she was tasked to set up the Secretariat/Legal Division. She is responsible for the corporate secretarial, legal, insurance and corporate communications functions in the SPH Group and sits on several steering and senior management committees. Ginney is a director of Times Development Pte Ltd, Orchard 290 Ltd and SPH REIT Management Pte Ltd, all of which are wholly-owned property subsidiaries of SPH. She is also a member of the Temasek Junior College Advisory Committee.

Prior to joining SPH, Ginney was heading the Legal & Secretariat department as well as the public relations arm of NTUC Income. Ginney was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1985 and holds a Bachelor of Law (Honours) degree from the National University of Singapore. She is also a Fellow in the Institute of Chartered Secretaries and Administrators and an Associate of the Chartered Insurance Institute.

Mable Chan Kam Man
Executive Vice-President Human Resources, Administration and Times Properties

Mable has been with SPH since 1997. Before taking over as Head of Human Resources Division in June 2006, she was Senior Vice-President, Customer Service Department, Marketing Division.

The Administration Division and Times Properties were added to her portfolio in 2014 and 2015 respectively.

Prior to joining SPH, Mable was the Executive Director of the Marketing Institute of Singapore.

She holds a Bachelor of Applied Science degree from the South Australian Institute of Technology and a Masters in Business Administration from the National University of Singapore.

Chua Wee Phong
Executive Vice-President Circulation

Wee Phong has been with SPH for 23 years. He joined Circulation in May 1994 and was appointed Division Head in May 2005. He is currently the Chairman of Sphere Exhibits Pte Ltd.

Prior to joining SPH, Wee Phong served in the Singapore Armed Forces (SAF) for a period of 13 years.

He was promoted to the rank of Colonel in 2005. He was awarded the Public Administration Medal (Bronze) (Military) in August 2007.

Wee Phong graduated from the National University of Singapore with a Bachelor of Arts (Honours) in Sociology on an SAF scholarship.

Elsie Chua
Chief Marketing Officer Integrated Marketing Division

Elsie, as the Chief Marketing Officer, leads the Integrated Marketing Division. The Division serve to provide clients with integrated and innovative solutions, harnessing the strengths of SPH print, digital, radio and outdoor media assets. She brings with her over 30 years of experience in media, retail, fashion and the sporting goods industry.

In SPH, Elsie has helmed various leadership roles within the Marketing Division, from marketing planning and development, to print and online classifieds, display advertisements and integrated sales. She is also the Chairman of BNM Content Solutions, an SPH subsidiary.

Prior to joining SPH, Elsie held numerous leadership roles in the Royal

Sporting House Group, managing sports brands like Reebok, Speedo and Ellesse. She has also set up and ran the business for upmarket fashion brands like Daks, Mandarina Duck, Faconable, Tanino Crisci and Prima Classe. Elsie started her career in Cycle and Carriage doing marketing & research before embarking on advertisement sales in The Sunday Times and The New Paper.

Elsie holds a Bachelor of Arts degree majoring in Economics and Sociology from the National University of Singapore and a Masters of Business with Distinction, International Marketing from Curtin University. She has a Diploma in Marketing from the Chartered Institute of Marketing and a Graduate Diploma in Financial Management from the Singapore Institute of Management.

Janice Wu Sung Sung
Executive Vice-President Corporate Development

Janice Wu heads the Corporate Development Division. She oversees mergers and acquisitions, property tenders/acquisitions, corporate planning and SPH Ventures, SPH's corporate venture fund.

Janice has held various positions across functions in SPH, with active involvement in legal advisory work, M&A transactions, joint ventures, property tenders/acquisitions, corporate planning and analytics.

She serves as a director of SPH subsidiaries including sgCarMart Pte Ltd and The Seletar Mall Pte Ltd; joint venture companies such as Elara 3 Pte Ltd and Callisto 1 Pte Ltd, the developer for the recently awarded government land site at Bidadari estate and investee companies such as MindChamps.

Janice graduated from the National University of Singapore with a Bachelor of Law (Honours) Degree and is qualified as an advocate and solicitor of the Supreme Court of Singapore. Prior to joining SPH as a legal counsel, she was in private legal practice and legal counsel in the Ministry of Defence.

SENIOR MANAGEMENT

Julian Tan Woon-Ka Executive Vice-President Digital Division

Julian was appointed as the Head of SPH's newly created Digital Division in March 2015. He is responsible for spearheading the Company's strategy and growth in the digital space.

Before this, Julian was the Chief Executive Officer of 701Search Pte Ltd, a regional online classifieds joint venture company between SPH, Norway's Schibsted and Telenor. Responsible for the strategic development and growth of the company in Southeast Asia, he grew the business from a start-up in a single location to a regional company with a strong footprint in the region, in a span of seven years. He currently sits on the Board of various online classifieds companies like sgCarMart, Streetsine and is also the Chairman of Silver Thailand, an online classifieds joint venture between Naspers, Schibsted, Telenor and SPH.

In 2007, Julian was the Chief Operating Officer of SPH Search Pte Ltd, an online local search and directory business. Before that, he was in the Corporate Development Division of SPH where he played a pivotal role in developing strategies and business plans for SPH's push into the Internet and mobile worlds.

Julian graduated with First Class Honours in Economics from the London School of Economics and Political Science and earned two Executive Masters of Business Administration (EMBA) degrees from INSEAD and Tsinghua University in 2009.

Warren Fernandez Editor-in-Chief English/Malay/Tamil Media group and Editor, The Straits Times

Warren is Editor of The Straits Times, Singapore's largest selling English daily newspaper. He was appointed Editor-in-Chief of the English/Malay/Tamil Media group on 1 July 2016.

He joined the newspaper in 1990 as a political reporter and rose to become News Editor. He later also served as Foreign Editor and Deputy Editor. He left to join Royal Dutch Shell in 2008 as a Global Manager for its Future Energy project, before returning to The Straits Times in February 2012 as its editor.

He graduated with First Class Honours from Oxford University, where he read Philosophy, Politics and Economics, and also has a Masters in Public Administration from Harvard University's John F. Kennedy School of Government. Both degrees were obtained on Singapore Press Holdings scholarships.

He has written several books, including "Lee Kuan Yew: the Man and his Ideas"; "Thinking Allowed: Fear, Politics and Change in Singapore"; "Without Fear or Favour: 50 years of the Public Service Commission"; "Our Homes: 50 years of housing a nation"; "Men for Others"; and most recently, "Lead Your Life!". He was also part of the editorial team that assisted Mr Lee Kuan Yew with his two-part memoirs, "The Singapore Story".

He has served on various national committees, including the Cost Review Committee; the Remaking Singapore Committee; Singapore 21 and Compass, as well as on the boards of directors for the National Environment Agency, the Civil Service College and the Energy Studies Institute. Currently he is a board member of the National Parks Board, National Heritage Board, SPH (Overseas) Ltd, SPH (America) Ltd and The Straits Times Press. Warren is currently the Chairman of The Straits Times School Pocket Money Fund.

Goh Sin Teck Editor Lianhe Zaobao

Sin Teck joined SPH's Chinese flagship paper, Lianhe Zaobao, in 1987 upon graduating from the National University of Singapore with a Bachelor of Arts in Sociology.

He worked his way up as a crime reporter to become the Editor of Lianhe Zaobao.

Sin Teck presently serves on the boards of Urban Redevelopment Authority and the Nanyang Technological University Board of Trustees and is a member of the National Translation Council.

Susan Leng Mee Yin Chief Executive Officer SPH REIT Management Pte Ltd

Susan was appointed CEO of SPH REIT Management Pte Ltd in 2013. Before this appointment, she has 16 years of aggregate experience in shopping centre management and property development and eight years of accounting and finance experience.

Susan began her career as an auditor with Coopers & Lybrand and her last appointment was Accounting Manager with Scotts Holdings Limited before she made a career change to shopping centre management in 1992. Since then, she has held various appointments, including General Manager of Scotts Shopping Centre, Director of Retail Management with Far East Organisation and General Manager of Capitol Investment Holdings.

She was also the General Manager of Orchard 290 Ltd, a wholly-owned subsidiary of SPH, from 1997 to 2004. She was a pioneer member of the management team which redeveloped Paragon and The Promenade into one fully integrated premier upscale retail mall with a prestigious medical and office tower.

She is a Fellow of the Chartered Association of Certified Accountants (FCCA), UK.

Loh Yew Seng Chief Executive Officer SPH Magazines Pte Ltd

Yew Seng was appointed Chief Executive Officer of SPH Magazines Pte Ltd in June 2006. He joined SPH in July 2001 and was Vice-President of Finance and Chief Financial Officer for the magazines business group before his current appointment.

Yew Seng began his career in 1994 with Arthur Andersen and held notable corporate finance and financial analyst positions in Banque Internationale à Luxembourg, Van der Horst Limited and Visa International.

He holds a Bachelor of Accountancy (Honours) from Nanyang Technological University and has been a CFA charterholder since 1999.

Chua Boon Ping
Chief Executive Officer
SPH Ventures

Boon Ping was appointed CEO of SPH Media Fund in August 2014. He has more than 15 years of venture capital and M&A experience in the technology, media and telecommunications sectors.

SPH Media Fund was rebranded as SPH Ventures on 1 September 2017 to better reflect its investment areas. Besides media technology investments, the fund also invests actively in Internet services and Consumer Technology.

Prior to joining SPH, he was Senior Vice-President of EDBI, the corporate investment arm of Singapore's Economic Development Board, where he headed the Internet and Digital Media investment team.

He holds a Bachelor of Engineering (Honours) and a Master in Business Administration (Banking & Finance) from Nanyang Technological University. He is a CFA charterholder.

Lim Swee Yeow
Senior Vice-President
Production

Swee Yeow has been with SPH for 17 years. He joined Production in January 2000 as Production Manager. Throughout his career with SPH, he helmed various sections in operations, engineering, materials and newsprint purchases. He was appointed Division Head in September 2011.

He was involved in major projects with the company's printing presses and print processes such as the GOSS Colorliner upgrades (2011), manroland Uniset (2008) and KBA Commander (2002). He was also responsible for building the state-of-art printing presses and mailroom systems.

Swee Yeow graduated with a Bachelor of Science in Industrial and Manufacturing Engineering from Oregon State University, USA. He also holds a Higher National Diploma in Printing and Publishing Production from London College of Printing, UK.

Sim Say Nee
Head
Internal Audit

Say Nee was appointed as the Acting Head of Internal Audit in October 2014. She subsequently took over as Division Head in April 2015. Say Nee has been with the division for 12 years, having joined in October 2005.

Say Nee's 17 years of experience in the profession spanned across both public and commercial sectors.

She began her career in the Auditor-General's Office in 2000, where she was involved in the financial audit and system controls review at the Ministry of Manpower and Central Provident Fund Board, after graduating from Nanyang Technological University with a Bachelor of Accountancy degree. She was an Internal Auditor with United Engineers Ltd before joining SPH.

She is a member of the Institute of Singapore Chartered Accountants and Institute of Internal Auditors.

Lee Huay Leng
Head
Chinese Media Group

Huay Leng was appointed Head of the Chinese Media Group of SPH on 1 December 2016. The Chinese Media Group includes Lianhe Zaobao, Lianhe Wanbao, Shin Min Daily News, student publications, the digital platform zaobao.sg, zaobao.com and radio UFM100.3.

Huay Leng started her journalistic career in Lianhe Zaobao in 1994 upon graduation. She was with the paper for 20 years in different roles as sports reporter, political reporter, Hong Kong correspondent, Beijing Bureau Chief, China Editor, News Editor and Deputy Editor. In January 2014, she took the helm of Lianhe Wanbao and was appointed concurrently as Senior Vice-President (New Growth) of Lianhe Zaobao in November 2015.

For public service, Huay Leng currently serves as a member of the Public Transport Council and the Founders' Memorial Committee. She is a board director at the National Kidney Foundation and Governor at the Singapore International Foundation.

She graduated from the National University of Singapore in 1994 with an honours degree in Chinese Studies, and a Masters of Arts degree in Southeast Asian Studies from the School of Oriental and African Studies, University of London. She was a visiting scholar at the University of California, Berkeley and the John F. Kennedy School of Government at Harvard University.

CEO'S OVERVIEW OF GROUP OPERATIONS

(FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2017)



RE DEFIN

Chan Heng Loon, Alan Chief Executive Officer

The media industry continued to face considerable challenges in the past year. SPH forged ahead with its drive to transform its core media business while pursuing other growth opportunities.

The Group's net profit attributable to shareholders of \$350.1 million was \$84.8 million or 32 per cent higher compared to FY2016. The Group's results was boosted by a gain of \$149.7 million from partial divestment of the regional online classifieds business.

Group recurring earnings excluding impairment charges declined \$67.5 million or 20.2 per cent year-on-year. Group operating revenue of \$1,032.5 million was \$91.8 million or 8.2 per cent lower than FY2016.





Newspapers

The Straits Times (ST) held its position as the most-read publication in Singapore, with a combined print and digital (PDF and HTML versions) readership of 1.373 million, based on the Nielsen Media Index Report in 2016.

ST rolled out the ST+ initiative, with the tagline, "News with Benefits". This rewards programme offered readers perks such as access to special interest websites and innovative digital media platforms, as well as invitations to exclusive events.

ST-branded annual events such as the ST Run, ST Concert in the Gardens and the Singapore Coffee Festival were well received. ST also partnered Lianhe Zaobao for the inaugural Best Asian Restaurants Awards to honour the finest Asian restaurants in Singapore.

The Business Times (BT) unveiled a new design in 2016 to mark its 40th anniversary. The revamped weekend edition clinched a "Redesigns Overall Newspaper" award from the US-based Society for News Design (SND). Its new format included a magazine supplement called Weekend, wrapped around the main paper.



CEO'S OVERVIEW OF GROUP OPERATIONS

The business daily continued to engage the business community with its yearly industry-focused events, such as Enterprise 50 in November 2016 and Singapore Business Awards in April 2017.

My Paper was merged with **The New Paper (TNP)**, which became a free newspaper from December 2016. It targets PMETs aged 20-40 from Monday to Saturday, and focuses on news relating to local affairs, economy, property, business, sports and bread and butter issues.

SPH Golf card, which TNP manages, was launched in December 2016. The card has more than 1,000 members as of August 2017.

TNP organised the Miss Singapore Universe pageant during the year to complement its long-running and popular TNP New Face competition and generate new income from sponsors. Other TNP staples included the TNP Big Walk at the Singapore Zoo and Night Safari in November 2016.

Berita Harian (BH) transformed its newsroom, merging News, Sports, Money, Foreign, Features desks into a single integrated Newsdesk. It also enlarged job scopes, encouraging reporters to take photos and videos, and supervisors to edit stories and design pages. More staff were trained to generate digital content for online and social media to improve the paper's digital capabilities.

The Malay language daily celebrated its 60th anniversary in 2017. To mark this milestone, it organised several outreach events such as a Car Rally to Kuantan

in April 2017 and a dinner for needy children in June 2017.

As part of SPH's physical reconfiguration, **Tamil Murasu (TM)** moved from its premises in Genting Lane to News Centre. This brought all SPH newspapers under one roof.

TM, which has been a fully-owned subsidiary of SPH, became part of SPH Limited on 1 September 2017. Together with **tabla!**, it held the annual Singapore International Indian Shopping Expo at Suntec Convention Centre in September 2016 and again in April/May 2017.

The Chinese Media Group, headed by Ms Lee Huay Leng from December 2016, continued to promote Chinese culture and heritage with community events like Teochew Festival, Mid-Autumn @ Gardens by the Bay, River Hongbao and Singapore Book Fair. Through a partnership with RINGS.TV Pte Ltd and mm2 Asia Ltd, it launched RINGS LIVE, an interactive broadcasting mobile application.

Following its revamp in 2016, **Lianhe Zaobao (ZB)** organised various events to promote audience engagement. These included the Singapore Budget Forum, Eminent Speakers Series and the Singapore-China Forum. ZB also embarked on a brand awareness campaign with an award-winning short film "Pa's Expressions".

The Chinese flagship newspaper launched "It Matters – The Future of Us", a 5-episode talk show on StarHub TV and zaobao.sg in December 2016. It was produced in conjunction with the plans by the Committee on the Future Economy on its recommendations and report.

Lianhe Wanbao (WB) revamped its popular "Beauty. Health & Me" Fair with the inclusion of more lifestyle themes. It also reached out to more readers with events like the Singapore Heartland Enterprise Star Award and WB Coffee Talk. Together with ZB, WB organised Read Newspapers With the Elderly, a programme involving volunteers and journalists sharing current affairs with the elderly and helping them to access news on zaobao.sg using mobile devices.

Shin Min Daily News (SM) celebrated its 50th anniversary in 2017. A series of events was organised, including the SM50 Trade Event and Readers Cruise, SM50 Travelling Photo Exhibition and an SM50 supplement. Mr Choo Chee Wee became the new editor of SM after Mr Pan Cheng Lui's retirement in February 2017.

Marketing

The formation of the **Integrated Marketing Division (IMD)** in October 2016 provided advertisers with a one-stop solutions stop to reach their audiences across multiple platforms. The move has yielded awards and trade engagement opportunities, while reinforcing the SPH brand as a media first-mover in an age of disruption.

IMD offers clients and business partners a holistic map of strategies to build their businesses, leading with print, digital, radio and outdoor media. It also empowered its sales force with skill sets to navigate a climate of volatility, uncertainty, complexity and ambiguity. This approach has driven successful customer interactions, resulting in more effective creative and innovative solutions for our clients.



SPH aims to remain at the forefront of the wave of innovation. The Intellectual Property Office of Singapore awarded a second patent for IMD's technology, which enables SPH's mobile applications and e-newspapers to have animated / interactive content.

SPH Content Lab was launched in April 2017, signaling IMD's commitment to innovation. Its content marketing business unit combines its print and digital capabilities, including **BrandInsider**, as a cohesive approach to branded storytelling.

IMD also launched an integrated trade web portal (imsph.sg). It serves as a comprehensive resource for advertisers and agencies to be constantly updated with our product and technology developments and media kit.

Outdoor Media

SPHMBO, the Outdoor Media business unit, operates 14 large outdoor digital screens and a network of about 450 indoor screens in Paragon, VivoCity, HDB Hub, POSB branches and Downtown East resort.

Its product portfolio expanded to include 250 indoor digital advertising screens in the SingHealth Group (with two major hospitals and 15 clinics islandwide), as well as several large-format billboards on Orchard Road: Forum The Shopping Mall, Scotts Square and Midpoint Building. Another 100 non-digital billboards are situated at prime locations: Rendezvous Hotel, Paragon, Tanglin Mall, Raffles Place and Marina Bay.

Circulation

Total newspaper circulation business, inclusive of both print and digital editions, ended FY2017 with 922,979 daily average copies, boosted by its family of digital products. Total digital circulation is at 285,600 daily digital copies, a robust growth of 40.3 per cent year-on-year.

Lianhe Zaobao's print and digital editions achieved a year-on-year growth of 4.7 per cent to 197,500 daily average copies, with a digital base averaging 60,400 daily copies. The Business Times' print and digital editions achieved a year-on-year growth of 16.8 per cent to 43,100 daily average

copies, with a digital base averaging 16,000 daily copies.

SPH launched a series of All-Digital subscription drives, in addition to the usual All-In-One promotion campaigns. Circulation Division is undergoing a restructuring exercise to build up the digital capability of its staff. More digitally-savvy staff were redeployed from Operations and Support teams to drive the digital thrust. Newspaper vendors were also equipped with skills and knowledge to canvass for home subscriptions.

SPH planned to launch 100 newspaper vending machines across the island. This initiative will help counter the diminishing network of roadside stalls which limited our readers' accessibility to newspapers. These vending machines located at coffee shops, food centres, shopping malls and petrol kiosks will save manpower costs while making our newspapers easily available to our readers.



CEO'S OVERVIEW OF GROUP OPERATIONS

SPH Buzz has evolved from a retail chain to a platform for advertisers to reach out to a larger audience through digital marketing. Buzz also acts as a redemption and fulfillment hub, a “one-stop-shop” for customers with an island-wide presence. It launched an online e-shop in May 2017, offering a wide range of products and providing customers with discounts for bulk purchases. Customers can enjoy the benefits of shopping online with their purchases delivered to their homes.

Magazines

SPH Magazines' answer to digital disruption is to leverage the strengths and captive audience of its stable of more than 80 magazines in Singapore and the region.

This gave rise to SPH Magazines' Audience Networks, which combines the scale of reach by aggregating the audiences across individual magazine brands and across devices

and platforms. Collectively, the three Audience Networks – Women's, Men's and Luxury – were able to connect advertisers with a quality audience of 7.5 million.

SPH Magazines also forged strategic and innovative tie-ups with technology providers and commercial partners to harness content assets and extend its advertising network with minimal investment. The **WiFi Library** was one such innovation launched in 2017. It enables consumers at participating cafes, shopping malls and other lifestyle establishments to access over 7,000 magazines available on the Magzter digital newsstand within the Wi-Fi zone.

Such technology, on the strengths of our digital magazine assets and Magzter's digital newsstand, effectively elevated our audience and advertising network to a global level – with a potential reach in excess of 26 million subscribers, and 150 countries worldwide.





Other new solutions launched included Cool-Finds, a mobile app which allow readers access to a wide range of lifestyle services and deals and LoveHome, a one-stop servicing and maintenance package that covers major home appliances in the household. With content being made transactable, our readers are able to enjoy a complete and immersive magazine experience.

In FY2017, SPH Magazines continued to receive high industry recognition with multiple wins at international publishing awards such as the Apex and Content Marketing awards. In Singapore, the SPH Magazines brand remained a market leader among consumers with signature, well-attended events such as Her World's Woman of the Year, Shape Run, ICON Ball and Home & Décor Fair. Our magazine brands also topped the respective genres in terms of readership as measured by Nielsen Media Index 2016, an annual nation-wide media consumption survey.

Digital Media

In the digital space, ST focused on innovation and increasing reach.

Stirr and **ST Food** were launched to target millennials in the 18-34 age group, and to capture the market for restaurant reviews and food-related news respectively.

In June 2017, ST launched two monthly e-zines for Singaporeans abroad, one targeted at adults and, the other, for students. These e-zines, which contain local news reports and

stories, are distributed by the Overseas Singaporean Unit to our citizens abroad.

A new site, **sgsme.sg**, was launched in April to give SMEs a one-stop portal for all issues related to SMEs in Singapore, and to give partners a content-driven platform to reach out to these SMEs. The bilingual portal is produced by BT in partnership with ST and ZB.

BH's digital team completed a makeover of its website and launched a new marketing plan to boost subscription. During this period, the team produced several noteworthy videos which went viral. For example, a video about the challenges faced by foreign workers during the fasting month of Ramadan garnered over 1 million views.

AsiaOne was relaunched in May 2017 as a social news website, utilising the latest technologies to curate and personalise news and content for its readers in Singapore and beyond.

Stomp was revamped in May 2017 in its ongoing efforts to promote civic mindedness through highlighting stories of inspiring acts contributed by its active citizen journalists.

Zaobao.sg website and mobile apps were refreshed in September 2016 with more content from CMG Digital and the three Chinese newspapers. Zaobao.sg boosted its content offerings with live streaming of major news events

and a daily news programme called "Live!@Newsroom", featuring editors and journalists giving snapshots of their stories. This allowed zaobao.sg to reach out to a bigger audience via its website, the RINGS LIVE app and on facebook. ZShop (zshop.zaobao.sg), an e-commerce platform, was launched in May 2017. Users can purchase books and merchandise, as well as register for events organised by CMG.

FastJobs introduced an in-app chat system where employers can communicate with job seekers, invite candidates to apply for job opportunities and purchase sales packages online. Job seekers are now able to receive job recommendations from FastJobs, have more options to update their profile details and generate their own resume from the FastJobs application. FastJobs Singapore currently receives 225,000 job applications monthly, a 100 per cent increase compared to last year. FastJobs also launched its mobile app in Malaysia and Philippines.

SRX held the inaugural PropTech conference in April 2017 for more than 300 real estate professionals, bankers and academics. The conference explored how property technology is changing the way professionals are delivering property-related products and services to consumers. The **SRX Property** consumer app was also launched during the conference to help consumers obtain real estate information in one application.

CEO'S OVERVIEW OF GROUP OPERATIONS

sgCarMart introduced a New Cars 360 panorama feature to provide an immersive experience to users. Buyers can experience a 360° virtual reality view of the car's interior even before viewing the car. A Used Cars price comparison chart was added to provide a summary of prices and related information for a quick comparison. For the car dealers, the site was enhanced to provide data analysis of the vehicles posted and sold on site. There is also an estimated selling duration with the specific price range to help them optimise their sales.

ShareInvestor (SI) serviced more than 250 public listed companies and has more than 5,500 paying subscribers for its SI Station, SI WebPro and SI Mobile services. It organised several flagship events such as the REIT Symposium and INVEST Fair 2017. To promote investor education, SI launched a new portal to promote Catalist companies, in collaboration with SGX and two industry sponsors, Prime Partners and SAC Capital.

SI Malaysia recorded a milestone when it garnered 3,000 paying subscribers for its market data services. SI Thailand has more than 230 public listed companies on its online IR services program. As part of its expansion efforts, SI also set up offices in Jakarta and Sydney.

SPH Data Services entered into its 10th year partnership with FTSE Russell and Singapore Exchange (SGX), as well as celebrated Straits Times Index (STI) turning 50. The partnership continued to yield good financial returns.

SPH Media Fund was rebranded as **SPH Ventures** on 1 September this year. It divested Smaato, a mobile advertising technology company, as well as Kudo, a leading Indonesian online to offline e-commerce platform. It will continue to source for promising startups in sectors such as Digital Media, Marketing Technology and Consumer Internet.

Book Publishing

Straits Times Press (ST Press) enjoyed another year of bumper harvest with the publication of several books. These included "Neither Civil Nor Servant: The Philip Yeo Story", "Puan Noor Aishah: Singapore's First Lady", as well as titles by journalist-authors like "Sundays with Sumiko" by Sumiko Tan and "Hunger Management" by Tan Hsueh Yun. One of the publications, "E W Barker: The People's Minister", clinched an award in the Best Non-Fiction Title category at the Singapore Book Awards 2017.

Focus Publishing, which publishes entertainment and lifestyle magazines such as **U-Weekly** and **Health No.1**, designed and produced content for various contract publications, books and magazines. These included "Thong Chai 149th Anniversary Book", "Lee Clan Book" and "Men at the Helm 2".

Radio

SPH Radio grew in listenership and revenue. In the latest Nielsen Media Survey, **Kiss92** emerged the No.1 English radio station in percentage share of listenership. **UFM100.3** saw the largest growth among Chinese stations in Singapore in listenership and hit a new high of 422,000 listeners. Meanwhile, **ONE FM91.3's** time spent listening continued to grow.

In March 2017, SPH Radio was awarded licences to operate another two stations. One will be a Chinese language infotainment station for listeners aged 50 and above. The other will be an English-language station focusing on Business and Finance for PMEBs aged 35 and above. They will be launched in a few months' time.



Properties

A consortium formed by SPH and Kajima Development Pte Ltd was awarded the tender for a 99-year leasehold mixed commercial and residential site at Woodleigh by HDB in June 2017.

Despite the lacklustre retail climate, the malls under SPH REIT - **Paragon** and **The Clementi Mall** - enjoyed 100 per cent occupancy, while **The Seletar Mall** achieved an occupancy of 99.6 per cent. There were constant efforts to rejuvenate the malls and improve shoppers' experience by refreshing the tenant mix and embarking on asset enhancement initiatives.

Events, Conferences and Exhibitions

Sphere Exhibits (Sphere) organised a range of Consumer and Trade events across various sectors such as Technology, Food & Beverage and Building & Construction. In addition to the flagship **COMEX** and **IT Show**, it introduced **Consumer Electronics Exhibition** and **Consumer Electronics Fair** to showcase new gadgets and technologies. **World Food Fair** and **Food & Beverage Fair** remained popular with foodies, and the inclusion of **Yummy Food** helped attract overseas participants from Hong Kong, Japan, Taiwan and Korea.

A 3-in-1 show was launched in June 2017 for multi-generational families to bond together. The inaugural **Health Fiesta** was held alongside **Baby Baby Exhibition** and **The Kidz Academy**. Sphere continued to enhance its presence in the Building & Construction sector with **BuildTech Asia**, **BuildTech Yangon** and a partnership event in Bangkok called **Building Maintenance & Facilities Management and Green Building & Retrofits Expo**. The third edition of **Manufacturing Solutions Expo** included conferences and seminars as exhibitor participation and trade visitorship grew.

Beyond Singapore, **SmartKids Indonesia** went into its second edition and **BabyBaby Indonesia** was launched. The **Malaysian International Food & Beverage Fair (MIFB)** remained a leading F&B trade event and attracted participating country pavilions from Singapore, China, Korea, Japan, Taiwan and Thailand.

Acquisitions

SPH announced its entry into the healthcare sector with the acquisition of nursing home provider **Orange Valley Healthcare** for \$164 million in April 2017. In addition to its stake in **MindChamps**, SPH further strengthened its education portfolio by

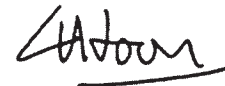
entering into a joint venture in August 2017 that involves investing up to \$8.5 million in **Han Language Centre**. The transaction, when completed, will see SPH hold a 75 per cent share in Han Language Centre.

Business Outlook

With the uncertain economic outlook and the continuing disruption of the media industry, the Group will press on with its transformation strategy. We will continue to seek other growth opportunities to position ourselves as a forward-looking organisation.

As I am retiring on 31 August 2017, I would like to take this opportunity to thank all our shareholders, readers, advertisers, colleagues, unions and other stakeholders for the support you have given me.

I look forward to your continued support to my successor Mr Ng Yat Chung and to the Company.



Chan Heng Loon, Alan

Chief Executive Officer

(Mr Chan stepped down on 1 September 2017)



AWARDS & ACCOLADES

CORPORATE AWARDS

17th SIAS Investors' Choice Awards 2016

- Most Transparent Company Award (Consumer Discretionary Category) – Winner (SPH)
- Singapore Corporate Governance Award (Diversity Category) – Merit (SPH)
- Financial Journalist of the Year – Kenneth Lim (The Business Times)
- Financial Story of the Year – Melissa Tan (The Business Times)
- Most Promising Journalist of the Year – Marissa Lee (The Straits Times)
- Investor Education Journalist of the Year – Lorna Tan (The Straits Times)

Patron of the Arts Awards 2017 by National Arts Council

- Distinguished Patron of the Arts Award – SPH, SPH Radio and SPH Foundation

Patron of Heritage Awards 2016 by National Heritage Board

- Patron of Heritage – SPH

Community Chest Awards 2017

- SPH and SPH Foundation received the Corporate Platinum Award for the eighth consecutive year.

Company of Good by National Volunteer & Philanthropy Centre

- Champion of Good award – SPH

May Day Awards by National Trades Union Congress (NTUC)

- Comrade of Labour – Mr Abdul Azis Bin Ahmad (Assistant General Secretary, Creative Media and Publishing Union)

EDITORIAL / PRINTING / CREATIVE ACHIEVEMENTS

38th Best of Newspaper Design by Society for News Design 2017

- Redesigns Overall Newspaper – Award of Excellence (The Business Times for weekend edition on 8 Oct 2016)

Best of Digital Design Competition by Society for News Design 2017

- Awards of Excellence – The Straits Times (for “How Joseph Schooling Achieved The Impossible”)
- Awards of Excellence – The Straits Times (for “Fleeing To Survive”)

WAN-IFRA Asian Media Awards 2017

- Best In Design (Newspaper Overall Design) – Gold (The Straits Times)
- Best In Design (Newspaper Front Page Design) – Gold (The Straits Times)
- Best In Editorial Content (Newspaper Breaking News Article) – Gold (The Straits Times)
- Best In Editorial Content (Newspaper Feature Article) – Bronze (The Straits Times)
- Best in Infographics (Newspaper Infographics) – Bronze (The Straits Times)
- Best in Photojournalism (Feature Photography) – Silver (The Straits Times for “Home Sweet Home Birth”)
- Best in Photojournalism (Feature Photography) – Bronze (The Straits Times for “Art Gets Seriously Fun”)
- Best in Design (Magazine Overall Design) – Gold (The Peak Selections: Gourmet & Travel, Issue 19)

PANPA 2017 Advertising & Marketing Awards

- Best Single Advertisement for a Client (Advertising – Print, National / Metropolitan Titles) – The Straits Times (for “Singapore Airlines to Stockholm”)

23rd Annual Communicator Awards

- Award of Excellence – AsiaOne (for “How a cruise ship prepares 15,000 meals a day out at sea”)
- Content & Marketing-Community Building & Engagement for Social – Award of Distinction (AsiaOne for AsiaOne Travel Instagram Page)
- Video-Documentary for Online Video – Award of Distinction (AsiaOne for “Brothers battle rare health condition”)
- Features-Copy or Writing for Websites – Award of Distinction (AsiaOne for “He’s not broken, he’s my brother”)
- Features-Structure and Navigation for Websites – Award of Distinction (AsiaOne for AsiaOne Travel Planner)
- Features-Video or Moving Image for Websites – Award of Distinction (AsiaOne)

Singapore Book Awards 2017

- Best Non-Fiction Title category – Straits Times Press for “E W Barker: The People’s Minister”

INMA Global Media Awards

- Best Brand Awareness Campaign – 2nd (for Lianhe Zaobao’s “A Micro Film Entitled Pa’s Expressions”)
- Best Marketing Solution for an Advertising Client – 2nd (for “Courts BrandInsider”)
- Best Execution of Print Advertising – 3rd (for “The Animated and Interactive New Paper”)

Apex Awards 2017

- Magazines, Journals and Tabloids (Design & Layout) category – Grand Award (SilverKris, October 2016)
- Magazines, Journals and Tabloids (Design & Layout) category – Grand Award (The Johnnie Walker House Edit)

Content Marketing Awards 2017

- Best Use of Illustration – Winner (SilverKris, Oct 2016)

Tabbie Awards 2017 by Trade Association Business Publication International

- Best Single Issue category – 6th position (Ascent, Issue 03.16)

Media Publishers Association Singapore (MPAS) Awards 2017

- Chinese Media of the Year - ICON Singapore
- Consumer Review Media of the Year – HardwareZone
- Fashion Media of the Year – Female
- Food Media of the Year - The Peak Selections: Gourmet & Travel
- In-Flight Media of the Year – SilverKris
- Travel Project of the Year – SilverKris
- Contract Publication of the Year – Gold (The Johnnie Walker House Edit)
- Website of the Year – Silver (The Peak website www.thepeakmagazine.com.sg)



Singapore Book Awards 2017



Media Publishers Association Singapore (MPAS) Awards 2017



17th SIAS Investors' Choice Awards 2016

AWARDS & ACCOLADES

International Creative Media Award (ICMA) 2016

- Food and Drink – Gold (The Peak Selections: Gourmet & Travel, #17: Jun-Aug '16)
- Visual Storytelling – Gold (The Peak Selections: Gourmet & Travel, #16: Mar-May '16)
- Photography in General – Silver (The Peak Selections: Gourmet & Travel, #18: Aug-Oct '16)
- Photo-Reportage – Bronze (The Peak Selections: Gourmet & Travel, #18: Aug-Oct '16)
- Women and Fashion – Gold (Nu You, Aug '16)
- Women and Fashion – Gold (Nu You, Sep '16)
- Front Pages – Bronze (Nu You, Sep '16)
- Photography in General – Award of Excellence (Nu You, Aug '16)
- Photography in General – Award of Excellence (Nu You, Sep '16)
- Corporate Books – Gold (Building A Better World, a book produced for the Singapore International Foundation)
- Lifestyle and Fun – Gold (The Johnnie Walker House Edit Vol 4 (Obsession))
- Typography / Layout – Silver (The Johnnie Walker House Edit Vol 5 (Black & White))
- Visualization – Award of Excellence (The Johnnie Walker House Edit Vol 4 (Obsession))
- Food and Drink – Bronze (Savour, Jul / Aug '16)
- Cover and Coverstory – Award of Excellence (Savour, May / Jun '16)

Pearl Awards 2016

- Best Food & Beverage/Restaurants – Silver (Savour, May / June '16)

Singapore Creative Circle Awards 2016

- Director of the Year – Mr Wayne Peng (彭文淳) for “Pa’s Expressions” (爸爸的表情) by Lianhe Zaobao
- Producer of the Year – Mr Li Han Ting (李汉庭) for “Pa’s Expressions” (爸爸的表情) by Lianhe Zaobao
- Production Design / Art Direction – Gold (“Pa’s Expressions” (爸爸的表情) by Lianhe Zaobao)
- Cinematography – Gold (“Pa’s Expressions” (爸爸的表情) by Lianhe Zaobao)
- Direction – Silver (“Pa’s Expressions” (爸爸的表情) by Lianhe Zaobao)
- Casting – Silver (“Pa’s Expressions” (爸爸的表情) by Lianhe Zaobao)

State Street Institutional Press Awards, Asia Pacific

- Journalist of the Year – Alternatives (Chinese category) – Highly Commended Award (Ms Hu Yuanwen, Lianhe Zaobao)

Asian Digital Media Awards 2016

- Best News Website – Gold (The Straits Times for “Fleeing to Survive”)
- Best Data Visualisation Project – Gold (The Straits Times for “Animals Crossing package”)
- Best News Website – Silver (straitstimes.com)
- Best Data Visualisation Project – Silver (The Straits Times for “The Day the Mountain Shook”)
- Tablet Publishing – Silver (The Straits Times for “A Gallery of Old and New”)
- Best Lifestyle Website – Silver (The Straits Times for “A Gallery of Old and New”)
- Best New Product – Bronze (askST by The Straits Times)
- Best News Mobile Service – Silver (Stomp’s Whatsapp service)
- Best Reader Engagement – Bronze (Stomp)
- Best Digital Advertising Campaign – Silver (Content Lab (BrandInsider) for “From a Mother to a Mother”)

The Spark Awards 2017 by Marketing Magazine

- Best Media Solution – Experiential – Gold (SPHMBO for “SK-II Dream Again – Digital Dream Wall” campaign)
- Best Media Solution – Out of Home – Silver (SPHMBO for “SK-II Dream Again – Digital Dream Wall” campaign)
- Best Website by a Media Owner – Silver (AsiaOne)
- Best Corporate Branding by a Media Owner – Bronze (AsiaOne)
- Best App by a Media Owner – Bronze (SPH’s FastJobs app)
- Best Media Solution (Print) – Bronze (SPH for “Singapore Airlines to Stockholm” print ad)

Mob-Ex Awards 2017

- Best Team (In-house) – Bronze (The Business Times)

Marketing Excellence Awards 2016

- Excellence in Print Advertising category – Bronze (SPH CreativeLAB for Scholarship Typography)

Google Progressive Web Apps (PWA) / Accelerated Mobile Pages (AMP) Hackathon

- First prize – SPH Digital

PROPERTY ACCOLADES

- Orchard Road Business Association’s Best Dressed Building Contest 2016 – Merit Award (Paragon)
- Water Efficient Building Certification Programme by PUB, Singapore’s National Water Agency – Water Efficient (Basic) Award (Paragon) – 2016
- Water Efficient Building Certification Programme by PUB, Singapore’s National Water Agency – Water Efficient (Basic) Award (The Clementi Mall) – 2016
- Water Efficient Building Certification Programme by PUB, Singapore’s National Water Agency – Water Efficient (Basic) Award (The Seletar Mall) – 2017
- Green Mark Building Certification by Singapore’s Building & Construction Authority – Green Mark Gold (The Seletar Mall)



ST Agile Tech Team at Google PWA-AMP Hackathon



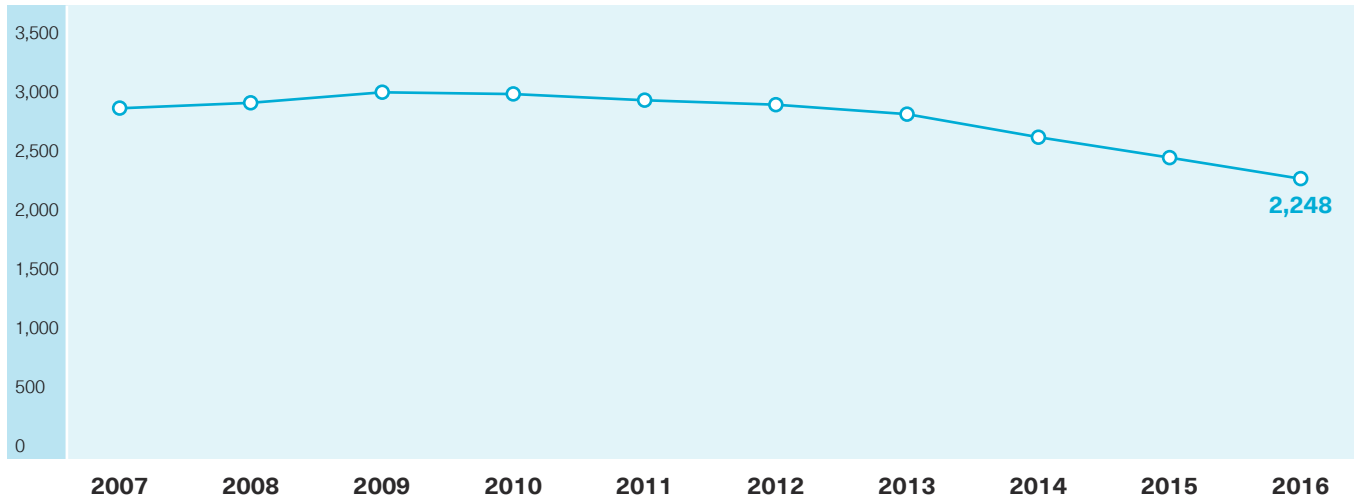
Orchard Road Business Association’s Best Dressed Building Contest 2016



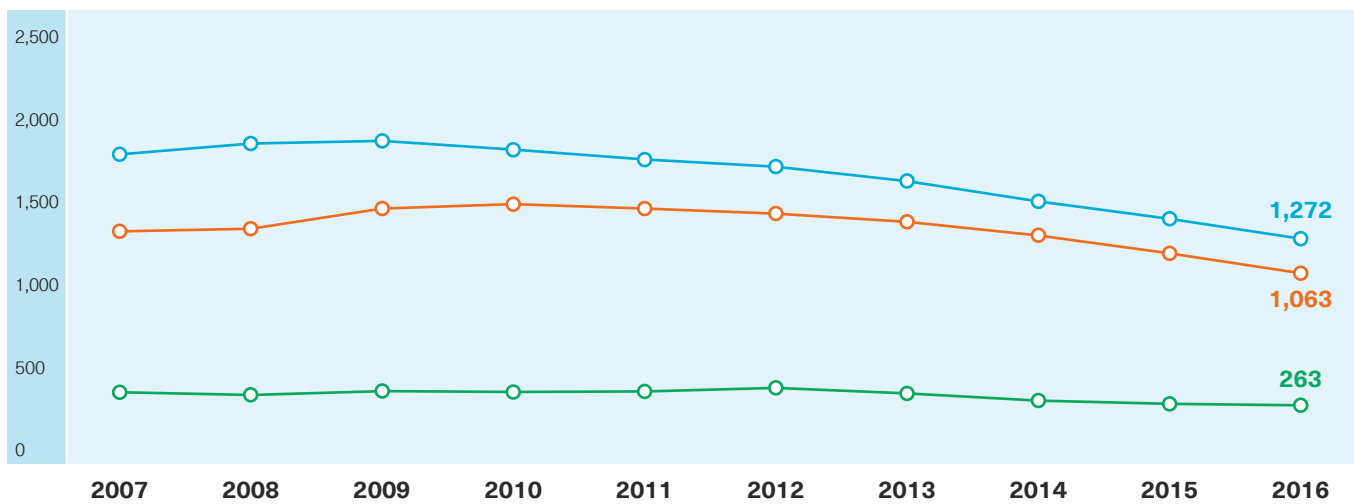
Marketing Excellence Awards 2016

SPH NEWSPAPERS READERSHIP TRENDS

SPH Newspapers (Print) Net Readership Trends ('000)



SPH Newspapers (Print) Readership Trends ('000)



- English-Language papers
- Chinese-Language papers (Including My Paper)
- Malay-language & Tamil-language papers

Remarks: Nielsen Fieldwork period July-June; year indicated refers to the year when fieldwork was completed

Source: Nielsen Media Research, Media Index (2007-2016)

DAILY AVERAGE NEWSPAPERS CIRCULATION

AUGUST 2017

Daily Average Newspapers Circulation ¹	August 2017	August 2016
The Straits Times / The Sunday Times		
(Print + Digital)	383,600	393,300
(Print)	263,200	277,100
(Digital)	120,400	116,200
The Business Times		
(Print + Digital)	43,100	36,900
(Print)	27,100	28,100
(Digital)	16,000	8,800
Berita Harian / Berita Minggu		
(Print + Digital)	36,100	39,300
(Print)	34,600	37,700
(Digital)	1,500	1,600
Lianhe Zaobao		
(Print + Digital)	197,500	188,600
(Print)	137,100	143,000
(Digital)	60,400	45,600
Lianhe Wanbao		
(Print + Digital)	107,100	102,000
(Print)	63,300	70,800
(Digital)	43,800	31,200
Shin Min Daily News		
(Print + Digital)	134,300	100,300
(Print)	91,400	100,100
(Digital)	42,900	200
Tamil Murasu / Tamil Murasu Sunday		
(Print + Digital)	10,400	11,300
(Print)	9,800	11,300
(Digital)	600	0
zbCOMMA²	30,800	40,400
Thumbs Up²	19,300	21,200
Thumbs Up Junior²	12,000	11,600
Thumbs Up Little Junior²	37,000	37,100
Balar Murasu²	3,100	0

Notes:

1. Total print and digital circulation numbers reported are in accordance with the rules set by Audit Bureau of Media Consumption Singapore (ABCS).
2. Figures are reported on a per issue basis.

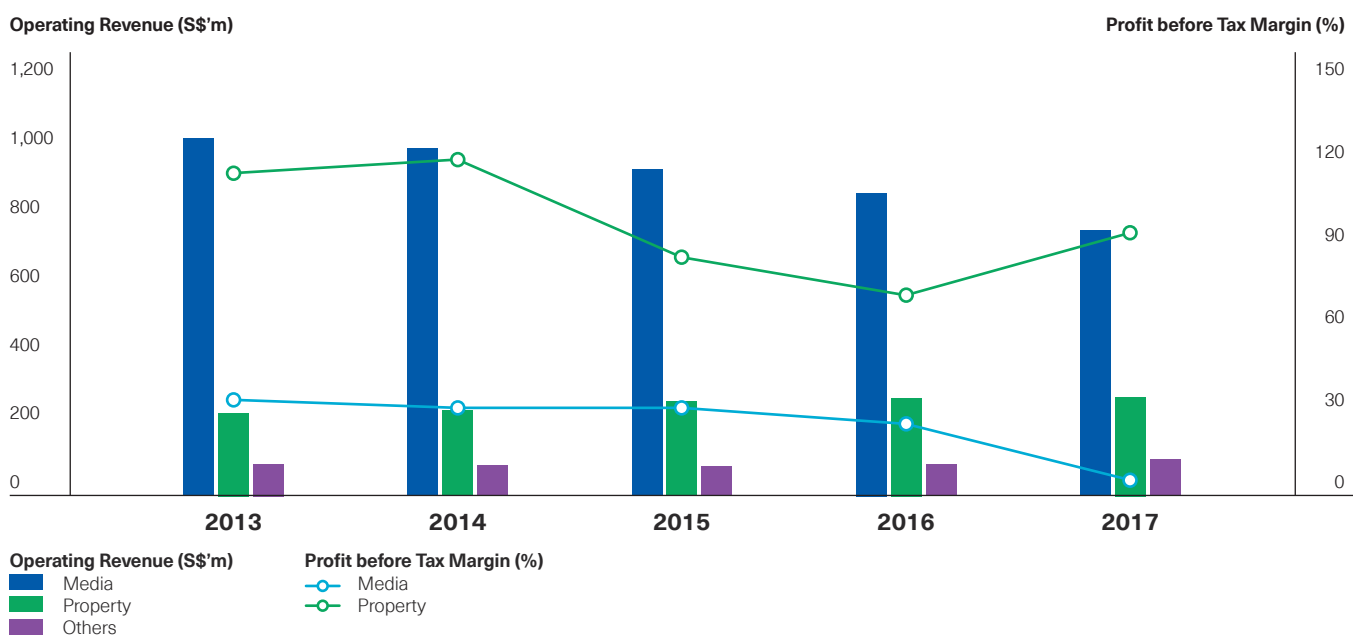


FINANCIAL REVIEW

Group Simplified Financial Position

	2017 S\$'000	2016 S\$'000	2015 S\$'000	2014 S\$'000	2013 S\$'000
Assets					
Property, plant and equipment	235,042	219,523	249,976	285,562	331,778
Investment properties	4,034,771	3,963,000	3,940,951	3,860,451	3,672,565
Investments	972,586	1,134,961	1,184,114	1,716,333	1,557,332
Intangible assets	204,443	149,312	188,595	173,152	171,357
Cash and cash equivalents	312,647	312,894	292,246	442,937	465,398
Trade and other receivables	323,356	142,684	196,580	148,115	150,761
Inventories	21,892	21,225	12,477	23,947	23,890
Other assets	1,673	289	5,103	899	273
Total	6,106,410	5,943,888	6,070,042	6,651,396	6,373,354
Shareholders' interests					
Capital and reserves	3,488,398	3,517,326	3,618,813	3,687,095	3,536,480
Non-controlling interests	734,926	724,078	727,837	709,088	679,226
Liabilities					
Borrowings					
Non-current	528,044	1,197,399	947,271	879,107	1,738,222
Current	971,695	99,954	336,681	926,369	2,721
Trade and other payables					
Non-current	37,556	43,444	48,199	34,875	34,026
Current	241,352	245,665	271,171	298,046	268,969
Taxation					
Deferred	49,190	47,372	50,658	46,901	41,318
Current	46,591	56,271	62,331	60,502	69,613
Other liabilities	8,658	12,379	7,081	9,413	2,779
Total	6,106,410	5,943,888	6,070,042	6,651,396	6,373,354

Segmental Operating Revenue and Profit Margin



VALUE ADDED STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

	2017 S\$'000	2016 S\$'000
Sale of goods and services	1,032,515	1,124,349
Purchase of materials and services	(295,119)	(302,863)
Value added from operations	737,396	821,486
Non-production income and expenses:		
Net income from investments	53,865	51,753
Share of results of associates and joint ventures	562	(7,704)
Impairment of associates and a joint venture	(35,459)	–
Allowance for impairment of trade receivables	1,277	(598)
Bad debts recovery	152	167
Loss on disposal of property, plant and equipment	(154)	(374)
Impairment of property, plant and equipment	(22,785)	–
Impairment of intangible assets (including goodwill)	(37,780)	(28,358)
Gain on acquisition of a business by a subsidiary	289	–
Gain on divestment of associates and joint ventures	149,988	113
Write-back of allowance for impairment of an associate	–	259
Net foreign exchange differences from operations	(805)	1,392
Total value added	846,546	838,136
Distribution:		
Employees' wages, provident fund contributions and other benefits	366,213	372,738
Corporate and other taxes	59,813	81,250
Finance costs	31,300	31,271
Donation and sponsorship	917	1,156
Directors' fees	1,648	1,596
Net dividends to shareholders	274,556	322,818
Total distributed	734,447	810,829
Retained in the business:		
Fair value change on investment properties	(57,386)	(11,823)
Depreciation and amortisation	48,825	55,809
Non-controlling interests	45,131	40,846
Retained earnings	75,529	(57,525)
	846,546	838,136
Productivity ratios:		
	S\$	S\$
Value added		
Per employee	162,996	193,792
Per \$ employment costs	2.01	2.20
Per \$ investment in property, plant and equipment (before depreciation)	0.70	0.82
Per \$ operating revenue	0.71	0.73

CORPORATE INFORMATION

EXECUTIVE COMMITTEE

Lee Boon Yang (Chairman)
Bahren Shaari
Ng Yat Chung
Quek See Tiat

AUDIT COMMITTEE

Quek See Tiat (Chairman)
Janet Ang Guat Har
Andrew Lim Ming-Hui
Tan Chin Hwee

BOARD RISK COMMITTEE

Andrew Lim Ming-Hui (Chairman)
Janet Ang Guat Har
Ng Yat Chung
Tan Chin Hwee
Tan Yen Yen

NOMINATING COMMITTEE

Bahren Shaari (Chairman)
Lee Boon Yang
Chong Siak Ching
Andrew Lim Ming-Hui

REMUNERATION COMMITTEE

Lee Boon Yang (Chairman)
Chong Siak Ching
Tan Yen Yen

AUDITORS

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Audit Partner: Ong Pang Thye
(Appointed in 2013)

COMPANY SECRETARIES

Ginney Lim May Ling
Khor Siew Kim

REGISTERED OFFICE

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Singapore 318994
Tel: (65) 6319 6319
Fax: (65) 6319 8282
Email: sphcorp@sph.com.sg
Co.Reg.No. 198402868E

SHARE REGISTRATION OFFICE

Tricor Barbinder Share
Registration Services
80 Robinson Road, #02-00
Singapore 068898
Tel: (65) 6236 3333

INVESTOR RELATIONS

Investor Relations Calendar

1st Quarter 2017 (September – November 16)

- 2016 Full Year Financial Results Announcement and Media Conference & Analysts' Briefing with audio webcast
- Full Year Results Investor Meeting
- ◆ Morgan Stanley Asia Pacific Summit 2016 (Singapore)
- Release of Annual Report 2016

2nd Quarter 2017 (December 16 – February 17)

- Annual General Meeting
- Payment of 2016 Final Dividends
- Announcement of 1Q FY2017 results
- Post 1Q Results Investor Meeting

3rd Quarter 2017 (March – May 17)

- ◆ Credit Suisse Asian Investment Conference (Hong Kong)
- Announcement of 2Q/HY FY2017 Results and Analysts' Briefing with audio webcast
- Post 2Q Results Investor Meeting

4th Quarter 2017 (June – August 17)

- Announcement of 3Q FY2017 Results
- Post 3Q Results Investor Meeting
- ◆ Invest Fair 2017

◆ Investor conferences and events attended

Financial Calendar

2017

- 11 October
Announcement of FY2017 Results
- 8 December
Record Date for Dividend Entitlement
- 22 December
Proposed Payment of 2017 Final Dividends

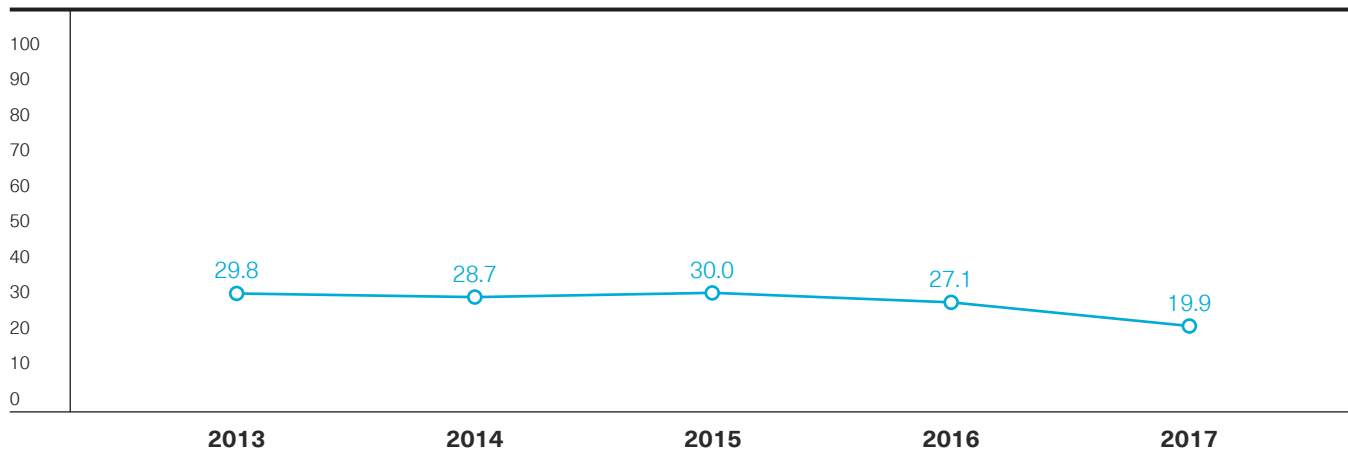
2018*

- 12 January
Announcement of 1Q FY2018 Results
- 13 April
Announcement of 2Q/HY FY2018 Results
- 11 July
Announcement of 3Q FY2018 Results
- 15 October
Announcement of FY2018 Results

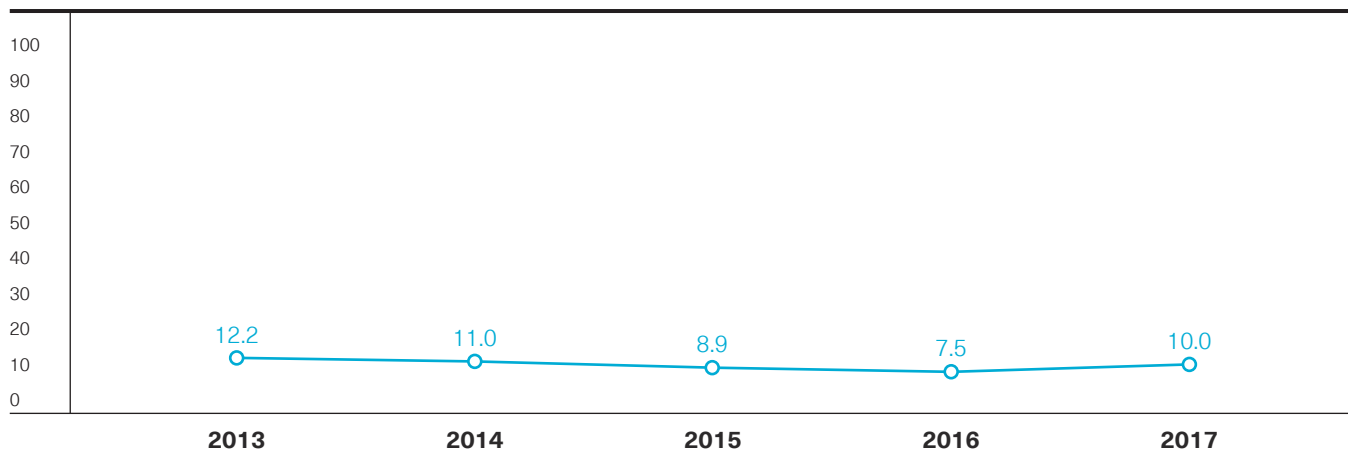
* The dates are indicative and subject to change. Please refer to SPH website, www.sph.com.sg, for the latest updates.

INVESTOR REFERENCE

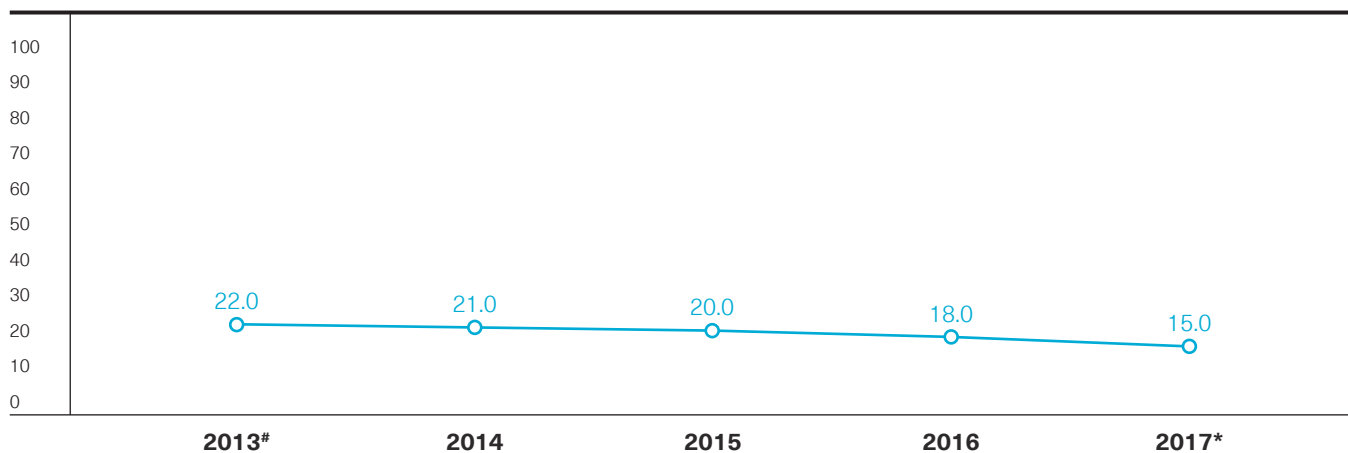
Operating Margin* (%)



Return on Shareholders' Funds (%)



Dividend per Share (cents)

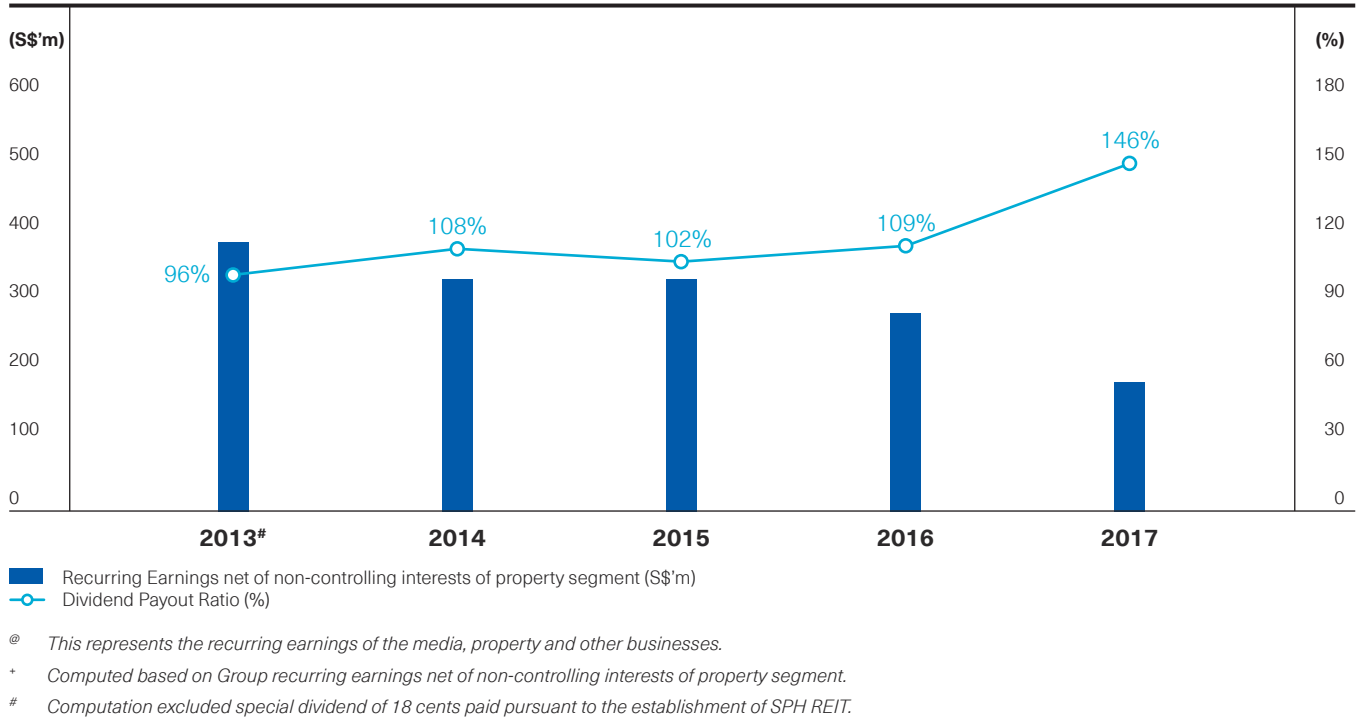


* Computed based on Group recurring earnings.

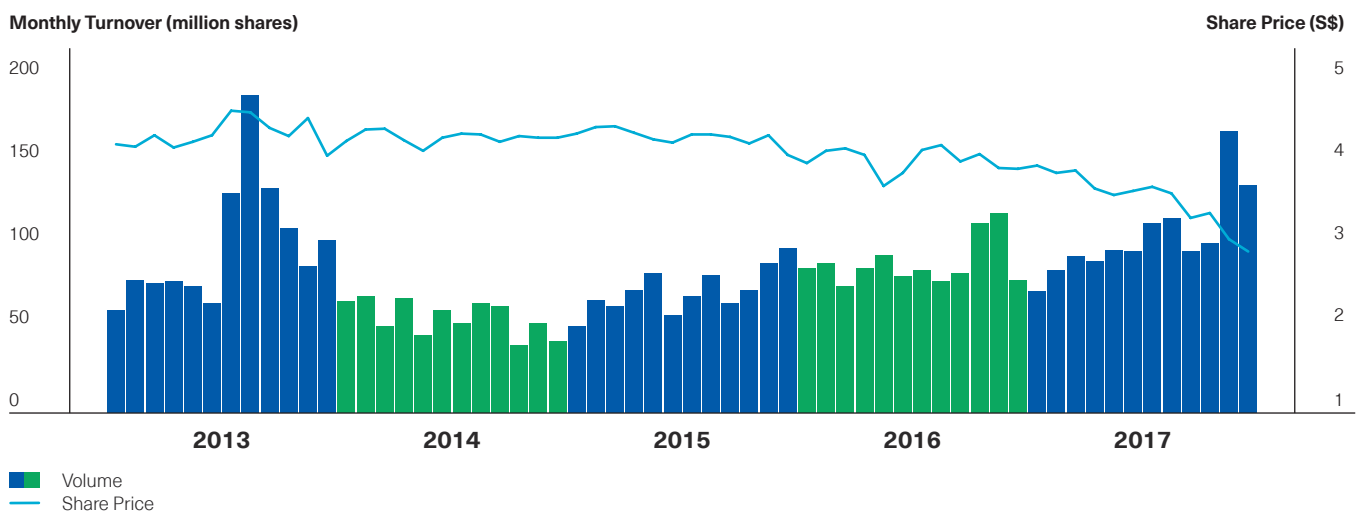
[#] Excluded special dividend of 18 cents per share paid pursuant to the establishment of SPH REIT.

^{*} Included interim dividend of 6 cents per share, and proposed final dividend of 9 cents per share comprising a normal dividend of 3 cents per share and a special dividend of 6 cents per share. The proposed dividend is subject to approval by shareholders at the Annual General Meeting on December 1, 2017.

Recurring Earnings® and Dividend Payout Ratio*



Share Price and Volume



	2013	2014	2015	2016	2017
	S\$	S\$	S\$	S\$	S\$
Highest closing price	4.65	4.29	4.34	4.15	3.87
Lowest closing price	3.91	3.93	3.88	3.50	2.76
August 31 closing price	3.93	4.15	3.94	3.77	2.76
Price/Earnings Ratio based on August 31 closing price	14.56	16.60	19.70	23.56	12.55

Source : Bloomberg

SUSTAINABILITY REPORT

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Introduction

This report looks at the sustainability practices and strategy of SPH and its subsidiaries (the Group).

To lead SPH's sustainability strategy, a sustainability reporting committee made up of representatives from different divisions and business units was formed.

A stakeholder and materiality analysis was conducted across divisions and businesses. This allowed the committee to assess the key issues and ensure that social, governance, economic and environmental considerations are taken into account in SPH's sustainability efforts.

This is the Group's sixth report since 2012, and was compiled with inputs from KPMG who was appointed as the sustainability consultant last year. Participating business divisions were briefed to develop data collection templates, decide on the material factors to be tracked and address any deviations from set performance outcomes and targets.

SPH will continue to work towards a more robust sustainability report.

Our sustainability focus

The Sustainability Report is based on economic, social and environmental issues that are material to the Group's business operations and stakeholders.

As the leading content provider in Singapore, producing accurate and timely news reports across our full suite of media channels is priority. SPH also offers various cross-media solutions to support integrated marketing campaigns for advertisers.

Behind every satisfied customer is a dedicated staff. SPH understands the importance of implementing effective human resource policies and practices that promote safe and healthy working conditions, fair employment practices, teamwork, learning and development, career growth and rewards to attract, retain and grow talent.

In the area of energy consumption, SPH strives for energy savings in its printing plant and offices. Cutting down on energy usage not only helps to mitigate climate change, but also saves costs for the Group. Reduction in water usage and proper waste management are the other key areas that contribute to environmental sustainability.

As an active corporate citizen, SPH and SPH Foundation have supported various social and environmental projects that contribute to the well-being and development of the community.

Stakeholder Engagement

SPH is committed to building lasting and mutually beneficial relationships with its stakeholders. It engages with them regularly to earn their trust and understanding over time. The following table shows the various stakeholders of the Group and how we work with them.

SUSTAINABILITY REPORT

Stakeholders	What do they expect from us?	Our solutions
Employees	<p>To work in a conducive and pleasant environment where there is personal development and productivity, and user-friendly means to apply for leave and training courses.</p> <p>To be kept updated on the company's latest strategic developments, empowering them to feel greater loyalty and ownership.</p> <p>To pick up tips for personal development to achieve career growth and work-life balance.</p>	<p>SPH adopts good human resource policies and practices that promote fairness, safe working conditions, reward good performance, encourage teamwork, ensure career growth and provide work-life balance, e.g. through provision of nursing rooms and encouraging staff to take part in sports and leisure events such as SPH Games Day and SPH Family Day.</p> <p>There are also channels for staff to provide their feedback and suggestions to the management to facilitate communication.</p>
Trade Unions	<p>To facilitate access to employees and promote membership in the trade unions, with the aim of encouraging engagement between management and staff through regular dialogue.</p>	<p>SPH has open communication channels with the unions and engages them on both official and non-official occasions.</p>
Customers	<p>To provide on-time delivery of newspapers and up-to-date, reliable news and content, anytime and anywhere.</p>	<p>SPH ensures reliable newspaper delivery services, prompt handling of complaints and maintains high levels of customer service. It also engages its readers on multi-platforms and channels.</p>
Suppliers	<p>To ensure suppliers comply with the company's terms and conditions, and purchasing policies and procedures.</p> <p>To familiarise suppliers with new procurement policies and platforms, and to discourage any fraud or impropriety in dealings with staff.</p>	<p>SPH has in place fair-value and competitive-based policies and best practices that ensure a fair selection of suppliers and an ethical procurement process, based on quotations and tenders received.</p> <p>Implemented Procurement-to-Payment System to streamline and automate workflow for suppliers and internal staff, thus increasing efficiency and productivity.</p>
Distributors/ Retailers/ Tenants/Shoppers	<p>To receive goods, products and services in an orderly and timely manner, and delivering a memorable retail experience for shoppers.</p> <p>To explore ideas for partnerships with tenants and retailers to deliver memorable shopping experiences.</p>	<p>SPH conducts regular sales planning and support for tenants, with frequent visits by account managers and offering them a designated channel for prompt attention.</p> <p>Through shopper audience targeting, it is able to tailor-make its advertising and promotions efforts to reach out to the various segments of shoppers.</p>
Business Partners	<p>To engage in collaborative partnerships to grow the business.</p>	<p>By reaching out to suitable partners to pursue mutually beneficial business objectives to achieve growth and profitability.</p>

Stakeholders	What do they expect from us?	Our solutions
Investors/Shareholders	To disseminate accurate and timely information on the company's progress and profitability, with updates on future plans.	<p>SPH strives to generate optimum returns on investment, practises good corporate governance, transparency and disclosure, as well as strives for sustainable and long term growth.</p> <p>It keeps the financial community fully updated with correct and timely information on the company's future plans.</p>
Local Communities	To be a company that is a responsible and caring corporate citizen, serving the local communities.	<p>By having a wide range of community outreach programmes and organising meaningful and impactful charitable events like the SPH Charity Carnival, SPH Gift of Music concerts.</p> <p>SPH also proactively supports various charitable causes in arts, education and sports, among others.</p>
Media and Industry Partners	To provide access to latest company announcements, corporate news and developments of the media industry.	By providing timely and accurate information on company developments and news on a regular basis.
Government and Regulators	To ensure the company complies with guiding policies and regulations and addresses pertinent issues.	<p>By complying with existing laws and having policies and procedures to ensure adherence and sustainability of the business.</p> <p>Giving feedback to regulators on their new laws and policies.</p>
Trade Associations	For the company to lend support and voice out various concerns and issues faced by the industry.	By contributing via active membership and participation in industry forums and dialogues.
Advocacy Groups and Charitable and Welfare Organisations	For the company to have responsible business practices, reducing impact on the environment and disclosing information pertaining to business growth and sustainability.	By working with advocacy groups e.g. on conservation projects that seek to reduce environmental impact, and supporting charitable causes.

SUSTAINABILITY REPORT

Trade membership

SPH has established strategic partnerships and linkages with a diverse range of local and overseas corporate members and public bodies, which include:

- AdAsiaAdbase Users Group
- Advertising Standards Authority of Singapore
- ASEAN Newspaper Printers
- Association of Media Owners (Singapore)
- Audit Bureau of Media Consumption
- AustCham
- Business China
- Central Singapore Development Council
- Contact Centre Association of Singapore
- Digital Filipino
- FIPP
- Fire Safety Managers' Association Singapore
- GOSS Metro User
- Id-ecommerce
- Interactive Advertising Bureau SEA (Singapore Chapter)
- Institute of Advertising Singapore
- International Classified Media Association
- Institute of Internal Auditors
- International News Media Association
- Internet and Mobile Marketing Association of the Philippines
- Institute of Public Relations Singapore
- Institute of Policy Studies
- Institute of Technical Education
- Interactive Advertising Bureau SEA (Singapore Chapter)
- Investor Relations Professionals Association (Singapore)
- Malaysia Digital Association
- Marketing Institute of Singapore
- Master Printing System Club
- Management Development Institute of Singapore
- Media Publishers Association Singapore
- Newspaper Association of America
- National Safety and Security Watch Group
- Orchard Road Business Association
- Real Estate Developers' Association of Singapore
- Reits Association of Singapore (Reitas)
- Resource Information Systems Inc (RISI)
- Pacific Area Newspaper Publishers' Association Inc
- Security Industry Institute
- Singapore Association of the Institute of Chartered Secretaries & Administrators
- Singapore Business China
- Singapore Business Federation
- Singapore Chinese Chamber of Commerce and Industry
- Singapore Compact
- Singapore Human Resources Institute
- Singapore International Chamber of Commerce
- Singapore Institute of Directors
- Singapore Institute of Management
- Singapore Institute of Safety Officers
- Singapore Mediation Centre
- Singapore National Employers Federation
- Singapore Retailers' Association
- Singapore Press Club
- Singapore Vehicle Traders Association
- Southeast Community Development Council
- The Association of Accredited Advertising Agents Singapore
- The Association of Shopping Centres (Singapore)
- The Chinese Language Press Institute
- The Society of News Design
- Workplace Safety and Health Council
- World Association of Newspapers and News Publishers

Through SPH's membership in these trade associations, SPH staff can network and interact with their peers and other industry professionals, explore and forge working partnerships and keep up with the latest industry trends and developments.

Feedback

This report demonstrates our commitment to keep our diverse base of stakeholders - employees, customers, investors, business partners and community members - informed of our social and environmental developments.

We welcome feedback and can be reached at sphcorp@sph.com.sg.

CORPORATE GOVERNANCE REPORT

SPH is committed to achieving high standards of corporate governance, to promote corporate transparency and to enhance shareholder value. It firmly believes that good corporate governance is essential to the sustainability of the Company's business and performance. SPH is pleased to confirm that it has adhered to the principles and guidelines of the Code of Corporate Governance 2012 (the "Code"). In so far as any guideline has not been complied with, the reason has been provided.

The Annual Report should be read in totality for SPH's full compliance.

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Board's Leadership and Control

The Board is collectively responsible for providing overall strategy and direction to the Management and the Group. Through the Board's leadership, the Group's businesses are able to achieve sustainable and successful performance.

The principal functions of the Board are as follows:

- (a) decide on matters in relation to the Group's activities which are of a significant nature, including decisions on strategic directions and guidelines and the approval of periodic plans and major investments and divestments;
- (b) oversee the business and affairs of the Company, establish, with Management, the strategies and financial objectives to be implemented by Management, and monitor the performance of Management;
- (c) oversee processes for evaluating the adequacy and effectiveness of internal controls and risk management systems;
- (d) set the Company's values and standards (including ethical standards); and
- (e) consider sustainability issues such as environmental and social factors as part of its strategic formulation.

Matters requiring the Board's decision and approval include:

1. Major funding proposals, investments, acquisitions and divestments including the Group's commitment in terms of capital and other resources;
2. The annual budgets and financial plans of the Group;
3. Annual and quarterly financial reports;
4. Internal controls and risk management strategies and execution; and
5. Appointment of directors and key management staff, including review of their performance and remuneration packages.

The Group has in place, financial authorisation limits for matters such as operating and capital expenditure, credit lines and acquisition and disposal of assets and investments, which require the approval of the Board.

CORPORATE GOVERNANCE REPORT

All Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Group. However, to ensure that specific issues are subject to in-depth and timely review, certain functions have been delegated to various Board Committees, which would submit its recommendations or decisions to the Board. The Board Committees constituted by the Board are the Executive Committee ("EC"), Audit Committee ("AC"), Remuneration Committee ("RC"), Nominating Committee ("NC") and Board Risk Committee ("BRC"). Each of these Board Committees has its own terms of reference.

The EC comprises Dr Lee Boon Yang (Chairman), Mr Bahren Shaari, Mr Quek See Tiat and Mr Ng Yat Chung. Mr Chan Heng Loon Alan stepped down as a member of the EC on 1 September 2017.

The EC's principal responsibilities are as follows:-

- (a) review, with Management, and recommend to the Board the overall corporate strategy, objectives and policies of the Group, and monitor their implementation;
- (b) consider and recommend to the Board, the Group's five year plan and annual operating and capital budgets;
- (c) review and recommend to the Board proposed investments and acquisitions of the Group which are considered strategic for the long-term prospects of the Group;
- (d) approve the Company's asset allocation strategy, appointment and termination of external fund managers and investment/divestment of securities and review investment guidelines, treasury management and investment performance;
- (e) act on behalf of the Board in urgent situations, when it is not feasible to convene a meeting of the entire Board; and
- (f) carry out such other functions as may be delegated to it by the Board.

Details of other Board Committees are as set out below:

1. Audit Committee (Principle 12);
2. Remuneration Committee (Principle 7);
3. Nominating Committee (Principle 4); and
4. Board Risk Committee (Principle 11).

Board Attendance

The Board meets on a quarterly basis and as warranted by particular circumstances. The Board met eleven times in the financial year ended 31 August 2017 ("FY2017"), of which four were the regular quarterly meetings and seven were meetings to discuss other important and strategic matters. A Director who is unable to attend any meeting in person may participate via tele-conference. The attendance of the Directors at meetings of the Board and Board Committees, and the frequency of such meetings, is disclosed on page 75. A Director who fails to attend three Board meetings consecutively, without good reason, will not be nominated by the NC for re-appointment and will be deemed to have resigned.

Training for Directors

Upon the appointment of a Director, he is provided with a formal letter setting out his key duties and obligations. A comprehensive orientation and induction programme, including site visits to the Group's operating centres, is organised for new Directors to familiarise them with the Group's business, operations, organisation structure and corporate policies. They are also briefed on the Company's corporate governance practices, the prevailing regulatory regime and their duties as Directors.

Directors are updated regularly on changes in relevant laws and regulations; industry developments; business initiatives and challenges; and analyst and media commentaries on matters related to the Company and the media industry. As part of the Directors' ongoing training, Directors are informed and encouraged to attend, at the Company's expense, relevant training programmes conducted by the Singapore Institute of Directors, Singapore Exchange Limited, and other business and financial institutions and consultants.

For FY2017, Directors were provided with training in the areas of audit committee duties, disruptive technologies and cybersecurity, in addition to updates on regulatory requirements such as the Singapore Exchange Securities Trading Limited ("SGX") Listing Manual and the Companies Act.

Directors may, at any time, request for further explanation, briefings or informal discussions on any aspect of the Group's operations or business issues from Management.

They are also informed about matters such as the Code of Dealings in the Company's shares as they are privy to price sensitive information.

Board Composition and Guidance

Principle 2: Strong and Independent Board

As at the date of this report, the Board comprises nine Directors, all of whom, except for the CEO, are non-executive and independent Directors. Mr Alan Chan stepped down as a Director and CEO on 1 September 2017. Each Director has been appointed on the strength of his/her calibre and experience.

SPH is committed to building an open, inclusive and collaborative culture, and recognises the benefits of having a Board with diverse backgrounds and experience. Such diversity will provide a wider range of perspectives, skills and experience, which will allow Board members to better identify possible risks, raise challenging questions, and contribute to problem-solving. The Board and NC are of the view that the current composition of the Board encompasses an appropriate balance and diversity of skills, experience, gender, knowledge and competencies such as accounting, finance, legal, business or management experience, industry knowledge and strategic planning experience.

The Directors have, with the concurrence of the NC, decided that the optimum size of a Board for effective deliberation and decision making is between 10 and 12, and that the Board should have a maximum of 12 Directors, taking into account the nature and scope of the operations of the Company, the requirements of the Company's businesses and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

CORPORATE GOVERNANCE REPORT

Review of Directors' independence

The NC reviews annually whether a Director or potential candidate for the Board is considered an independent director bearing in mind the Code's definition of an "independent director" and guidance as to the relationships, the existence of which would deem a Director not to be independent (Guideline 2.3).

There is a strong independence element in the Board, with the NC considering eight out of its current nine Directors to be independent. The NC has ascertained that for the period under review, all the non-executive Directors are independent. For transparency, the NC has set out its determination of the independence of Mr Andrew Lim and Ms Janet Ang.

The NC (save for Mr Andrew Lim who abstained from deliberation in this matter) noted that Mr Andrew Lim, who was appointed to the Board of the Company on 1 January 2017, is a partner of Allen & Gledhill LLP, which is one of the law firms providing legal services to the Group. Mr Lim had declared to the NC that he did not have a 10% or more stake in Allen & Gledhill LLP, which received total fees and disbursements exceeding S\$200,000 from the Group in FY2017 for the provision of legal services. The NC also took into account Mr Lim's actual performance on the Board and Board Committees and agreed that Mr Lim has at all times discharged his duties with professionalism and objectivity, and exercised strong independent judgment in the best interests of the Company, and should therefore continue to be deemed an independent Director.

The NC noted that Ms Janet Ang is the Vice-President, IBM Asia Pacific, which has business dealings with the Group. Ms Ang had declared to the NC that she did not have a 10% or more stake in IBM and was not involved in the negotiation of contracts of business dealings between SPH and IBM, which had transactions with SPH of more than S\$200,000 in FY2017. The NC also took into account Ms Ang's actual performance on the Board and Board Committees and agreed that Ms Ang has at all times discharged her duties with professionalism and objectivity, and exercised strong independent judgment in the best interests of the Company, and should therefore continue to be deemed an independent Director.

For the above reasons, the NC has determined Mr Lim and Ms Ang to be independent Directors.

Key information regarding the Directors, including directorship and chairmanship both present and those held over the preceding three years in other listed companies, and other principal commitments, are set out in the Board of Directors' section and on pages 24 to 27 which provide further information on them.

The Board and Management are given opportunities to engage in open and constructive debate for the furtherance of strategic objectives. All Board members are supplied with relevant, complete and accurate information on a timely basis and non-executive Directors may challenge Management's assumptions and also extend guidance to Management, in the best interest of the Group.

To facilitate open discussions and the review of the performance and effectiveness of Management, the independent and non-executive Directors regularly meet without the presence of Management or executive Directors for informal discussions. This includes a continual review of the performance and effectiveness of Management in meeting agreed goals and objectives, and succession planning and leadership development.

Chairman and Chief Executive Officer

Principle 3: Clear division of responsibilities between Chairman and Chief Executive Officer to ensure a balance of power and authority

The Chairman and CEO of the Company are separate persons. The Chairman is a non-executive and independent Director and also chairs the EC and the RC. He sets the agenda for Board meetings, ensures that adequate time is available for discussion of all agenda items, in particular, strategic issues, and that complete, adequate and timely information is made available to the Board. He encourages constructive relations within the Board and between the Board and Management, facilitates the effective contribution of non-executive Directors, and ensures effective communications with shareholders. He takes a lead role in promoting high standards of corporate governance, with the full support of the Directors, the Company Secretary and Management.

The Chairman and the CEO are not related. The CEO bears executive responsibility for the Group's business and implements the Board's decisions. The roles of the Chairman and the CEO are kept separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Company does not have any lead Independent Director given that the Chairman and CEO are not the same person and are not immediate family members, and that the Chairman is not part of the Management team and is an independent Director.

Board Membership

Principle 4: Formal and transparent process for appointment and re-appointment of directors

The Board reviews the composition of the Board and Board Committees periodically, taking into account the need for progressive renewal of the Board and each Director's competencies, commitment, contribution and performance.

To ensure that the governance and business needs of the Group are adequately addressed, the NC regularly reviews the capabilities of the Directors collectively by taking into account their skills, experience, diversity, and company and industry knowledge.

The NC comprises Mr Bahren Shaari (Chairman), Dr Lee Boon Yang, Ms Chong Siak Ching and Mr Andrew Lim, all of whom are non-executive and independent Directors.

The functions of the NC include the following:

- (a) To identify candidates for nomination and make recommendations to the Board on all board appointments;
- (b) To re-nominate directors, having regard to the director's contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an independent director.
- (c) To determine annually whether a director is independent;
- (d) To review the balance and diversity of skills, experience, gender, knowledge and competencies of the Board, and its size and composition;
- (e) To develop and recommend to the Board a process for evaluation of the performance of the Board, Board Committees and directors;
- (f) To assess the effectiveness of the Board, the Board Committees and the contribution by each individual director to the effectiveness of the Board;
- (g) To review and recommend to the Board the succession plans for directors, in particular, the Chairman and the Chief Executive Officer;
- (h) To review and recommend the training and professional development programmes for the Board; and
- (i) To review the succession plans and the development programmes for key executive/editorial positions.

The NC reviews the size of the Board and recommends that the optimum board size should not exceed 12. The NC regularly reviews the balance and mix of expertise, skills and attributes of the Directors in order to meet the business and governance needs of the Group.

CORPORATE GOVERNANCE REPORT

Process for selection of new directors

The NC shortlists candidates with the appropriate profile for nomination or re-nomination and recommends them to the Board for approval. It looks out for suitable candidates to ensure continuity of Board talent. Some of the selection criteria used are integrity, independent-mindedness, diversity, ability to commit time and effort to the Board, track record of good decision-making, experience in high-performing companies and financial literacy. The Committee may seek advice from external search consultants where necessary.

The appointment of Directors is also in accordance with Section 10 of the Newspaper and Printing Presses Act (Cap 206).

The Board does not have alternate directors as recommended by Guideline 4.5 of the Code.

Directors' time commitment

The NC has adopted internal guidelines addressing competing time commitments that arise when Directors serve on multiple boards and have other principal commitments. As a guide, Directors should not have more than six listed company board representations and other principal commitments.

The NC monitors and determines annually whether Directors who have multiple board representations and other principal commitments, are able to give sufficient time and attention to the affairs of the Company and adequately carry out his duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and his actual conduct on the Board, in making this determination.

The NC was satisfied that in FY2017, despite their other listed company board representations and other principal commitments, each of the Directors was able to give sufficient time and attention to the affairs of the Company, and was able to adequately carry out his duties as a Director of the Company.

Re-nomination of directors

As a matter of corporate governance, all Directors are required to submit themselves for re-nomination and re-election at regular intervals, and at least once every three years. Article 116 of the Company's Constitution requires one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third, to retire by rotation at every annual general meeting ("AGM"). These Directors may offer themselves for re-election, if eligible.

Succession Planning

The NC regards succession planning as an important part of corporate governance and has an internal process of succession planning for the Chairman, Directors, the CEO and senior Management, to ensure the progressive and orderly renewal of the Board and key executives.

Board Performance

Principle 5: Formal assessment of the effectiveness of the Board, Board Committees and contribution of each director

The NC reviews the performance of the Board, Board Committees and individual Directors on an annual basis, based on performance criteria as agreed by the Board, and decides how this may be evaluated.

The Board has a process for assessing the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by the Chairman and individual Directors to the effectiveness of the Board.

Board Evaluation Process

The Board evaluation process involves having Directors complete a Questionnaire seeking their views on various aspects of Board performance, such as Board composition, information, process and accountability. The Company Secretary compiles Directors' responses to the Questionnaire into a consolidated report. The report is discussed at the NC meeting and also shared with the Board. The NC assessed the performance of the Board as a whole, based on performance criteria (determined by the NC and approved by the Board), such as the Board's composition and size, the Board's access to information, Board processes, Board accountability, standard of conduct and performance of the Board's principal functions and fiduciary duties, and guidance to and communication with Management. The performance criteria do not change from year to year, unless the NC is of the view that it is necessary to change the performance criteria, for example, in order to align with any changes to the Code.

Individual Director Evaluation

The Company also conducted a peer and self evaluation to assess the performance of individual Directors. Performance criteria include factors such as the Director's attendance, preparedness, candour, participation and contribution at Board meetings, industry and business knowledge, functional expertise, and commitment and dedication. The results of the peer and self evaluation are compiled by the Company Secretary and given to the Board Chairman, who assesses the performance of the individual Directors, and will discuss with each individual Director if necessary.

Access to Information

Principle 6: Provision of complete, adequate and timely information prior to board meetings and on an on-going basis

Complete, adequate and timely information

The Board is provided with quarterly financial accounts, other financial statements and progress reports of the Group's business operations, as well as analysts' reports on the Company. The quarterly financial results and annual budget are presented to the Board for approval. The monthly internal financial statements are made available to members of the Board. The financial results are also compared against the budgets, together with explanations given for significant variances for the reporting period. The Board also receives regular updates on the industry and technological developments. Such reports enable Directors to keep abreast of key issues and developments in the industry, as well as challenges and opportunities for the Group.

As a general rule, board papers are sent to Directors one week in advance in order for Directors to be adequately prepared for the meeting. Senior Management attends Board meetings to answer any query from the Directors. The Directors also have unrestricted access to the Company Secretary and Management at all times. Directors are entitled to request from Management and provided with such additional information as needed to make informed and timely decisions.

Company Secretary

The Company Secretary works closely with the Chairman in setting the agenda for board meetings. She attends all Board meetings and ensures that board procedures are followed and that applicable rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flow within the Board and its Board Committees, and between Management and non-executive Directors. The Company Secretary also organises orientation and training for new Directors, as well as provides updates and advises Directors on all governance matters. The Constitution provides that the appointment and removal of the Company Secretary is subject to the approval of the Board.

Should Directors, whether as a group or individually, need independent professional advice relating to the Company's affairs, the Company Secretary will appoint a professional advisor to render the relevant advice. The cost of such professional advice will be borne by the Company.

CORPORATE GOVERNANCE REPORT

Remuneration Matters

Principle 7: Formal and transparent procedure for fixing remuneration packages of directors

The RC comprises Dr Lee Boon Yang (Chairman), Ms Tan Yen Yen and Ms Chong Siak Ching, all of whom are non-executive and independent Directors.

The functions of the RC include the following:

- (a) review and recommend to the Board of Directors a framework of remuneration for the Board, Chief Executive Officer (“CEO”) and key executives;
- (b) review and recommend to the Board the specific remuneration packages for each director, the CEO and key executives;
- (c) review all aspects of remuneration, including but not limited to directors’ fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;
- (d) review and administer the share and other incentive scheme(s) adopted by the Group and to decide on the allocations to eligible participants under the said scheme(s); and
- (e) review the Company’s obligations arising in the event of termination of the executive directors’ and key executives’ contracts of service, so as to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC sets the remuneration guidelines of the Group for each annual period, including the structuring of long-term incentive plans, annual salary increases and variable and other bonuses for distribution to employees. It administers the SPH Performance Share Plan 2016 which was approved by shareholders at the Annual General Meeting on 1 December 2016 (“Share Plan”). The RC also reviews the remuneration framework (covering all aspects of remuneration including but not limited to Directors’ fees, salaries, allowances, bonuses, share-based incentives and awards, and benefits in kind) and specific remuneration packages of Directors including that of the CEO, and key Management and submits its recommendations to the Board for endorsement. The RC reviews any overly-generous obligation on the part of the Company in the event of termination, to ensure that such contracts contain fair and reasonable termination clauses. The RC also aims to be fair and avoid rewarding poor performance.

There are no termination, retirement and post-employment benefits granted to Directors, the CEO or the top five key Management personnel in FY2017.

The RC may seek expert advice inside and/or outside of the Company on remuneration of Directors and staff. It ensures that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. Mercer (Singapore) Pte Ltd, the consultant engaged to advise on staff remuneration matters in FY2017, does not have such relationship with the Company.

Level and Mix of Remuneration

Principle 8: Appropriate remuneration to attract, retain and motivate directors and key management

The Company takes into account its long term interests and risk policies and has structured remuneration packages on measured performance indicators, taking into account financial and non-financial factors. The details are set out under Principle 9.

Disclosure on Remuneration

Principle 9: Clear disclosure on remuneration policy, level and mix

Directors' Remuneration

For the period under review, the CEO's remuneration package includes a variable bonus element and performance share grant, which are based on the Company's and individual performance and have been designed to align his interests with those of shareholders. As an executive Director, the CEO does not receive Directors' fees.

Non-executive Directors, including the Chairman, are paid Directors' fees, subject to the approval of shareholders at the AGM. Directors' fees comprise a basic retainer fee, fees in respect of service on Board Committees, attendance fees, and, where appropriate, fees for participation in special projects, adhoc committees and subsidiary boards. The Directors' fees are appropriate to the level of contribution, taking into account factors such as effort and time spent, and the responsibilities of the Directors, such that the independence of the non-executive Directors is not compromised by their compensation.

The Directors' fee structure for service on the Board and Board Committees remains unchanged from that of FY2016, with the scale of fees payable to the non-executive Directors held flat since 2007, and is as follows:

	S\$
Non-executive Chairman	115,000
Non-executive Director	60,000
Audit Committee Chairman	37,500
Audit Committee Member	22,500
Nominating/Remuneration/Board Risk Committee Chairman	22,500
Nominating/Remuneration/Board Risk Committee Member	12,500
Executive Committee Chairman	40,000
Executive Committee Member	25,000

The attendance fees payable to Directors for attendance at each Board and Board Committee meeting are as follows:

	S\$
Board meeting	2,000
Board Committee or adhoc committee meeting	1,000

CORPORATE GOVERNANCE REPORT

A breakdown, showing the level and mix of each individual Director's remuneration payable for FY2017 is as follows:-

Name of Director	Directors' Fees (S\$)	Base/Fixed Salary (%)	Variable or Bonuses (%)	Benefits in Kind (%)	Share-Based* (%)	Total (S\$)
Executive Director						
Chan Heng Loon Alan (CEO) [@]	–	36.15%	31.82%	1.20%	30.83%	3,000,000
Ng Yat Chung (Executive Director) [#]	–	84.81%	15.19%	0.00%	0.00%	188,000

[@] Mr Alan Chan resigned as a Director and CEO on 1 September 2017.

[#] Mr Ng Yat Chung was appointed as Executive Director on 1 July 2017, and as CEO on 1 September 2017.

* Based on the fair values of performance shares granted in FY2017.

Independent Directors Below S\$250,000						
Lee Boon Yang (Chairman)	218,000	–	–	–	–	218,000
Janet Ang	122,000	–	–	–	–	122,000
Bahren Shaari	135,500	–	–	–	–	135,500
Chong Siak Ching	108,000	–	–	–	–	108,000
Andrew Lim Ming-Hui ¹	82,083	–	–	–	–	82,083
Ng Ser Miang ²	25,846	–	–	–	–	25,846
Ng Yat Chung ³	102,167	–	–	–	–	102,167
Quek See Tiat	153,000	–	–	–	–	153,000
Tan Chin Hwee	119,000	–	–	–	–	119,000
Tan Yen Yen	111,000	–	–	–	–	111,000
Lucien Wong Yuen Kuai ⁴	41,501	–	–	–	–	41,501

Notes:

1. Mr Andrew Lim was appointed as a Director on 1 January 2017.

2. Mr Ng Ser Miang resigned as a Director on 1 December 2016.

3. Mr Ng Yat Chung was appointed as an Executive Director on 1 July 2017.

4. Mr Lucien Wong resigned as a Director on 15 December 2016.

Remuneration of Key Management Personnel

The Company adopts a remuneration system that is responsive to the market elements and performance of the Company and business divisions respectively.

The Board is of the view that, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment in which the Company operates and the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place, it is in the best interests of the Company to not disclose the names of the Company's top five key management personnel (who are not Directors or the CEO). The remuneration of the CEO is set out above. The remuneration of the top five key management personnel (who are not Directors or CEO) of the Company for this financial year are set out below in remuneration bands of \$250,000.

Remuneration Bands	No. of Executives	Base/ Fixed Salary (%)	Variable or Bonuses (%)	Benefits in Kind (%)	Share- based * (%)	Total (%)
Between \$1,500,000 to \$1,749,999	1	36.21%	33.40%	0.00%	30.39%	100%
Between \$1,000,000 to \$1,249,999	2	41.25%	29.43%	0.40%	28.92%	100%
Between \$750,000 to \$999,999	2	47.51%	28.19%	4.90%	19.40%	100%

* Based on the fair value of performance shares granted in FY2017.

The Company adopts a remuneration policy for staff comprising a fixed component, a variable component, and benefits in kind. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the Company's and individual performance. The benefits in kind include club and car benefits. The RC approves the bonus for distribution to staff based on the Company's and individual performance.

The annual aggregate remuneration paid to the top five key management personnel of the Company (excluding the CEO) for FY2017 is S\$5,443,000.

No employee of the Group was an immediate family member of any Director or the CEO and whose remuneration exceeded S\$50,000 per annum, during this financial year.

The Company has also, in respect of selected key executives, provided that any component of their remuneration may be revoked in the event of breach of the terms of their employment, misstatement of financial results, or any misconduct which results in financial loss to the Company.

Long Term Incentive Plan

The above remuneration bands include performance shares granted to staff under the Share Plan. The Share Plan is administered by the RC.

Staff who participate in the Share Plan are a selected group of employees of such rank and service period as the RC may determine or as selected by the RC. Awards initially granted under the Share Plan are conditional and based on performance assessed over a multi-year performance period. The conditions for such awards were chosen as they reflect medium to longer-term corporate objectives and include both market and non-market conditions. Market condition relates to Relative Total Shareholder Return against ST All-Share Index. Non-market conditions include Media Business Free Cash Flow, distributable income of SPH REIT, market competitiveness, quality of returns including sales, efficiency, productivity and profit, and business and productivity growth.

The Share Plan contemplates the award of fully paid shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met, and upon expiry of the prescribed vesting periods.

Senior executives are encouraged to hold a minimum number of shares under the share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

Furthermore, under a profit-driven performance bonus scheme for senior executives, a notional variable bonus bank account is set up for each participating senior executive, into which the annual performance bonus earned by him each year is credited. 1/3 of the total variable bonus bank account, which includes the balance brought forward from the previous year, is paid out, with the balance 2/3 carried forward to the next year.

Further details on the Share Plan and the incentives issued, can be found in the Directors' Statement and Notes to the Financial Statements.

Under the Share Plan, the RC has the discretion to determine if an executive is involved in misconduct, resulting in the forfeiture or lapse of the incentive components of his remuneration or awards, to the extent that such incentive or award has not been released or disbursed.

CORPORATE GOVERNANCE REPORT

Accountability and Audit

Principle 10: Board presents the company's performance, position and prospects

The Board announces its quarterly and full-year financial results which present a balanced and informed assessment of the Company's performance, position and prospects, via public announcements and through the SGXNET.

The Board takes adequate steps through the establishment of appropriate internal policies to ensure compliance with legislative and regulatory requirements, including requirements under the SGX Listing Manual.

The Company recognizes the importance of providing the Board with accurate and relevant information on a timely basis. Hence, Management provides the Board with management accounts and such explanation and information on a regular basis and as the Board may require from time to time, to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects. The Company also provides the Board with monthly reports on its financial performance.

Risk Management and Internal controls

Principle 11: Sound system of risk governance and internal controls

The BRC assists the Board in overseeing the risk governance in the Group to ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets.

It also determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The BRC comprises Mr Andrew Lim (Chairman), Mr Tan Chin Hwee, Ms Tan Yen Yen, Ms Janet Ang and Mr Ng Yat Chung, the majority of whom are independent and non-executive Directors. Mr Lim, Mr Tan and Ms Ang are members of both the BRC and the AC. The BRC's objectives include the following:

- (a) Oversee and advise the Board on the Group's risk and sustainability frameworks and management systems;
- (b) Review and guide Management in the formulation of the Group's risk and sustainability strategies and policies, risk appetite, and materiality principles of Environmental, Social and Governance ("ESG") issues;
- (c) Review the capabilities and effectiveness of the Group's risk and sustainability management systems and to identify, assess and manage existing and emerging key risks taking into account ESG factors; and
- (d) Report risk and sustainability activities and performance, including whether key risks, including ESG risks, are managed within acceptable levels set to the Board or breach of Key Risk Indicators or ESG targets and their proposed mitigations to the Board.

The Enterprise Risk Management framework strengthens the Group's capability to recognise and capitalise on new challenges and opportunities so as to add value to Management's decision-making, business planning, resource allocation and operational management. The BRC reviews the Group's risk appetite framework and risk tolerance for the enterprise risks. Using qualitative and quantitative measures, risks are calibrated so that balanced control processes are matched against the strategic objectives of each business unit.

The BRC also oversees the SPH Sustainability Reporting Framework that impact the Company's performance and the long term sustainability of its business. The Sustainability Steering Committee monitors the environmental, social and governance issues.

The Risk Management Report is found on page 76. The Sustainability Report is found on page 58.

The Internal Audit Division ("IAD") has an annual audit plan, which focuses on material internal control systems including financial, operational, IT and compliance controls, and the risk management processes. IAD also provides advice on security and control in new systems development, recommends improvements to effectiveness and economy of operations, and contributes to risk management and corporate governance processes. Any material non-compliance or lapses in internal controls together with corrective measures are reported to the AC.

Based on the audit reports and management controls in place, the AC is satisfied that the internal control systems provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained and financial statements are reliable. In the course of their statutory audit, the Company's external auditors will highlight any material internal control weaknesses which have come to their attention in carrying out their normal audit, which is designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the external auditors are reported to the AC.

The CEO and Chief Financial Officer at the financial year-end have provided assurances on the integrity of the financial records/statements, as well the effectiveness of the Company's risk management and internal control systems.

Such assurances include the following:

- internal controls were established and maintained; and
- the Company's internal controls were effective as at the end of the financial year.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and regular reviews performed by Management, the Board and relevant Board Committees, the AC and the Board are of the opinion that the Group's risk management systems and internal controls were adequate and effective as at 31 August 2017 to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen and mitigated against as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

Code of Dealings in Securities

The Group has in place a Code of Dealings in SPH's securities, which prohibits dealings in SPH securities by all Directors of the Company and its subsidiaries, and certain employees, within certain trading periods. The "black-out" periods are two weeks prior to the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month prior to the announcement of the Company's full year financial statements. Directors and employees are also reminded to observe insider trading laws at all times, and not to deal in SPH securities when in possession of any unpublished price-sensitive information regarding the Group, or on short-term considerations. The Company issues quarterly reminders to its Directors, relevant officers and employees on the restrictions in dealings in listed securities of the Group as set out above, in compliance with Rule 1207(19) of the SGX Listing Manual.

AUDIT COMMITTEE

Principle 12: Establishment of an Audit Committee with written terms of reference

The AC currently comprises Mr Quek See Tiat (Chairman), Mr Tan Chin Hwee, Ms Janet Ang and Mr Andrew Lim, all of whom are independent and non-executive Directors.

The NC is of the view that the members of the AC have sufficient financial management expertise and experience to discharge the AC's functions given their experience as directors and/or senior management in accounting and financial fields. The AC performs the functions as set out in the Code including the following:

- (a) review the annual audit plans and audit reports of external and internal auditors;
- (b) review the balance sheet and profit and loss accounts of the Company and the consolidated balance sheet and profit and loss accounts of the Group before they are submitted to the Board for approval;

CORPORATE GOVERNANCE REPORT

- (c) review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (d) review the auditors' evaluation of the system of internal accounting controls;
- (e) review the adequacy and effectiveness of the Company's internal controls;
- (f) review the scope, results and effectiveness of the internal audit function;
- (g) review the scope, results and effectiveness of the external audit, and the independence and objectivity of the external auditors annually, and the nature and extent of non-audit services supplied by the external auditors so as to maintain objectivity;
- (h) make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (i) review the Company's whistle-blowing policy, and to ensure that arrangements are in place for concerns about possible improprieties in matters of financial reporting or other matters to be raised and independently investigated, and for appropriate follow-up action to be taken;
- (j) oversee any internal investigation into cases of fraud and irregularities;
- (k) review any interested person transaction;
- (l) approve the hiring, removal, evaluation and compensation of the head of the internal audit function; and
- (m) ensure that the internal audit function is adequately resourced and has appropriate standing within the Company.

The AC has the authority to investigate any matter within its terms of reference, has full access to and co-operation by Management, and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC meets with the external and internal auditors, in each case, without the presence of Management, at least once a year. The audit partner of the external auditors is rotated every five years, in accordance with the requirements of the SGX Listing Manual.

Quarterly financial statements and the accompanying announcements are reviewed by the AC before presentation to the Board for approval, to ensure the integrity of information to be released.

During the financial year, the AC reviewed the quarterly financial statements prior to approving or recommending their release to the Board, as applicable; the auditors' evaluation of the system of internal accounting controls; the adequacy and effectiveness of the Company's internal controls; the annual audit plan of the external and internal auditors and the results of the audits performed by them; and potential interested person transactions. It also reviewed the scope, results and effectiveness of the internal audit and external audit functions; the independence and objectivity of the external auditors and the non-audit services rendered by them; and the re-appointment of the external auditors and their remuneration. Management's assessment of fraud risks, adequacy of the whistleblowing arrangements and whistleblowing complaints are reviewed by the AC.

The AC takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements, with training conducted by professionals or external consultants.

Significant matters that were discussed with Management and the external auditors have been included as key audit matters ("KAMs") in the independent auditors' report for the financial year ended 31 August 2017, as set out on pages 100 to 102 of this Annual Report.

In assessing each KAM, the AC took into consideration the approach and methodology applied by Management in the valuation of assets and acquired business, as well as the reasonableness of the key assumptions and inputs used and the valuation outcomes. Views of subject matter experts such as independent valuers were consulted where necessary. The AC also considered the report from the external auditors, including their findings and views on the key areas of audit focus. The AC concluded that the Group's accounting treatment and estimates in each of the KAMs were appropriate.

External Auditors

The AC has conducted an annual review of the performance of the external auditor and the volume of non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, before confirming their re-nomination. Details of the aggregate amount of fees paid to the external auditors for FY2017, and a breakdown of the fees paid in total for audit and non-audit services respectively, can be found on page 161.

The Company confirms that the appointment of the external auditors is in accordance with Rules 712 and 715 of the SGX Listing Manual.

None of the AC members is a former partner of the Group's existing auditing firm.

Codes of Conduct and Practices

The Group has an existing Code of Business Ethics and Employee Conduct Policy (Ethics Code), which is posted on the Company's intranet website, to regulate the ethical conduct of its employees. Codes of conduct and practices covering data protection and workplace health and safety are also posted on the website.

Whistleblowing Policy

The Group also has a Whistleblowing Policy & Procedure which is posted on the SPH Corporate website, to allow staff and external parties such as suppliers, customers, contractors and other stakeholders, to raise concerns or observations in confidence to the Company, about possible irregularities for independent investigation and appropriate follow up action to be taken. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation. The Whistleblowing Policy encourages staff and external parties to identify themselves whenever possible to facilitate investigations, but will also consider anonymous complaints, in certain circumstances. It makes available to staff and external parties the contact details of the Receiving Officer, who may also forward the concern to the respective Heads of Division, CEO, AC Chairman and/or Chairman.

Internal Audit

Principle 13: Establishment of an internal audit function that is independent of the functions it audits

IAD is staffed by eight audit executives, including the Head of Internal Audit. Most of the IAD staff have professional qualifications, and are members of the Institute of Singapore Chartered Accountants and/or Institute of Internal Auditors ("IIA"). Some are Certified Information Systems Auditor (CISA). All IAD staff have to adhere to a set of code of ethics adopted from the IIA.

The Head of Internal Audit reports directly to the Chairman of the AC on audit matters, and to the CEO on administrative matters. IAD is guided by the International Professional Practices Framework issued by IIA and ensures staff competency through the recruitment of suitably qualified and experienced staff, provision of formal and on-the-job training, and appropriate resource allocation in engagement planning.

The AC reviews IAD's reports on a quarterly basis. The AC also reviews and approves the annual internal audit plans and manpower to ensure that IAD has the necessary resources to adequately perform its functions.

The AC approves the hiring, removal, evaluation and compensation of the head of the internal audit function and she is provided with access to the AC.

CORPORATE GOVERNANCE REPORT

Shareholder Rights & Responsibilities

Principle 14: Fair and equitable treatment of shareholders

The Group encourages shareholder participation, and ensures that shareholders have the opportunity to participate effectively at general meetings.

All SPH shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights.

To facilitate the exercise of shareholders' rights, the Company ensures that all material information relating to the Company and its financial performance is disclosed in an accurate and timely manner via SGXNET. Shareholders are also informed of rules, including voting procedures that govern the general meeting.

Any notice of a general meeting of shareholders is issued at least 14 days before the scheduled date of such meeting.

A shareholder who is not a "relevant intermediary" may appoint up to two proxies during his absence, to attend, speak and vote on his behalf at general meetings, provided that a shareholder holding management shares may appoint more than two proxies in respect of the management shares held by him. Shareholders who are "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, are allowed to appoint more than two proxies to attend, speak and vote at general meetings. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate at shareholders' meetings.

Communication with Shareholders

Principle 15: Regular, effective and fair communication with shareholders

The Company holds analysts' briefings of its half-year and full-year results and a media briefing of its full year results. The quarterly financial results are published through the SGXNET, via media releases and on the Company's corporate website, to ensure fair dissemination to shareholders. A webcast of the half-year and full-year results briefing is also available on the website. The date of release of the results is announced through SGXNET two weeks in advance. The Company also conducts analysts' briefings and investor roadshows to maintain regular dialogue with shareholders as well as to solicit and understand the views of shareholders. Information disclosed is as descriptive, detailed and forthcoming as possible. Details are set out on page 51. The SPH investor relations team, together with senior Management, communicate with investors.

The Company does not practise selective disclosure. Price-sensitive information is first publicly released through SGXNET, either before the Company meets with any investors or analysts or simultaneously with such meetings. SPH also makes available speeches and presentations given by the Chairman, CEO and senior Management, and other information considered to be of interest to shareholders.

Following the amendments to the Listing Manual to allow listed companies to send documents to shareholders, including circulars and annual reports, using electronic communications, the Company will be launching a new digital format of the Annual Report for FY2017 ("Annual Report"). The Annual Report, as well as the Company's Letter to Shareholders, will be published on the Company's corporate website, www.sph.com.sg. All shareholders of the Company will receive the notice of AGM, proxy form and request form to request for hard copies of the Annual Report and/or Letter to Shareholders.

SPH has been declaring dividends at half-year and final year-end. Any payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNET when the Company discloses its financial results.

Conduct of Shareholder Meetings

Principle 16: Greater shareholder participation at general meetings

The Company is in full support of shareholder participation at general meetings. The general meeting procedures allow shareholders to raise questions relating to each resolution tabled for approval, and to participate, engage and openly communicate their views on matters relating to SPH.

The Company does not allow a shareholder to vote in absentia at general meetings, except through the appointment of a proxy, attorney or in the case of a corporation, a corporate representative, to cast their vote in their stead.

At general meetings, each distinct issue is proposed as a separate resolution. All resolutions are put to the vote by electronic poll voting. Independent scrutineers are appointed to conduct the voting process and verify votes after each resolution. The results of the electronic poll voting are announced instantaneously at the meeting. The outcome of the general meeting is promptly announced on SGXNET after the general meeting.

The Company prepares minutes of general meetings and makes these minutes available to shareholders upon their request.

All Directors, including the chairmen of the EC, AC, NC, RC and BRC, and senior Management, are in attendance at the AGMs and Extraordinary General Meetings to allow shareholders the opportunity to air their views and ask Directors or Management questions regarding the Company. The external auditors also attend the AGMs to assist the Directors in answering any queries relating to the conduct of the audit and the preparation and content of the auditors' report. The AGM is held four months after the close of the financial year.

Directors' attendance at Board and Board Committee Meetings (for the financial year ended 31 August 2017)

Name of Director	Board	Executive Committee	Audit Committee	Remuneration Committee	Nominating Committee	Board Risk Committee
Lee Boon Yang (Chairman)	10 out of 10	4 out of 4	–	3 out of 3	2 out of 2	–
Alan Chan Heng Loon	10 out of 10	3 out of 4	–	–	–	–
Ng Yat Chung	8 out of 10	2 out of 3 ¹	–	1 out of 2 ¹	–	3 out of 3
Bahren Shaari	9 out of 10	4 out of 4	1 out of 1 ²	–	1 out of 1 ³	–
Chong Siak Ching	9 out of 10	–	–	3 out of 3	2 out of 2	–
Quek See Tiat	10 out of 10	4 out of 4	4 out of 4	–	–	1 out of 1 ⁴
Tan Chin Hwee	9 out of 10	–	3 out of 4	–	–	3 out of 3
Tan Yen Yen	10 out of 10	–	–	3 out of 3	–	3 out of 3
Janet Ang Guat Har	10 out of 10	–	4 out of 4	–	–	3 out of 3
Andrew Lim Ming-Hui	6 out of 6 ⁵	–	2 out of 3 ⁶	–	1 out of 1 ⁶	*
Ng Ser Miang [^]	2 out of 4 [^]	–	–	–	1 out of 1 [^]	–
Lucien Wong Yuen Kuai [#]	3 out of 4 [#]	1 out of 1 [#]	–	1 out of 1 [#]	1 out of 1 [#]	–

Notes:

1. Mr Ng Yat Chung was appointed a Member of the Executive Committee and a Member of the Remuneration Committee on 1 January 2017. He stepped down as a Member of the Remuneration Committee on 1 July 2017.
 2. Mr Bahren Shaari stepped down as Chairman and Member of the Audit Committee on 1 January 2017.
 3. Mr Bahren Shaari was appointed Chairman and Member of the Nominating Committee on 1 January 2017.
 4. Mr Quek See Tiat stepped down as Chairman and Member of the Board Risk Committee on 1 January 2017.
 5. Mr Andrew Lim was appointed as a Director on 1 January 2017.
 6. Mr Andrew Lim was appointed a Member of the Audit Committee and the Nominating Committee on 1 January 2017.
- * Mr Andrew Lim was appointed Chairman and a Member of the Board Risk Committee on 1 July 2017 and there were no Board Risk Committee meetings in July and August 2017.
- [^] Mr Ng Ser Miang stepped down as a Director at the AGM on 1 December 2016.
- [#] Mr Lucien Wong resigned as a Director on 15 December 2016.

RISK MANAGEMENT

Risk Management Programme

SPH embraces a holistic Enterprise Risk Management Programme (ERM), which complies with the Risk Governance Guidelines for Listed Boards, to ensure that the Group's capabilities and resources are employed in an efficient and effective manner to manage both opportunities and threats.

Risks are managed accordingly to the SPH ERM framework, modelled largely on the ISO 31000:2009 Risk Management – Principles and Guidelines, which is implemented across the group and are supported by appropriate risk policies and procedures. The framework provides an universal risk language and sets out the structural components to guide the business units and support functions. The Risk Management Programme and internal controls are reviewed on a regular basis and, where appropriate, refined by Management with guidance from the Board Risk Committee (BRC) and the Board of Directors (Board).

The Board, through the BRC, has an overall responsibility for the governance of risk and ensures that Management maintains a robust system of risk management and internal controls to safeguard stakeholders' interests and the company's assets. The Board is also involved in setting and instilling the right culture throughout the company for effective risk governance. The BRC provides guidance to the Management in the company's risk management related policies and framework. The BRC currently comprises four independent Board members and meets three times a year. The meetings are attended by the CEO as well as

other key Senior Management staff. The SPH ERM framework covers the company's risks under the categories of strategic, operational, financial, compliance and information technology management.

The Enterprise Risk Appetite Statement addresses the key risks and sets out the risk appetites and tolerance for the Group. The Board regularly reviews the high-level risk appetite statements in the context of the corporate strategies and the requirements of various stakeholders, including the regulatory framework in which SPH operate. Guided by these high-level risk appetite statements, each Business Unit establishes its respective risk appetite statement to govern its operations. Key Risk Indicators are identified to monitor and calibrate the risks and align them with the Group's strategic objectives. In an increasingly dynamic and changing business environment, SPH is continuously exploring best practices, and adopts a forward looking risk culture by embedding processes to scan its environment for new and emerging risks and opportunities and concomitantly, to maintain an understanding of existing risks.

The Board Assurance Framework is developed as part of the Enterprise Risk Governance requirements to monitor, proactively seek assurance and ensure inadequacies are addressed through the scrutiny of the Board. It acts as a framework for the Board to satisfy its duties and obligations in relation to reviewing, concluding and disclosing the adequacy and effectiveness of risk management and internal control systems across SPH.

Risk Governance & Culture

In pursuit of SPH's risk management philosophy, the following ERM principles apply:

- Risks can be managed, but cannot be totally eliminated.
- ERM is aligned with, and driven by, business values, goals and objectives.
- All staff must assume ownership of Risk Management.
- Engagement of BRC on material matters relating to the various types of risks and development of risk controls and mitigation processes.
- Risk management processes are integrated with other processes including budgeting, mid/long-term planning and business development.

The key outputs of SPH's Risk Management are:

- Defining a common understanding of risk classification tolerance.
- Identifying key risks affecting business objectives and strategic plans.
- Identifying and evaluating existing controls and developing additional plans required to treat (mitigate, reduce, transfer, etc) these risks.
- Implementing measures and processes to enable ongoing monitoring and review of risk severity and treatment effectiveness.
- Identifying changes to risks or emerging risks and promptly bringing these to the attention of the Board where appropriate.
- Risk awareness training and workshops.
- Continuous improvement of risk management capabilities.

SPH's risk management philosophy is built on a culture where risk exposures are mitigated to acceptable levels by a continuous and iterative process among Business Units. Risk awareness is enhanced through communication, education and workshops.

SPH has an Incidents Reporting framework which provides the channel for Business Units to report to the Board Risk Committee on risk incidents and the treatments implemented to mitigate the consequences and likelihood of future recurrence. SPH also practises risk-transfer solutions by procuring relevant insurance policies, wherever possible, such as Industrial Special Risks, Media Industry Professional Indemnity, Public Liability, Work Injury Compensation, Group Personal Accident, Cyber Security and Fidelity Guarantee policies.

The following sections outline the risk environment that may impact the financial status and operational effectiveness of SPH's businesses and the approaches to managing these risks.

Economic and Business Risks

Adverse macroeconomic conditions, globally and locally, have a significant impact on SPH's principal business segments. SPH manages its risk exposure on the economic front by proactively streamlining its business processes and adopting prudent fiscal controls.

A rapidly evolving multimedia landscape creates challenges to SPH's core business with media convergence providing alternative choices for readers and advertisers. In order to stay ahead of such developments, SPH constantly assesses the risks

affecting its business and plans to harness available opportunities to improve its existing products and services as well as creating new ones in response to customer needs. In addition, SPH has diversified into other business areas such as properties, events and offering digital platforms to reduce its dependency on print revenue.

Operational Risks

Operational risk is always inherent in organisations with multiple functions. SPH likewise, faces the risk of business operations failing due to human error and inadequate controls in systems or processes.

Effective operational risk management has always been one of the fundamental elements of SPH's risk management programme. The risks are being mitigated by SPH's system of internal controls, which is designed to the extent possible that the Business Units' activities are efficient and effective.

Technology & Cyber Risks

In order to sustain the Group's competitive edge in the media industry amidst rapid technology changes, SPH strives to stay on top of technological trends and implements tight controls within the IT systems to address the exposures and threats. Investment to strengthen cyber defences continues apace with the increased threat level posed by more sophisticated attacks. SPH further recognises that a most fundamental threat to cyber and information security is caused by human faults. The Group's Information Technology Acceptable Usage Policy is prescribed to guide all staff on appropriate and acceptable

use of computing resources including computers, networks, hardware, software, email, applications and data in order to ensure the efficiency and integrity of these computing resources. Cybersecurity awareness education is a continuous, cultural initiative implemented in SPH to strengthen the corporate defence behaviour towards potential hacking and other cyber-crimes. SPH views data security seriously. All systems containing personal data are regularly reviewed to ensure that the security features are adequate for safeguarding and preventing unauthorised use or disclosure of any personal data that is in the Group's possession.

Regulatory/Compliance Risks

SPH's newspaper business is dependent on the annual renewal of its printing licence and newspaper permit licence for each newspaper, pursuant to the provisions of the Newspaper and Printing Presses Act (Chapter 206, Singapore Statutes). Its online publications and radio business are also subject to the Broadcasting Act and its relevant Codes of Practice. Failure on its part to comply with the relevant Acts and Codes may subject SPH to significant liabilities, such as fines, suspension, or the revocation of the licence. In addition, SPH is also required to comply with other statutory and regulatory requirements such as the Singapore Exchange Listing Manual requirements, the Companies Act, Monetary Authority of Singapore regulations, the Securities & Futures Act, the Competition Act, and market practice codes prescribed by the Infocomm Media Development Authority of Singapore.

RISK MANAGEMENT

In response to such statutory and regulatory requirements, SPH has implemented compliance frameworks that include instructional tools and processes to monitor the level of compliance and minimise any lapses.

SPH has put in place formal processes for Workplace Safety and Health compliance for all its office, warehouses, business and public services.

The Group is committed to comply with the requirements of the Personal Data Protection Act 2012 (PDPA) and has installed a compliance framework containing policies and practices to regulate the proper management of personal data in the Group. The organisation has a process where consent of individuals is obtained for collection, use and disclosure of their personal data. In addition, the Group's Privacy Policy Statement is published on its websites to provide the general public with information about how it collects, uses and discloses personal data in its business.

Newsprint Cost Risks

One of the main cost drivers in SPH business is newsprint prices. The cyclical fluctuation of newsprint prices has a substantial impact on newspaper publishing costs. A significant spike in newsprint price or a reduction in the availability of newsprint can result in higher production costs and impact on its operating margins.

To mitigate this, SPH adopts measures such as advance purchasing and developing a core group of reliable, sustainable and responsible suppliers.

Business Continuity Risks

Availability and safety of its newspaper printing facilities, editorial functions and data centres are of paramount importance to SPH as its readers rely on SPH to provide them with timely and essential news via its suite of newspapers, online and mobile news and other services.

SPH recognises the organisation's exposure to internal and external threats and seeks to increase the resilience of the Group to potential business interruptions and to minimise the impact of a crisis on business operations, people and assets. The effective prevention and recovery for the organisation will ensure that SPH continues to maintain its competitive advantage and maximise value for its stakeholders.

Towards this end, SPH has a comprehensive Business Continuity Planning programme (BCP) to minimise any disruptions to its critical business activities and ensure that the populace continues to be informed in the face of crisis. Simulation exercises are conducted, on location, periodically. Front-line staff, as well as operating and supporting Business Units, are involved to ensure operational preparedness. The latest annual Disaster Recovery Exercise in July 2017 which included simulation training for the newsroom and major Business Units like Marketing and Finance was conducted successfully. Following this Exercise, we have updated our Emergency Operations Plan which is applicable during National Emergency. The Group continues to scan for possible threats and establish plans to enhance its BCP.

Fraud Risks

Every organisation faces some risk of fraud incidents from within. SPH has a Code of Business Ethics and Employee Conduct (Code of Conduct) which states that the company does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing by staff in the course of their work. The Code of Conduct covers areas such as fraud, business and workplace behavior, safeguarding of assets, proprietary information and intellectual property. Any breach of the Code of Conduct may result in disciplinary action including dismissal or termination of the employment contract. The Group seeks to promote and foster a strong risk culture by making the Code of Conduct accessible to employees via the staff portal and new staff are made aware of the guidelines through the staff induction programme. **The Group also has in place a Whistle-blowing Policy which staff and any other persons may, in confidence, raise concerns about possible improprieties including matters involving fraud, corruption and employee misconduct.** The policy is published on the local network and internet (<http://www.sph.com.sg/corporate-governance/whistleblowing-policy-procedure/>) for staff and public information with a hotline number made available for complaints and any observations to be raised.

ENVIRONMENTAL RESPONSIBILITY

SPH'S BUSINESS OPERATIONS COMPLY WITH APPLICABLE ENVIRONMENTAL, LEGAL, HEALTH AND SAFETY REQUIREMENTS. IT WORKS CLOSELY WITH VARIOUS GOVERNMENT BODIES SUCH AS THE WORKPLACE SAFETY AND HEALTH COUNCIL, SINGAPORE CIVIL DEFENCE FORCE (SCDF), PUBLIC UTILITIES BOARD (PUB), NATIONAL ENVIRONMENT AGENCY (NEA), BUILDING AND CONSTRUCTION AUTHORITY, ENERGY MARKET AUTHORITY AND OTHER RELEVANT AUTHORITIES.

Energy

The SPH production plant at Print Centre started its energy conservation activities before the NEA Energy Conservation Act came into effect in 2013. The NEA Energy Conservation Act required companies to reduce energy consumption by five per cent over the next five years using the 2013 total energy consumption as a baseline.

For 2016, the power consumption at the Print Centre plant increased marginally by 1.2 per cent as a result of part of the Print Centre warehouse being rented out. This follows the 2014 and 2015 energy reduction levels of 12.8 per cent and 24.1 per cent respectively, using the total energy consumed in 2013 used as baseline. This is well above the requirements set under the NEA Energy Conservation Act.

In 2017, the Production Division procured one unit of 500-tonne variable speed drive chiller to replace its aging unit of 500-tonne centrifugal chiller. It is expected to be commissioned by FY2018 and will yield an estimated energy reduction of about 900,000 kwh

per year. The projected energy usage for FY2017 is expected to reduce by two per cent compared to FY2016.

The Production Division also submitted its fourth New Energy Annual Report to NEA as required by the NEA Energy Conservation Act.

At News Centre and Media Centre, SPH conducts regular energy audit works and have put in place environmental-friendly practices to conserve energy.

The following energy-saving measures have been implemented:

- Replacement of old chillers with more efficient variable speed drive (VSD) chillers.
- Replacement of old air handling units (AHU) to improve energy efficiency.
- Installation of motion sensors at low usage areas to reduce energy consumption.
- Replacement of high-consumption light fittings with energy-efficient ones such as LED and induction light fittings.

LED lightings are used for new office renovations to meet the lighting lux level as specified in the Code of Practice SS531 issued by SPRING Singapore. This is to avoid staff adding individual light fittings at their workstations which will increase the overall electrical consumption.

Paragon is proactive in supporting environmental sustainability and constantly reviews its building enhancements to improve operational processes while considering environmental factors. All indoor common area lightings were replaced with energy-efficient LED light fittings in May 2017. This will be followed by all external façade lightings and replacement of air-conditioning equipment to energy-efficient models, to be completed by August 2017.

The Clementi Mall's existing chillers will be replaced with energy-efficient models by mid-2018. The Seletar Mall continuously improves on its energy-saving initiatives to meet the energy audit requirements. It was certified by BCA in November 2016, complying with the prescribed energy efficiency standards.

ENVIRONMENTAL RESPONSIBILITY



The three malls are working towards achieving BCA Green Mark certification in the next 12 months.

Managed by the Information Technology Division (ITD), the SPH Data Centre's energy consumption went down by six per cent (measured in kilowatt-hour or kWh) compared with a year ago, as a result of energy conservation initiatives taken. These initiatives included server consolidation and virtualisation exercises to maximise server utilisation rate while reducing the number of physical servers. ITD also replaced its older PCs which has high power ratings with tiny form factor PCs which comes with a low power rating of 65 watts.

Water

The Production Division reviews its daily water consumption report from its automatic meter-reading system to identify any abnormalities and take immediate corrective actions to rectify any faults.

It also carries out regular checks and maintenance on the water supply network. There are periodic upgrading works of its piping network to ensure water is used efficiently. Other measures to conserve water usage include installing sensor taps and automatic flush urinals, having dual-flush systems for toilets and fitting thimbles in the taps.

The Production Division cleans its water storage tank annually and puts in place security measures for the water tank, in compliance with the PUB water supply regulations. It will continue with its rainwater harvesting efforts for non-potable uses. It submitted its third Water Efficiency Management Plan report to PUB and appointed its own Water Efficiency Manager.

Water meters with remote monitoring features have been installed to monitor water consumption and automated daily water usage reports help to prevent non-detection of water leakages in the premises. The cooling towers' concentration cycles are monitored and adjusted where necessary to reduce excessive water bleed-off. An auto-irrigation system with rain detectors has also been installed for efficient use of water for landscaping purposes. Water-efficient fittings and PUB-recommended flow rates for flushing systems are also in place.

Duty property officers conduct regular maintenance checks on the water supply installation such as cooling towers and water tanks to ensure no water wastages from faulty pipe fittings, equipment or pumps. Daily checks are also conducted to turn off under-utilised lighting within the buildings and monitor room temperature settings and operating hours of air-conditioning units for optimal operating efficiency.

Waste

The waste generated by the newspaper printing process are classified into the following categories:

- Trade Effluent – All cleaning liquids used for the Presses rollers are directed to the waste treatment plant where it is treated before being discharged into the public sewer. The treated effluent must meet all NEA and PUB requirements. The remaining sludge is collected and disposed by a licensed disposal company approved by NEA.
- Non-Treatable Waste – All non-treatable waste is collected and disposed by a licensed waste disposal company approved by NEA.
- Recyclable Waste – All recyclable wastes such as newsprint, aluminium printing plates, carton boxes, metal drums and plastic containers are collected and sold for recycling purposes.

Newsprint

SPH purchases its newsprint supplies for its newspapers from diversified sources in Asia-Pacific, Europe and North America. 68 per cent of the newsprint used is derived from recycled paper with the remaining 32 percent from virgin pulp. All virgin newsprint used are from certified plantations.

Other Green Efforts

SPH adheres to the environmental recommendations made by the relevant authorities.

- All refrigerators in the pantry rooms are energy-efficient models that carry the NEA energy labels.
- Use of LED TVs with NEA energy labels to save energy.
- All photocopiers are energy-efficient models with Energy Star labels.
- Use of environmentally-friendly fertilisers, pest sprays and soil treatment methods for landscaping at all three SPH premises.
- Lush plants grown on News Centre's roof top garden reduce heat and save on air-conditioning costs.
- Auto dispensers for hand towels installed in all toilets to reduce wastage and costs.
- Auto soap foam dispensers installed in all toilets to reduce wastage and costs.
- Installation of landscape irrigation systems at the roof top gardens of Media Centre and News Centre. This resulted in cost savings from reduced water consumption, fewer incidents of dried up plants and relieving gardeners of watering duties so that they can spend more time on landscape maintenance works.
- Use of bio-degradable solutions for cleaning of external facades.

Reuse and Recycle

SPH adopts a group-wide "Reuse and Recycle" philosophy.

- Collection of furniture in good condition for reuse by other divisions.
- Collection and sale of disposed items such as PCs, furniture and electrical items.
- Collection and sale of empty drink cans and old carton boxes.
- Collection and sale of printed waste, office scrap and used hand towels. The cleaning staff collect all office waste and newspapers to the Refuse Centre for sorting. Items of recyclable value are packed, bundled and weighed before collection by the scrap contractor.
- A consolidated fleet of environmentally-friendly printers located group-wide which have print-on-demand and double-sided printing features to reduce carbon emissions and paper wastage.



EMPLOYEE RESPONSIBILITY

Workplace Safety and Health

SPH is committed to providing a safe and healthy workplace for its employees. It conducted an annual WSH review and implemented comprehensive WSH programmes that protected employees against injury and ill-health. These programmes included continuous risk assessments, hazard reporting, safety inspections, accident investigations, communication and feedback, safety promotion and training.

SPH's efforts to protect its employees extend beyond the workplace. It has a

documented safety risk management standard operating procedure for senior management to assess and mitigate safety risks of its journalists on field assignments, be it local or overseas. At the operational level, its journalists conducted their own risk assessment in the field, led by the Editorial Field Team Safety Risk Assessment Guide.

On 23 August 2017, a Safety Day was held at the SPH Print Centre to promote best practices on work safety and strengthen the safety culture among staff. The programme highlights

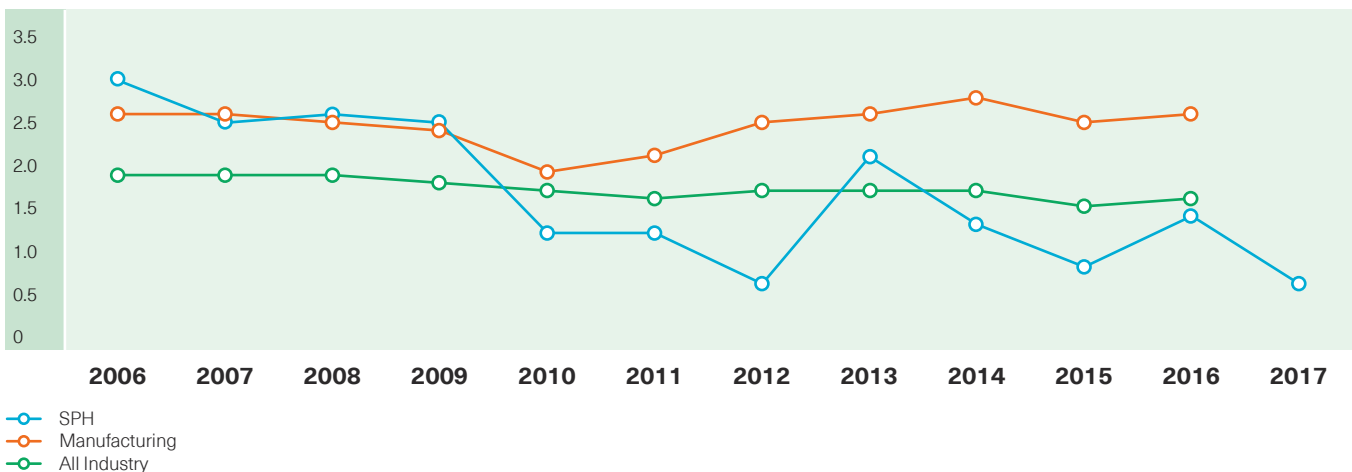
included a safety seminar, a display of WSH and SGSecure exhibits and a Company Emergency Response Team (CERT) demonstration.

WSH Achievements

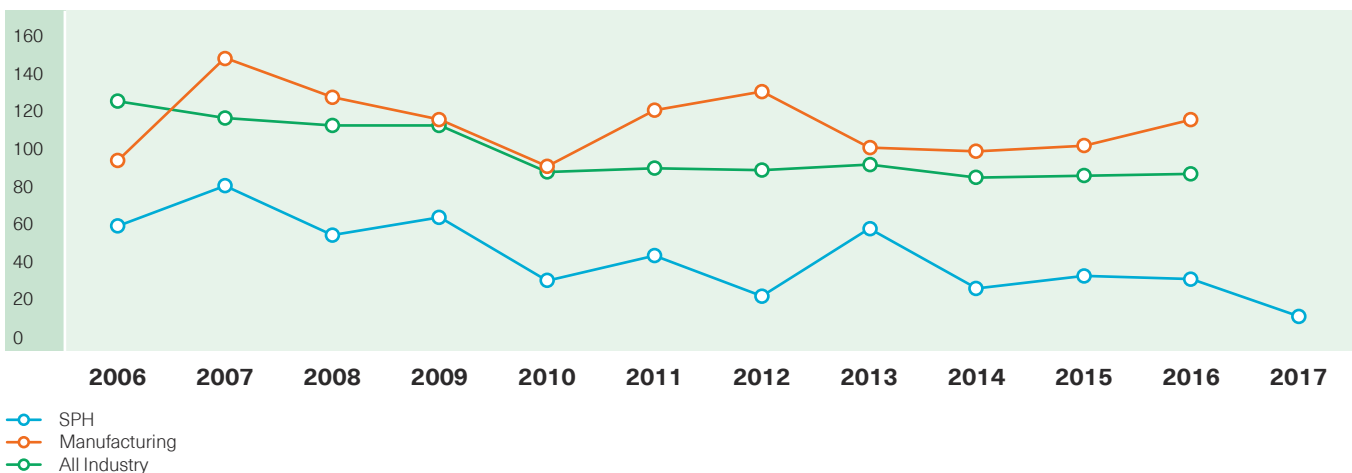
SPH embarked on its bizSAFE journey in August 2015 and achieved bizSAFE 3 certification on 21 October 2016.

This year, SPH achieved low Accident Frequency Rate (AFR) and Accident Severity Rate (ASR) scores, and outperformed the average National Manufacturing accident rates in both categories.

SPH Accident Frequency Rate (AFR)



SPH Accident Severity Rate (ASR)



* Note: 2017 data is computed from 1st January 2017 to 31st August 2017 only.

Emergency Preparedness

The public announcement (PA) systems for News Centre and Media Centre were upgraded in FY2016. Upgrading of the Print Centre’s PA system was completed in September 2016. With the revised Fire Emergency Evacuation Signal procedure announced in February 2016, the review of SPH’s emergency evacuation procedures has been successfully completed.

In FY2017, the three centres conducted their annual emergency evacuation drills. Print Centre and Media Centre’s CERT continued to excel in their annual audit assessments conducted by SCDF since they were established in 2006 and 2007 respectively. The News Centre CERT was established in 2015. On 6 September 2016, the News Centre CERT’s equipping and training room was officially opened.

Product Excellence

Faced with challenges and media disruption in the media industry, SPH has leveraged on innovations to transform its media business.

The Integrated Marketing Division launched its content marketing business unit SPH Content Lab, and its trade web portal (www.imsph.sg) to showcase SPH’s cross-media solutions and provide advertisers and agencies with the latest product, creative and technology developments from SPH.

Digital Division embarked on collaborations with new partners to develop products that integrated all SPH platforms. These include joint ventures with RecomN Technologies and Zhubajie Network Inc in the on-demand service and freelance service marketplace respectively.

SPH’s editorial products have also redesigned their print and digital products to offer a wider and richer range of content to consumers.

More information can be found in the CEO’s Overview of Group Operations section.



EMPLOYEE RESPONSIBILITY



Valuing human capital

SPH's greatest asset is its employees. It is committed to developing every employee to his or her maximum potential through training and development, and building a talent pipeline to meet current and future needs.

SPH's corporate values of **Excellence**, **Customer Focus**, **Integrity**, **Teamwork** and **Embracing Change (EXCITE)** serve as an important guide for employees to work towards achieving SPH's business aspirations and inculcating a corporate culture that embraces diversity and change.

Diversity and Inclusion

Operating in a multi-racial, multi-cultural society with a population of different religious beliefs, SPH adheres to fair employment practices that do not discriminate because of an individual's background, gender or age.

This commitment is reflected in its diverse staff population. From recruitment to development opportunities to rewards and promotions, our HR policies are based on merit. SPH's commitment is reflected in its signing of the Fair Employment Practices pledge and adoption of tripartite standards on recruitment practices and flexible work arrangements.

Performance Management

SPH has a comprehensive online electronic performance management system. It puts employees through an annual performance review with open discussion between the supervisor and the individual. Besides providing transparency in assessing work performance and improvement in communication between the supervisor and the employee, the system provided a platform to assist employees in their development through continuous

learning and training opportunities. The performance management framework is an integral part of the talent development and succession planning process to meet SPH's current and future needs.

Remuneration

SPH compensation policies and practices attract, retain, motivate, and engage employees through a flexible and performance-based wage system. The system motivates and engages employees in achieving individual, division and business targets and is responsive to changes in a volatile business environment. To ensure its competitiveness, it participated in yearly compensation surveys to benchmark its pay structure and employees' pay scales with the market standards.

Besides compensation, SPH reviewed its total benefits package to ensure it is relevant, comprehensive and



up-to-date. These benefits included medical and dental coverage, regular health screenings, health and wellness programmes, group term insurance coverage, various types of leave and staff loans. As a family-friendly employer, it provided parent-care leave, extended paternity leave and childcare leave on top of the annual leave entitlements for employees to better meet their family commitments.

Training and Development

Investment in staff training and development is critical due to the challenges in the media industry. SPH employees need to be relevant to maintain a competitive edge for the Group's continued growth and success. Employees can acquire relevant skills, expertise and qualifications through the training programmes offered.

SPH's training and development plan is reviewed annually to ensure that the training requirements of its employees are met and changing business needs are addressed. The training development programmes included on-boarding and induction programmes, on-the-job training, soft skills training, functional skills training, journalism programmes, managerial and leadership development programmes. Employees are also encouraged to take up e-learning courses for their continual education and self-development.

SPH also sponsors selected employees to pursue Diploma, Bachelors and Masters degree programmes and other certification courses. As part of staff development, 360-degree feedback was implemented to allow employees to solicit feedback from their colleagues so that they can improve in their areas of weakness.

Grooming Future Talent

SPH continuously identifies high potential talent to take up management positions. Development opportunities are provided to future leaders through a robust career development plan, job rotation across different business functions and a coaching and mentoring programme. The succession planning process identifies employees with potential and prepares them for leadership roles.

Besides developing current employees, SPH has a Management Associate programme. SPH also offers the SPH Journalism Scholarships to successful applicants who wish to pursue a career in journalism for studies in top foreign and local universities. There are also bond-free scholarships for children of employees and newspaper vendors, at the junior college, polytechnic and university levels.

EMPLOYEE RESPONSIBILITY

In addition, SPH partners the Info-communications Media Development Authority (IMDA) to provide Media Education Scholarships (Bachelors' and Masters' degree level) to candidates wishing to pursue a career in media.

The SPH Foundation Lim Kim San Memorial Scholarships are bond-free scholarships awarded to deserving students from modest backgrounds who are pursuing undergraduate studies in languages, linguistics and humanities at the local universities.

A total of 32 recipients were presented SPH and SPH Foundation Scholarship awards in FY2017.

To highlight the various scholarship programmes and career opportunities in SPH, the HR Division participated in career talks and fairs held at junior colleges and universities in Singapore.

Employee Communication and Engagement

Employee townhall sessions are conducted by the CEO and the senior management team to communicate the latest company news and policy changes. Such sessions are broadcast live from News Centre to employees at Media Centre and Print Centre. Other communication channels included regular division and department meetings and townhalls, staff broadcasts and the bi-monthly in-house newsletter "Presslines", which is produced by the Corporate Communications & CSR Division.

As a large proportion of the SPH workforce is unionised, another important channel of communication is through the union. The union is not only an important stakeholder but a key partner on matters relating to staff. SPH has regular dialogue sessions with the union to communicate staff-related

matters and get feedback. In turn, the union helps communicate these staff-related matters to their members. SPH will continue to leverage on this close relationship with the union to improve employee communication and engagement.

Health and Sustainability

SPH has invested in a comprehensive healthcare and wellness support programme which provides employees with medical and dental benefits, as well as health and wellness activities. SPH is a Gold Award recipient for the Singapore Health Award given by the Health Promotion Board, in recognition of its efforts in promoting workplace health.

Staff are encouraged to take part in regular health screenings, attend talks on stress management, medical and health issues; financial management and exercise classes, as well as leisure

HR Statistics for SPH Group in FY2017

Employee Profile		
	Total	%
Permanent	4,410	94.9
Part Timers	56	1.2
Temp	182	3.9
Grand Total	4648	100

By Gender		
	Total	%
Female	2,386	54.1
Male	2,024	45.9
Grand Total	4,410	100

By Age Group		
	Total	%
<30 yrs	970	21.9
>50 yrs	1,182	26.8
30 - 40 yrs	1,186	26.9
41 - 50 yrs	1,072	24.3
Grand Total	4,410	100

activities. A Free Salad Day was organised to encourage staff to pick up healthy eating habits. SPH has a Chronic Disease Management Programme (CDMP) that assists employees with chronic diseases to follow up regularly with the company's in-house doctors to monitor health risks.

To encourage sport participation among employees, SPH Inter-Division Tournaments are organised for a wide range of games and sports throughout the year. The SPH Championship trophy is awarded to the division that scores the most points at the Games Day. Organised by Club Zest, the recently rebranded Sports & Leisure Club, these games build camaraderie among staff. Events such as SPH Family Day, Sports Carnival and Up On The Roof help staff get together and bond in a casual setting.

This year's SPH Family Day was held at Adventure Cove Waterpark at Resorts World Sentosa. It attracted more than 1,800 staff and their family members.

Work Life Harmony

SPH provides flexible work arrangements and a family-friendly working environment. These arrangements include flexible working hours, part-time work and tele-commuting. Other family-friendly initiatives included extending no-pay leave arrangements for young parents and provision of nursing rooms for new mothers. These policies and practices help retain employees who may have otherwise left the workforce due to family commitments. In 2017, about 2.2 per cent of employees are on flexible work arrangements.

Employee Turnover

SPH recognises the importance of managing employee turnover in a manpower-intensive industry. It has adopted various strategies to attract and retain valued employees. To manage and address the expectations of the millennial generation, HR policies have been revised to make it easier for millennial staff to request for a change in job roles so that they can seek exposure in new work areas within the company. SPH strives to stay relevant and keep employee turnover to a minimum.

By Ethnicity			By Nationalities			No. of Leavers versus Headcount	
	Total	%		Total	%		Total
Chinese	3,016	68.4	Singaporean	3,193	72.4	No. of Leavers 1.9.2016 to 31.08.2017	827
Indian	340	7.7	Malaysian	573	13.0	No. of Employees as at 1.9.2016	4,182
Malay	578	13.1	Others	644	14.6		
Others	476	10.8					
Grand Total	4,410	100	Grand Total	4,410	100	Percentage of Leavers	19.8%

CORPORATE SOCIAL RESPONSIBILITY

SPH IS A SOCIALLY RESPONSIBLE CORPORATE CITIZEN THAT STRIVES TO ENGAGE ALL SEGMENTS OF THE SINGAPORE COMMUNITY.

The Singapore Press Holdings Foundation (SPH Foundation) was set up in 2003 from a seed funding of \$20 million.

SPH and SPH Foundation have supported many deserving causes and activities across the five pillars of Arts & Culture, Charity & Community, Education, Nature & Conservation and Sports, reaching out to children, youths, senior citizens as well as the disabled communities.

For FY2017, SPH and SPH Foundation invested a total of \$4.1 million in various social and charitable causes.

Arts & Culture

The annual SPH Gift of Music series returned for the 12th year to bring different genres of music to the masses through free concerts at various locations across Singapore, including parks, shopping malls, heartlands and Esplanade.

The SPH Foundation Arts Fund, launched in 2011, supported local arts productions by purchasing tickets for the underprivileged to enjoy quality arts productions. Some of the beneficiaries from voluntary welfare organisations who were invited to appreciate arts performances included Muhammadiyah Welfare Home, Touch Community Services and Association for Persons with Special Needs.



SPH Foundation is also the company sponsor of the Singapore Repertory Theatre's The Little Company, which produces quality plays for children up to 12 years old. Performed by professional full-time actors, the plays serve as excellent opportunities for family bonding while teaching the children values such as caring and sharing.

Charity & Community

At the annual joint charity cheque presentation, SPH and SPH Foundation donated \$100,000 and \$250,000 respectively to support beneficiaries ranging from the elderly, disabled and the underprivileged.

The charities were recommended by the National Council of Social Service and represented a diverse range of social causes. They included Rainbow Centre Yishun Park School, APSN Katong School, MINDS Fernvale Gardens School and AWWA Senior Community Home.

Throughout the year, SPH and various divisions and subsidiaries, as well as SPH Foundation, donated generously to a wide spectrum of worthy charitable causes.

To encourage active volunteerism among staff, the SPH Staff Volunteers Club was launched in 2010 and comprises members from various departments in SPH. This year, the Club hosted a Chinese New Year lunch and distributed festive bags to 120 residents from the AWWA Senior Community Home as part of the annual SPH Bags of Love initiative. It also brought 25 elderly citizens for lunch and to a movie screening of "Spiderman: Homecoming" at The Seletar Mall. The Club also organised other annual activities such as the SPH Charity Carnival and Lunching in the Dark.



The annual SPH Red Apple Day, held in partnership with Singapore Red Cross Society for the 17th year, encourages SPH staff and members of the public to donate blood.

SPH continued its longstanding support of the Boys' Brigade Share-A-Gift programme. In its 11th year, SPH management and staff fulfilled more than 300 wishes from 13 charities with contributions amounting to about \$20,000. A year-end party was also held at the SPH News Centre for over 100 beneficiaries and caregivers from Beyond Social Services (Jalan Bukit

Ho Swee), Beyond Social Services (Lengkok Bahru), Life Student Care (Hougang) and Life Community Services Society - Mighty Kids, Families and Community.

SPH is a founding member of The Company of Good programme, developed by the National Volunteer & Philanthropy Centre (NVPC), in partnership with the Singapore Business Federation Foundation (SBFF). It is recognised for its efforts in championing CSR and giving back to the community in Singapore.

CORPORATE SOCIAL RESPONSIBILITY

The Straits Times School Pocket Money Fund (SPMF) was started in 2000 as a community project initiated by The Straits Times to provide pocket money to children from low-income families to help them through school. SPMF received its charity status in November 2011 and has, to date, disbursed more than \$60 million and helped about 160,000 cases of children and youth in providing them with monthly school pocket money.

The annual ChildAid concert, co-organised by The Straits Times and The Business Times, provided a platform for children and youths to showcase their talents and be involved in charity at the same

time. In November 2016, the 12th edition of ChildAid at Resorts World Sentosa raised more than \$2.3 million for the beneficiaries of The Straits Times School Pocket Money Fund and The Business Times Budding Artists Fund.

SPH's Chinese Media Group (CMG) has been organising fund-raising events in support of the President's Challenge since 2002. This year, CMG raised \$213,888 through donations from public donors and staff at a charity event called Embrace Volunteerism, Serve With a Heart in July 2017 at the Singapore Chinese Cultural Centre. The event was attended by President Tony Tan Keng Yam.

Education

In 2017, SPH awarded the SPH Journalism Scholarships to four individuals. It also gave out 16 scholarships to the children of SPH staff and newspaper vendors, in recognition of their contributions to the company.

SPH Foundation's Lim Kim San Memorial Scholarships were given out to 12 recipients. 2017 marked a major milestone in the Scholarships' 12-year history, with the presentation of the 100th Lim Kim San Memorial scholar. This brings the total number of scholars to 101. The bond-free scholarships have helped deserving students from modest family backgrounds further their degree programmes in languages, linguistics and the humanities at local universities.



SPH Foundation was the Presenting Sponsor of “The Straits Times – Ministry of Education National Current Affairs Quiz 2017”. The quiz contest is an outreach to pre-university students to promote an understanding of local and global issues through reading newspapers.

SPH Foundation supports the promotion of Chinese language among students. It is a sponsor of the Chinese journalism workshop Young Reporters Camp for primary school students. Organised by student publication Thumbs Up, the camp provided upper primary school students with basic reporting skills and an understanding of Chinese journalism. SPH Foundation also supported the three-day Chinese Language Media

Workshop organised by NTU Wee Kim Wee School of Communication and Information. The workshop introduced Chinese language journalism across the different news platforms to junior college students.

Nature & Conservation

To encourage the habit of recycling usable items among staff, SPH organised the SPH Flea Market in partnership with The Salvation Army. The event, which was organised in January before the Lunar New Year, raised more than \$10,300 for the beneficiaries of The Salvation Army.

SPH partnered with local environmental group Waterways Watch Society to host a series of programmes for students on the conservation and protection of

Singapore’s waterways. Since its launch, it has reached out to more than 20 schools and more than 8,000 students.

The SPH Walk of Giants is a key highlight of the Singapore Botanic Gardens Learning Forest and is an elevated boardwalk in the forest which showcases a collection of “giant” trees which can over time grow up to at least 60 metres in height. It is one of several thematic walks in the Learning Forest. Located in the Tyersall-Gallop area, the 10-hectare Learning Forest is an extensive restoration project of the lowland forest and wetland habitats that used to surround the Singapore Botanic Gardens. Prime Minister Lee Hsien Loong officially opened the Singapore Botanic Gardens Learning Forest in March 2017.



CORPORATE SOCIAL RESPONSIBILITY

Championing the conservation cause, SPH Foundation adopted the Amazon Flooded Forest at the River Safari, Inuka the polar bear and the SPH Foundation Conservation Centre at the Singapore Zoo as well as the High Flyers Show at Jurong Bird Park.

SPH Foundation is the pioneer sponsor of the Special Projects to Understand Nature (SUN) Club, which is a partnership with the National Parks Board (NParks) to customise nature appreciation projects for students with special needs.

Sports

SPH believes in the life skills that regular participation in sports help to develop, such as team-work, discipline and perseverance.

SPH partnered with the Singapore Athletic Association to host the SPH Schools Relay Championships at the Bishan Stadium in March 2017. A total of 36 schools and 307 relay teams took part.

SPH Foundation has been sponsoring the National Primary Schools Tchoukball Championships since 2012. Comprising Junior and Senior divisions and played by both genders, the sport has seen a growth in the number of teams taking part, year on year.

Advocating inclusiveness in sports, SPH Foundation worked with the Singapore Disability Sports Council (SDSC) to host the National Inclusive Swimming Championships, previously known as the National Para-Swimming Championships. In its seventh year under SPH Foundation's sponsorship, the event had attracted more than 100 para-athletes from special schools, associations and clubs.



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DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

The Directors present this statement to the members together with the audited financial statements of Singapore Press Holdings Limited and its subsidiaries (the "Group") for the financial year ended August 31, 2017 and the statement of financial position of Singapore Press Holdings Limited (the "Company") as at August 31, 2017.

In the opinion of the Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company, as set out on pages 105 to 186, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at August 31, 2017, and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

1. The Directors of the Company in office at the date of this statement* are:

Lee Boon Yang
 Ng Yat Chung
 Janet Ang Guat Har
 Bahren Shaari
 Chong Siak Ching
 Andrew Lim Ming-Hui (appointed on January 1, 2017)
 Quek See Tiat
 Tan Chin Hwee
 Tan Yen Yen

* *Mr Ng Ser Miang, Mr Lucien Wong Yuen Kuai and Mr Chan Heng Loon Alan stepped down as Directors on December 1, 2016, December 15, 2016, and September 1, 2017 respectively.*

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

2. Neither during nor at the end of the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed under 'Performance Shares in the Company' in this statement.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

DIRECTORS' INTERESTS IN SHARES

3. The Directors holding office as at August 31, 2017 had interests in shares and awards over shares, in the Company and its related corporations, and interests in units in SPH REIT, as recorded in the register of Directors' shareholdings as follows:

	Direct Interests			Deemed Interests		
	Sept 1, 2016*	Aug 31, 2017	Sept 21, 2017	Sept 1, 2016*	Aug 31, 2017	Sept 21, 2017
Singapore Press Holdings Limited						
<u>Management Shares</u>						
Lee Boon Yang	4	4	4	-	-	-
Chan Heng Loon Alan	8	12	-	-	-	-
Ng Yat Chung	4	4	16	-	-	-
Janet Ang Guat Har	4	4	4	-	-	-
Bahren Shaari	4	4	4	-	-	-
Chong Siak Ching	4	4	4	-	-	-
Andrew Lim Ming-Hui	4	4	4	-	-	-
Quek See Tiat	4	4	4	-	-	-
Tan Chin Hwee	4	4	4	-	-	-
Tan Yen Yen	4	4	4	-	-	-
<u>Ordinary Shares</u>						
Chan Heng Loon Alan	1,165,950	1,370,350	N.A.	-	-	-
Janet Ang Guat Har	-	-	-	4,250	4,250	4,250
Quek See Tiat	-	-	-	47,000	47,000	47,000
<u>Conditional Awards of Performance Shares**</u>						
Chan Heng Loon Alan						
106,667# shares to be vested in January 2017	Up to 118,101##	Up to -^^	N.A.	-	-	-
200,000# shares to be vested in January 2017	Up to 300,000##	Up to -^^	N.A.	-	-	-
106,667# shares to be vested in January 2018	Up to 102,201##	Up to 100,101##	N.A.	-	-	-
200,000# shares to be vested in January 2018	Up to 300,000##	Up to 300,000##	N.A.	-	-	-
79,999# shares to be vested in January 2019	Up to 76,798##	Up to 74,600##	N.A.	-	-	-
200,000# shares to be vested in January 2019	Up to 300,000##	Up to 300,000##	N.A.	-	-	-
26,666# shares to be vested in January 2020	-	Up to 38,399##	N.A.	-	-	-
200,000# shares to be vested in January 2020	-	Up to 300,000##	N.A.	-	-	-

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Direct Interests			Deemed Interests		
	Sept 1, 2016*	Aug 31, 2017	Sept 21, 2017	Sept 1, 2016*	Aug 31, 2017	Sept 21, 2017
Singapore News and Publications Limited						
<u>Management Shares</u>						
Chan Heng Loon Alan	1 [^]	1 [^]	-	-	-	-
Ng Yat Chung	-	-	1 [^]	-	-	-
The Straits Times Press (1975) Limited						
<u>Management Shares</u>						
Chan Heng Loon Alan	1 [^]	1 [^]	-	-	-	-
Ng Yat Chung	-	-	1 [^]	-	-	-
SPH REIT						
<u>Units</u>						
Lee Boon Yang	300,000	300,000	300,000	-	-	-
Chan Heng Loon Alan	-	-	-	200,000	200,000	N.A.

* Or date of appointment, if later.

** Represents performance shares granted from financial year 2013 to financial year 2017.

The number of shares represents the shares required if awarded at 100% of the grant.

The shares awarded at the vesting date could range from 0% to 150% depending on the level of achievement against the pre-set performance conditions.

^^ During the financial year, 204,400 shares were vested and awarded to Mr Chan Heng Loon Alan.

^ Held as nominee for Singapore Press Holdings Limited.

NA. Not applicable

SHARE OPTIONS IN THE COMPANY

Singapore Press Holdings Group (1999) Share Option Scheme ("1999 Scheme")

4. (a) The 1999 Scheme which was approved by shareholders at an Extraordinary General Meeting held on July 16, 1999 has fully terminated on December 16, 2015.
- (b) During the financial year:
 - (i) no options to take up unissued shares of the Company were granted; and
 - (ii) no shares were issued by virtue of the exercise of options to take up unissued shares of the Company.
- (c) There were no unissued shares of the Company under option as at the end of the financial year.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

PERFORMANCE SHARES IN THE COMPANY

5. (a) The SPH Performance Share Plan was approved by shareholders at an Extraordinary General Meeting held on December 5, 2006 (the "Share Plan").

At the annual general meeting of the Company held on December 1, 2016, the Company's shareholders approved the adoption of the SPH Performance Share Plan 2016 ("the 2016 Share Plan"). This replaced the Share Plan, which was terminated, except that awards granted prior to such termination and are still outstanding continue to be valid.

The Share Plan and the 2016 Share Plan (collectively, "SPH PSP") are administered by the Remuneration Committee (the "RC").

- (b) Persons eligible to participate in the SPH PSP are selected Group Employees of such rank and service period as the RC may determine, and other participants selected by the RC.
- (c) Awards initially granted under the SPH PSP are conditional and will be principally performance-based with performance conditions to be set over a multi-year performance period. Performance conditions are intended to be based on medium- to longer-term corporate objectives and include both market and non-market conditions.
- (d) The SPH PSP contemplates the award of fully-paid shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met and upon expiry of the prescribed vesting periods.
- (e) Senior management are required to hold a minimum number of shares under the share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

The Share Plan

- (f) During the financial year, there was no grant of awards under the Share Plan.
- (g) The aggregate number of performance shares granted since the commencement of the Share Plan on December 5, 2006 to August 31, 2017 is 20,722,675 performance shares.

The above figure represents the shares required if participants are awarded at 100% of the grant. However, the shares awarded at the vesting date could range from 0% to 150%, depending on the level of achievement against the pre-set performance conditions.

- (h) 1,472,008 ordinary shares were delivered during the financial year pursuant to the vesting of awards granted under the Share Plan.
- (i) The aggregate number of performance shares comprised in awards granted under the Share Plan which are outstanding as at August 31, 2017 is 2,526,151 performance shares.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

PERFORMANCE SHARES IN THE COMPANY (CONT'D)

The 2016 Share Plan

- (j) During the financial year, 1,787,725 performance shares were granted subject to the terms and conditions of the 2016 Share Plan as follows:

Category	No. of Persons	No. of Performance Shares Granted
Executive Director	1	280,000 ¹
Employee	147	1,507,725 ²
	148	1,787,725

¹ 80,000 granted with non-market conditions, and 200,000 granted with both market and non-market conditions.

² 960,725 granted with non-market conditions, and 547,000 granted with both market and non-market conditions.

The aggregate number of performance shares granted since the commencement of the 2016 Share Plan on December 1, 2016 to August 31, 2017 is 1,787,725 performance shares.

The above figures represent the shares required if participants are awarded at 100% of the grant. However, the shares awarded at the vesting date could range from 0% to 150%, depending on the level of achievement against the pre-set performance conditions.

- (k) As at August 31, 2017, no awards granted under the 2016 Share Plan have been delivered or vested.
- (l) The aggregate number of performance shares comprised in awards granted under the 2016 Share Plan which are outstanding as at August 31, 2017 is 1,549,544 performance shares.

OTHER INFORMATION ON AWARDS

6. Details of the awards granted to a Director under the SPH PSP are as follows:

Name of Director	Aggregate awards outstanding as at 1.9.16	Aggregate awards granted since commencement to 31.8.17	Aggregate awards released during the financial year under review	Aggregate awards outstanding as at 31.8.17
Chan Heng Loon Alan	Up to 1,197,100	Up to 4,106,100	204,400 [#]	Up to 1,113,100

[#] All of the ordinary shares were delivered by way of the transfer of treasury shares. No new ordinary shares were issued.

In respect of the SPH PSP:

- (a) Details of the ordinary shares delivered pursuant to awards granted under the SPH PSP are set out in the notes to the financial statements. The prices at which the ordinary shares were purchased have been previously announced.
- (b) No awards under the SPH PSP have been granted to controlling shareholders of the Company or their associates.
- (c) No participant has received in aggregate 5% or more of (a) the total number of new ordinary shares available under the SPH PSP, and (b) the total number of existing ordinary shares delivered pursuant to awards released under the SPH PSP.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

AUDIT COMMITTEE

7. The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50, and the Listing Manual of the Singapore Exchange Securities Trading Limited.

Its functions include reviewing the audit plans and audit reports of the internal and external auditors, the auditors' evaluation of the internal accounting controls, and the scope of the internal audit function; reviewing the statement of financial position of the Company and financial statements of the Group before submitting them to the Board for approval; reviewing any interested person transaction; reviewing the independence, objectivity and cost effectiveness of the external auditors and the nature and extent of non-audit services supplied by them; reviewing the assistance given by the Company's Management to the internal and external auditors; and overseeing any internal investigation into cases of fraud and irregularities.

It also recommends to the Board the appointment of external auditors, serves as a channel of communications between the Board and the auditors, and performs such other functions as may be agreed by the Audit Committee and the Board.

AUDITORS

8. The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Directors



Lee Boon Yang
Chairman



Ng Yat Chung
Director

Singapore,
October 11, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE PRESS HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Press Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at August 31, 2017, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in total equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 105 to 186.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at August 31, 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

(Refer to Note 8 and 30(e) to the financial statements)

Risk:

The Group owns a portfolio of investment properties comprising mainly Paragon, The Clementi Mall and The Seletar Mall. Investment properties represent the single largest category of assets on the statement of financial position, at S\$4 billion as at August 31, 2017.

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving at the capitalisation and discount rate, i.e. a small change in the assumptions can have a significant impact to the valuation.

Our response:

We evaluated the qualifications and competence of the external valuers. We also read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We tested the integrity of inputs of the projected cash flows used in the valuation to supporting leases and other documents. We challenged the capitalisation and discount rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

We also considered the adequacy of the descriptions in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE PRESS HOLDINGS LIMITED

Our findings:

The valuers are members of generally-recognised professional bodies for valuers and have confirmed their own independence in carrying out their work.

The approach to the methodologies and in deriving the key assumptions in the valuations is supported by generally accepted market practices and market data. The disclosures in the financial statements are appropriate.

Valuation of unquoted investments

(Refer to Note 12 and 30(e) to the financial statements)

Risk:

The Group's investment portfolio of S\$877 million as at August 31, 2017 included unquoted investments of S\$201 million, measured at Level 3 of the fair value hierarchy. The Level 3 investments are measured using non-observable market data (i.e. recent transacted price, indicative price for equity participation and underlying net asset value of the investee companies) and hence, the valuation of these investments involve judgement.

Our response:

We evaluated the appropriateness of the valuation techniques and the key valuation inputs used to determine the fair value of these Level 3 investments. We also assessed the adequacy of disclosures on the fair value measurement basis.

Our findings:

The valuation methods applied are in line with generally accepted market practices and the valuations are supported by recent transacted prices or external net assets valuation reports. The disclosures in the financial statements are appropriate.

Valuation of goodwill and intangible assets

(Refer to Note 13 to the financial statements)

Risk:

Intangible assets of S\$204 million as at August 31, 2017 comprise mainly goodwill, trademarks and licences acquired from business combinations. Impairment charge of S\$38 million was recorded for goodwill and trademarks.

The recoverability of these assets is based on forecasted cash flows of the underlying businesses, which are inherently judgmental. There is therefore a risk that actual cash flows of the underlying businesses fall short of the forecast, resulting in more impairment losses.

Our response:

We challenged the reasonableness of the key assumptions used in the cash flow forecast, including the discount rates and terminal growth rates by comparing to historical records and externally derived data, where available. As part of the challenge, we considered the accuracy of past projections. We also considered the adequacy of the disclosures of the key assumptions used in conveying the inherent estimation uncertainties.

Our findings:

In forecasting the cash flows of the underlying businesses, the Group took into account macroeconomic and sector trends and conditions. We found the key assumptions used in and resulting estimates from the cash flow forecast for the cash generating units to be within acceptable range, supported by historical performance. The disclosures in the financial statements are appropriate.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE PRESS HOLDINGS LIMITED

Accounting for significant acquisitions

(Refer to Note 13 and 17 to the financial statements)

Risk:

During the year, the Group acquired Orange Valley Healthcare Pte. Ltd., requiring the purchase price of S\$164 million to be allocated to the significant identifiable assets acquired and liabilities assumed. The Group engaged an external valuer to perform the purchase price allocation. There is judgement and inherent uncertainty in the purchase price allocation, in particular in relation to the valuation of intangible assets of trademark and customer list.

Our response:

We examined the terms and conditions of the acquisition as well as the purchase price allocation report issued by the external valuer. We evaluated the qualifications, competence and objectivity of the external valuer, and involved our valuation specialists in the review of the valuation methodologies and key assumptions used by the valuer. We tested the reasonableness of key assumptions (i.e. projected cash flows, discount rate, estimated useful life) used by the external valuer by considering historical performance, market data and forecast. We also considered the adequacy of disclosures for the acquisition.

Our findings:

The purchase price allocation was based on valuation methodologies which were noted to be in line with generally accepted valuation practices and the underlying key valuation assumptions were within range of market data. We also found the disclosures of this acquisition to be appropriate.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE PRESS HOLDINGS LIMITED

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE PRESS HOLDINGS LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Ong Pang Thye.

KPMG LLP

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
October 11, 2017

STATEMENTS OF FINANCIAL POSITION

AS AT AUGUST 31, 2017

	Note	Group		Company	
		Aug 31, 2017 S\$'000	Aug 31, 2016 S\$'000	Aug 31, 2017 S\$'000	Aug 31, 2016 S\$'000
CAPITAL EMPLOYED					
Share capital	4	522,809	522,809	522,809	522,809
Treasury shares	4	(7,384)	(8,683)	(7,384)	(8,683)
Reserves	5	324,397	430,447	32,907	45,351
Retained profits		2,648,576	2,572,753	1,277,297	1,043,768
Shareholders' interests		3,488,398	3,517,326	1,825,629	1,603,245
Non-controlling interests	6	734,926	724,078	–	–
Total equity		4,223,324	4,241,404	1,825,629	1,603,245
EMPLOYMENT OF CAPITAL					
Non-current assets					
Property, plant and equipment	7	235,042	219,523	78,044	117,731
Investment properties	8	4,034,771	3,963,000	–	–
Subsidiaries	9	–	–	438,077	419,250
Associates	10	68,792	78,153	–	31,160
Joint ventures	11	8,696	12,417	–	–
Investments	12(a)	513,728	628,860	27,173	38,105
Intangible assets	13	204,443	149,312	46,832	30,278
Trade and other receivables	14(a)	8,935	5,731	4,650	4,457
Derivatives	15	200	200	–	–
		5,074,607	5,057,196	594,776	640,981
Current assets					
Inventories	16	21,892	21,225	19,557	19,112
Trade and other receivables	14(b)	314,421	136,953	2,391,965	1,788,257
Investments	12(b)	363,370	406,700	–	–
Asset held for sale	12(c)	18,000	8,831	18,000	–
Derivatives	15	1,473	89	–	–
Cash and cash equivalents	17	312,647	312,894	150,467	162,764
		1,031,803	886,692	2,579,989	1,970,133
Total assets		6,106,410	5,943,888	3,174,765	2,611,114
Non-current liabilities					
Trade and other payables	18(a)	37,556	43,444	2,876	4,103
Deferred tax liabilities	19(a)	49,190	47,372	13,564	20,571
Borrowings	20	528,044	1,197,399	–	–
Derivatives	15	7,365	10,983	–	–
		622,155	1,299,198	16,440	24,674
Current liabilities					
Trade and other payables	18(b)	241,352	245,665	1,020,196	871,065
Current tax liabilities		46,591	56,271	16,500	27,130
Borrowings	20	971,695	99,954	296,000	85,000
Derivatives	15	1,293	1,396	–	–
		1,260,931	403,286	1,332,696	983,195
Total liabilities		1,883,086	1,702,484	1,349,136	1,007,869
Net assets		4,223,324	4,241,404	1,825,629	1,603,245

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

		Group	
	Note	2017 S\$'000	2016 S\$'000
Operating revenue	22		
Media		725,427	834,221
Property		244,159	241,310
Others		62,929	48,818
		1,032,515	1,124,349
Other operating income		19,504	28,759
		1,052,019	1,153,108
Materials, production and distribution costs		(156,151)	(165,630)
Staff costs	23	(357,464)	(362,551)
Premises costs		(65,053)	(69,740)
Depreciation	7	(37,823)	(44,699)
Other operating expenses	24	(138,215)	(145,690)
Impairment of goodwill and intangibles	13	(37,780)	(28,358)
Impairment of property, plant and equipment	7	(22,785)	–
Finance costs	25	(31,300)	(31,271)
Operating profit [#]		205,448	305,169
Fair value change on investment properties	8	57,386	11,823
Net income from investments	26	53,865	51,753
Share of results of associates and joint ventures	10, 11	562	(7,704)
Gain on divestment of a joint venture	11	149,690	–
Impairment of associates and a joint venture	10, 11	(35,459)	–
Profit before taxation		431,492	361,041
Taxation	19(b)	(36,276)	(54,902)
Profit after taxation		395,216	306,139
Attributable to:			
Shareholders of the Company		350,085	265,293
Non-controlling interests	6	45,131	40,846
		395,216	306,139
Earnings per share (S\$)	28		
Basic		0.22	0.16
Diluted		0.22	0.16

[#] This represents the recurring earnings of the media, property and other businesses.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

	Note	Group 2017 S\$'000	2016 S\$'000
Profit after taxation		395,216	306,139
Other comprehensive income, net of tax			
<i>Items that may be re-classified subsequently to profit or loss</i>			
Capital reserve			
- share of capital reserves of associates		-	(11)
Cash flow hedges			
- net fair value changes		(4,106)	(19,565)
- transferred to income statement		6,395	3,888
Net fair value changes on available-for-sale financial assets			
- net fair value changes		(85,534)	(23,458)
- transferred to income statement		(20,459)	(10,483)
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures		(2,143)	(2,261)
		(105,847)	(51,890)
Total comprehensive income		289,369	254,249
Attributable to:			
Shareholders of the Company		244,293	218,063
Non-controlling interests	6	45,076	36,186
		289,369	254,249

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

	Note	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000
Balance as at September 1, 2016		522,809	(8,683)	(11,645)
Total comprehensive income for the year		-	-	-
Transactions with owners, recognised directly in equity				
<u>Contributions by and distributions to owners</u>				
Share-based compensation		-	-	-
Treasury shares re-issued	4	-	5,785	-
Share buy-back – held as treasury shares	4	-	(4,486)	-
Dividends	27	-	-	-
<u>Changes in ownership interests in subsidiaries without a change in control</u>				
Acquisition of additional interest in a subsidiary		-	-	-
Dilution of interest in a subsidiary		-	-	60
Reversal of put option to acquire non-controlling interest		-	-	1,176
Balance as at August 31, 2017		522,809	(7,384)	(10,409)
Balance as at September 1, 2015		522,809	(13,408)	(11,530)
Total comprehensive income for the year		-	-	(11)
Transactions with owners, recognised directly in equity				
<u>Contributions by and distributions to owners</u>				
Share-based compensation		-	-	-
Treasury shares re-issued	4	-	6,485	-
Share buy-back – held as treasury shares	4	-	(1,760)	-
Lapse of share options		-	-	-
Dividends	27	-	-	-
Fair value gain on interest-free loans		-	-	-
<u>Changes in ownership interests in subsidiaries without a change in control</u>				
Acquisition of additional interest in a subsidiary		-	-	-
Dilution of interest in a subsidiary		-	-	-
Put option to acquire non-controlling interest		-	-	(104)
Balance as at August 31, 2016		522,809	(8,683)	(11,645)

The accompanying notes form an integral part of these financial statements.

Attributable to Shareholders of the Company								
Share-based Compensation Reserve S\$'000	Hedging Reserve S\$'000	Fair Value Reserve S\$'000	Currency Translation Reserve S\$'000	Retained Profits S\$'000	Total S\$'000	Non- controlling Interests S\$'000	Total Equity S\$'000	
9,201	(7,587)	443,948	(3,470)	2,572,753	3,517,326	724,078	4,241,404	
-	1,598	(105,993)	(1,397)	350,085	244,293	45,076	289,369	
4,522	-	-	-	-	4,522	-	4,522	
(6,035)	-	-	-	363	113	-	113	
-	-	-	-	-	(4,486)	-	(4,486)	
-	-	-	-	(274,556)	(274,556)	(41,859)	(316,415)	
-	-	-	-	(63)	(63)	63	-	
-	19	-	-	(6)	73	7,568	7,641	
-	-	-	-	-	1,176	-	1,176	
7,688	(5,970)	337,955	(4,867)	2,648,576	3,488,398	734,926	4,223,324	
14,124	3,424	477,889	(1,203)	2,626,708	3,618,813	727,837	4,346,650	
-	(11,011)	(33,941)	(2,267)	265,293	218,063	36,186	254,249	
4,866	-	-	-	-	4,866	-	4,866	
(5,680)	-	-	-	(619)	186	-	186	
-	-	-	-	-	(1,760)	-	(1,760)	
(4,109)	-	-	-	4,109	-	-	-	
-	-	-	-	(322,818)	(322,818)	(41,340)	(364,158)	
-	-	-	-	-	-	1,332	1,332	
-	-	-	-	81	81	(81)	-	
-	-	-	-	(1)	(1)	144	143	
-	-	-	-	-	(104)	-	(104)	
9,201	(7,587)	443,948	(3,470)	2,572,753	3,517,326	724,078	4,241,404	

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

	Note	Group 2017 S\$'000	2016 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		431,492	361,041
Adjustments for:			
Depreciation		37,823	44,699
Impairment of property, plant and equipment		22,785	–
Loss on disposal of property, plant and equipment		154	374
Fair value change on investment properties		(57,386)	(11,823)
Gain on acquisition of a business by a subsidiary		(289)	–
Share of results of associates and joint ventures		(562)	7,704
Gain on divestment of an associate		–	(28)
Gain on dilution of interest in an associate		–	(85)
Gain on dilution of interest in a joint venture		(298)	–
Impairment of associates and a joint venture		35,459	–
Write-back of impairment of an associate		–	(259)
Gain on divestment of a joint venture		(149,690)	–
Net income from investments		(53,865)	(51,753)
Amortisation of intangible assets		11,002	11,110
Impairment of goodwill		9,879	26,775
Impairment of intangible assets		27,901	1,583
Finance costs		31,300	31,271
Share-based compensation expense		4,522	4,885
Other non-cash items		1,677	1,894
Operating cash flow before working capital changes		351,904	427,388
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:			
Inventories		109	(8,748)
Trade and other receivables, current		20,038	9,609
Trade and other payables, current		(7,908)	(7,442)
Trade and other receivables, non-current		(2,709)	(1,289)
Trade and other payables, non-current		(5,888)	(4,755)
Others		(450)	(956)
Income tax paid		355,096	413,807
Dividends paid		(58,467)	(63,464)
Dividends paid (net) by subsidiaries to non-controlling interests		(274,556)	(322,818)
Dividends paid (net) by subsidiaries to non-controlling interests		(41,859)	(41,340)
Net cash used in operating activities		(19,786)	(13,815)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

		Group	
	Note	2017 S\$'000	2016 S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(12,329)	(15,239)
Additions to investment properties		(14,385)	(14,075)
Additions to intangible assets		(450)	–
Proceeds from disposal of property, plant and equipment		206	72
Acquisition of a subsidiary (net of cash acquired)	17(a)	(157,184)	–
Acquisition of business by a subsidiary	17(b)	–	(1,000)
Acquisition of interests in associates		(30,991)	(6,800)
Acquisition of interests in joint ventures		(878)	(4,473)
Dividends received from associates		6,607	2,691
Proceeds from divestment of a joint venture	11	150,490	349
Increase in amounts owing by associates/joint ventures		(168,074)	(294)
Decrease in amounts owing to associates/joint ventures		(1,095)	(14,236)
Purchase of investments, non-current		(21,055)	(53,145)
Purchase of investments, current		(92,470)	(137,045)
Proceeds from capital distribution/disposal of investments, non-current		22,171	3,103
Proceeds from capital distribution/disposal of investments, current		139,573	263,791
Dividends received		26,198	26,400
Interest received		6,575	4,858
Other investment income		(5,090)	272
Net cash (used in)/from investing activities		(152,181)	55,229
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank loans		275,000	33,622
Repayment of bank loans		(76,016)	(22,327)
Interest paid		(30,340)	(30,444)
Share buy-back		(4,486)	(1,760)
Proceeds from partial divestment of interest in a subsidiary		7,522	143
Loans from non-controlling interests		40	–
Net cash from/(used in) financing activities		171,720	(20,766)
Net (decrease)/increase in cash and cash equivalents		(247)	20,648
Cash and cash equivalents at beginning of financial year		312,894	292,246
Cash and cash equivalents at end of financial year	17	312,647	312,894

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

These notes form an integral part of and should be read in conjunction with the financial statements.

1. GENERAL INFORMATION

The Company is incorporated and domiciled in Singapore. The address of its registered office is 1000 Toa Payoh North, News Centre, Singapore 318994.

The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Group consist of:

- (a) publishing, printing and distributing newspapers,
- (b) publishing and distributing magazines,
- (c) providing multimedia content and services,
- (d) holding investments,
- (e) holding, managing and developing properties,
- (f) providing outdoor advertising services,
- (g) providing radio broadcasting services,
- (h) providing online classifieds services,
- (i) organising events, exhibitions, conventions and conferences,
- (j) publishing and distributing books,
- (k) providing online investor relations services,
- (l) developing applications and operating a financial portal,
- (m) operating nursing homes, and providing ancillary services and supplies.

The principal activities of the Company consist of:

- (a) publishing, printing and distributing newspapers,
- (b) distributing magazines and books,
- (c) providing multimedia content and services,
- (d) holding shares in subsidiaries,
- (e) holding investments, and
- (f) providing management services to subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention except as disclosed in the accounting policies below.

The Group's financial statements are prepared on a going concern basis. As at August 31, 2017, the Group is in a net current liabilities position due to certain bank loans due in 2018 [Note 20]. The Group has various financing options for these loan amounts, and adequate unutilised credit facilities and non-current marketable securities available for use.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

The Group has adopted the new or revised FRS and Interpretations to FRS ("INT FRS") that are mandatory for application in the financial year. The adoption of the new or revised FRS and INT FRS has not resulted in any substantial changes to the Group's accounting policies nor has any significant impact on these financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting

(i) Subsidiaries

- Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year.

Subsidiaries are entities controlled by the Group, generally accompanied by a shareholding of more than one half of the voting rights. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Company. They are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in total equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

- Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Please refer to Note 2(l)(i) for the accounting policy on goodwill arising from business combination.

- Disposals

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any amounts previously recognised in other comprehensive income in respect of that entity are transferred to the income statement or transferred directly to retained earnings if required by a specific standard.

Any retained interest in the entity is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting (cont'd)

(i) Subsidiaries (cont'd)

- Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with shareholders of the company. Any difference between the change in the carrying amount of the non-controlling interest and the fair value of the consideration paid or received is recognised in retained profits within equity attributable to the shareholders of the company.

(ii) Associates/Joint ventures

Associates are entities over which the Group has significant influence, but not control or joint control, and generally accompanied by a shareholding giving rise to between and including 20% and 50% of voting rights. Where the voting rights are less than 20%, the presumption that the entity is not an associate is overcome if the Group has significant influence including representation on the board of directors or participation in policy-making process of the investee.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group's investments in associates/joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses. Investments in associates/joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of the post-acquisition results of associates/joint ventures is included in its consolidated income statement. The Group's share of the post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associates/joint ventures are adjusted against the carrying amount of the investments in the consolidated statement of financial position. When the Group's share of losses in an associate/joint venture equals or exceeds its interest in the associate/joint venture, including any unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associate/joint venture.

Adjustments are made to the financial statements of associates/joint ventures, where necessary, to ensure consistency of accounting policies with those of the Group.

Unrealised gains on transactions between the Group and its associates/joint ventures are eliminated to the extent of the Group's investments in the associates/joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The investment in the associate/joint venture is derecognised when the Group ceases to have significant influence or joint control respectively. Any amounts previously recognised in other comprehensive income in respect of that entity are transferred to the income statement. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value is recognised in the income statement.

If the ownership interest in an associate/joint venture is reduced but significant influence or joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are transferred to income statement where appropriate. Gains or losses arising from such transactions are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Currency translation

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("presentation currency"), which is also the Company's functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are taken to the income statement.

Currency translation differences on non-monetary items which are equity investments held at fair value through profit or loss are reported as part of the fair value gain or loss in the income statement. Currency translation differences on non-monetary items which are equity investments classified as available-for-sale financial assets are included in other comprehensive income.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

(iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rates at the reporting date;
- Income and expenses are translated at average exchange rates; and
- All resulting exchange differences are taken to other comprehensive income and transferred to the income statement upon the disposal of the foreign operation as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rates at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Impairment of non-financial assets

(i) Goodwill

Goodwill recognised separately as an intangible asset is tested annually for impairment, as well as when there is any indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in an associate/joint venture is tested for impairment as part of the investment, rather than separately, where there is objective evidence that the investment may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

(ii) Other intangible assets

Property, plant and equipment

Investments in subsidiaries, associates and joint ventures

Other intangible assets, property, plant and equipment, and investments in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised when the carrying amount of the asset (or CGU) exceeds the recoverable amount of the asset (or CGU). Recoverable amount of the asset (or CGU) is the higher of the asset's (or CGU's) fair value less cost to sell and value-in-use.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, plant and equipment

(i) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the expected useful lives of the assets. The estimated useful lives for this purpose are:

Leasehold land and buildings	25 - 50 years
Plant and equipment	1 - 20 years
Furniture and fittings	1 - 10 years
Motor vehicles	3 - 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the income statement when the changes arise.

No depreciation is charged on capital work-in-progress.

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the income statement when incurred.

(iv) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment properties

Investment properties comprise retail, office and residential buildings that are held for long-term rental yields.

Investment properties are initially recognised at cost and subsequently measured at fair value. Any gains or losses arising from the changes in their fair values are taken to the income statement.

The cost of an investment property includes capitalisation of borrowing costs [Note 2(g)] for the purchase, renovation and extension of the investment property while these activities are in progress. For this purpose, the interest rates applied to funds provided for the development are based on the actual interest rates payable on the borrowings for such development.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are written-off to the income statement. The cost of maintenance, repairs and minor improvements is charged to the income statement when incurred.

Properties that are being constructed or developed for future use as investment properties are classified as investment properties. Where the fair value of the investment property under construction or development cannot be reliably measured, the property is measured at cost until the earlier of the date the construction is completed or the date at which fair value becomes reliably measurable.

On disposal of an investment property, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

(g) Borrowing costs

Borrowing costs are recognised in the income statement using the effective interest method except for those costs that are directly attributable to borrowings acquired specifically for the construction or development of properties. This includes those costs on borrowings acquired specially for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development [Note 2(f)].

(h) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are included in the Company's statement of financial position at cost less accumulated impairment losses. On disposal of these investments, the difference between disposal proceeds and the carrying amount of the investments is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets on initial recognition.

- Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within twelve months after the reporting date. Financial assets designated at fair value through profit or loss comprise securities that otherwise would have been classified as available-for-sale.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than twelve months after the reporting date which are presented as non-current assets. Loans and receivables comprise bank balances and fixed deposits, and trade and other receivables.

- Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Group has the positive intention and ability to hold to maturity.

- Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within twelve months after the reporting date. Available-for-sale financial assets comprise debt and equity securities.

(ii) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in the income statement. Any amounts in the fair value reserve relating to that asset is also transferred to the income statement.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in the income statement.

(iv) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method less accumulated impairment losses.

Gains and losses arising from changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividends, are recognised in the income statement in the period in which they arise. Changes in the fair value of monetary assets denominated in foreign currencies and classified as available-for-sale are analysed into currency translation differences resulting from changes in the amortised cost of the asset and other changes. The currency translation differences are recognised in the income statement and other changes are recognised in other comprehensive income. Changes in the fair values of non-monetary assets that are classified as available-for-sale are recognised in other comprehensive income, together with the related currency translation differences.

(v) Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

- Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are objective evidence that these financial assets are impaired. The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the income statement. When the asset becomes uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are recognised in the income statement.

The allowance for impairment loss account is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

- Available-for-sale financial assets

In the case of an equity security classified as available-for-sale, in addition to the objective evidence of impairment described in loans and receivables, a significant or prolonged decline in the fair value of the security below its cost is objective evidence that the security is impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that has been recognised directly in the fair value reserve is transferred from the fair value reserve within equity and recognised in the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement.

Impairment loss on debt instruments classified as available-for-sale financial assets is reversed through the income statement. However, impairment losses with respect to equity instruments classified as available-for-sale financial assets are not reversed through the income statement.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices as at the reporting date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Methods such as estimating with reference to recent arm's length transactions, discounted cash flow projections and the underlying net asset value of the investee companies are also used to determine the fair values of the financial instruments.

(k) Derivatives and hedging activities

Derivatives are used to manage exposure to foreign exchange and interest rate risks arising from operating, financing and investing activities. Derivatives taken up directly by the Group are not used for trading purposes.

A derivative is initially recognised at its fair value on the date the derivative contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates its derivatives for hedging purposes as either hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge), or hedges of highly probable forecast transactions (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than twelve months, and as a current asset or liability if the remaining expected life of the hedged item is less than twelve months. The fair value of a trading derivative is presented as a current asset or liability.

(i) Cash flow hedge

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of these interest rate swaps are recognised in other comprehensive income and transferred to the income statement in the periods when the interest expense on the borrowings is recognised in the income statement. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

(ii) Derivatives that do not qualify for hedge accounting

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised immediately in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Intangible assets

(i) Goodwill arising from business combination

Goodwill arising from business combination is the excess of the fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets and contingent liabilities acquired. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Goodwill arising from business combination is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisition of associates and joint ventures is recorded as part of the carrying value of the investments in the consolidated statement of financial position.

The gains and losses on the disposal of subsidiaries, associates and joint ventures include the carrying amount of goodwill relating to the entity sold.

(ii) Technology, trademarks, licences, mastheads and others

Technology, trademarks, licences, mastheads and other intangible assets acquired as part of business combinations are initially recognised at their fair values at the acquisition date and are subsequently carried at cost (i.e. the fair values on initial recognition) less accumulated amortisation and accumulated impairment losses. The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that are expected to be avoided as a result of the patent and trademark being owned, or the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method.

Technology and licenses acquired separately are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

These costs are amortised to the income statement using the straight-line method over 3 to 20 years, which is the shorter of their estimated useful lives and periods of contractual rights. The amortisation period and amortisation method of these intangible assets other than goodwill are reviewed at least at each reporting date. The effects of any revision are recognised in the income statement when the changes arise.

(m) Inventories

Inventories comprise raw materials and consumable stores, and are stated at the lower of cost and net realisable value.

The cost of raw materials and consumable stores includes transport and handling costs, and any other directly attributable costs, and is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated variable selling expenses.

(n) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs incurred) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the income statement over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting date, in which case they are presented as non-current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially carried at fair value, and subsequently carried at amortised cost using the effective interest method.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

(p) Dividends payable

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

(q) Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Short-term employee benefits

All short-term employee benefits, including accumulated compensated absences, are recognised in the income statement in the period in which the employees rendered their services to the Group.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as Singapore's Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions to defined contribution plans are recognised in the financial year when they are due.

(iii) Share-based compensation

- Performance shares

Persons eligible to participate in the SPH Performance Share Plan and the SPH Performance Share Plan 2016 (collectively, "SPH PSP") are selected Group Employees of such rank and service period as the Remuneration Committee (the "RC") may determine, and other participants selected by the RC.

The SPH PSP contemplates the award of fully-paid ordinary shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met and upon expiry of the prescribed vesting periods.

The fair value of the performance shares granted is recognised as a share-based compensation expense in the income statement with a corresponding increase in the share-based compensation reserve over the vesting period.

The amount is determined by reference to the fair value of the performance shares on grant date.

If the performance condition is a market condition, the probability of the performance condition being met is taken into account in estimating the fair value of the ordinary shares granted at the grant date. The compensation cost shall be charged to the income statement on a basis that fairly reflects the manner in which the benefits will accrue to the employee under the SPH PSP over the prescribed vesting periods from date of grant. No adjustments to the amounts charged to the income statement are made whether or not the market condition is met.

For performance share grants with non-market conditions, the Company revises its estimates of the number of share grants expected to vest and corresponding adjustments are made to the income statement and share-based compensation reserve. The Company assesses this change at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(s) Income taxes

Current tax for current and prior periods is recognised at the amount expected to be paid to (or recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax liabilities are recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Current and deferred taxes are recognised as income or expense in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against the related goodwill.

(t) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates, discounts and returns, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

- (i) Revenue from the sale of the Group's products is recognised on completion of delivery;
- (ii) Revenue from advertisements is recognised in the period in which the advertisement is published or broadcasted;
- (iii) Revenue from rental and rental-related services is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income;
- (iv) Revenue from the provision of other services is recognised in the period in which the services are rendered;
- (v) Dividend income is recognised when the right to receive payment is established; and
- (vi) Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Operating leases

When a group company is the lessee:

Leases where substantially all of the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are recognised as expenses in the income statement on a straight-line basis over the period of the lease. Contingent rents are recognised as an expense in the income statement when incurred.

When a group company is the lessor:

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Assets leased out under operating leases are included in investment properties. Rental income from operating leases is recognised in the income statement on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rents are recognised as income in the income statement when earned.

(v) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

The consideration paid for treasury shares, including any directly attributable incremental costs, is presented as a component within shareholders' equity until the shares are cancelled, re-issued or disposed of. Where such shares are subsequently re-issued or disposed of, any consideration received, net of any directly attributable incremental transaction costs, is included in shareholders' equity. Realised gain or loss on disposal or re-issue of treasury shares is included in retained profits of the Company.

When treasury shares are subsequently cancelled, the cost of the treasury shares is deducted against the share capital account, if the shares are purchased out of capital of the Company, or against the retained profits of the Company, if the shares are purchased out of profits of the Company.

(w) Segment reporting

Segmental information are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer of the Company who conducts a regular review for allocation of resources and assessment of performance of the operating segments.

(x) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of financial statements in conformity with FRS requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have significant effect on the amounts recognised are as follows:

- **Fair value estimation**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Methods used include estimating with reference to recent arm's length transactions, discounted cash flow projections and the underlying net asset value of the investee companies.

The fair value of investment properties is based on independent professional valuations using valuation techniques and assumptions.

- **Recoverable value of goodwill and other intangible assets**

The Group determines whether goodwill and other intangible assets are impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which goodwill or other intangible assets are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose an appropriate discount rate in order to calculate the present value of those cash flows. Forecasts of future cash flows are based on the Group's estimates using sector and industry trends, general market and economic conditions, changes in technology and other available information. Information about the assumptions and their risk factors relating to goodwill and other intangible assets impairment are discussed in Note 13(a).

- **Accounting for business combinations**

Accounting for acquisition of business requires the purchase price to be allocated to the identifiable assets acquired and liabilities assumed. The Group engaged an external valuer to perform the purchase price allocation for the significant acquisition during the year. Information about the valuation approaches and methodologies is set out in Note 17(a).

Information about critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements is as follows:

- **Impairment of available-for-sale financial assets**

The Group follows the guidance of FRS 39 in determining when an investment is considered impaired. The Group evaluates the duration and extent to which the fair value of an investment is less than its cost in its assessment of impairment allowances. Under exceptional circumstances, the Group may apply judgement based on qualitative facts such as the financial health of and near-term business outlook of the issuer of the instrument, changes in technology and operational and financing cash flow.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

4. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2017		2016	
	Number of Shares '000	Amount S\$'000	Number of Shares '000	Amount S\$'000
Issued and fully paid, with no par value				
Management shares	16,362	7,109	16,362	7,109
Ordinary shares	1,600,649	515,700	1,600,649	515,700
	1,617,011	522,809	1,617,011	522,809
Treasury shares	(2,037)	(7,384)	(2,209)	(8,683)
	1,614,974	515,425	1,614,802	514,126

Movements during the financial year:

Beginning of financial year	1,614,802	514,126	1,613,705	509,401
Purchase of treasury shares	(1,300)	(4,486)	(500)	(1,760)
Treasury shares re-issued for the fulfilment of share awards vested under SPH Performance Share Plan	1,472	5,785	1,597	6,485
End of financial year	1,614,974	515,425	1,614,802	514,126

The holders of both management and ordinary shares rank pari passu in respect of all dividends declared by the Company and in respect of all bonus and rights issues made by the Company, as well as in the right to return of capital and to participate in all surplus assets of the Company in liquidation.

In terms of voting rights, both classes of shareholders are entitled either on a poll or by a show of hands to one vote for each share, except that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, the holders of management shares are entitled either on a poll or by a show of hands to two hundred votes for each management share held.

(a) Treasury shares

The Company acquired 1,300,000 (2016: 500,000) of its own shares through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was S\$4.5 million (2016: S\$1.8 million). The shares, held as treasury shares, were included as deduction against shareholders' equity.

The Company re-issued 1,472,008 (2016: 1,597,252) treasury shares during the financial year for the fulfilment of share awards vested under the SPH Performance Share Plan at a total value of S\$5.8 million (2016: S\$6.5 million).

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

4. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(b) Performance shares

At the annual general meeting of the Company held on December 1, 2016, the Company's shareholders approved the adoption of the SPH Performance Share Plan 2016 ("the 2016 Share Plan"). This replaced the SPH Performance Share Plan ("the Share Plan") which was terminated, except that awards granted prior to such termination and are outstanding continued to be valid.

During the financial year, 1,787,725 (2016: 1,771,925) performance shares were granted subject to the terms and conditions of the 2016 Share Plan (2016: the Share Plan).

Movements in the number of performance shares outstanding during the financial year are summarised below:

2017

Grant Date	Outstanding as at 01.09.16 '000	Adjusted* '000	Granted '000	Vested '000	Lapsed '000	Outstanding as at 31.08.17 '000
11.01.13	220	-	-	(220)	-	-
13.01.14	1,389	(263)	-	(790)	(2)	334
13.01.15	1,703	160	-	(394)	(12)	1,457
13.01.16	1,761	(849)	-	(68)	(109)	735
13.01.17	-	-	1,788	-	(238)	1,550

2016

Grant Date	Outstanding as at 01.09.15 '000	Adjusted* '000	Granted '000	Vested '000	Lapsed '000	Outstanding as at 31.08.16 '000
12.01.12	326	-	-	(319)	(7)	-
11.01.13	1,253	(55)	-	(936)	(42)	220
13.01.14	1,870	(45)	-	(342)	(94)	1,389
13.01.15	1,814	-	-	-	(111)	1,703
13.01.16	-	-	1,772	-	(11)	1,761

* Adjusted at end of the performance period based on the level of achievement of pre-set performance conditions.

The shares awarded at the vesting date could range from 0% to 150% of the grant, depending on the level of achievement against the pre-set performance conditions.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

4. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(b) Performance shares (cont'd)

The fair value of the performance shares is determined at grant date using the Monte Carlo simulation model. The number of performance shares granted during the financial year, their fair values and the input assumptions used are as follows:

Grant Date	Vesting Date	Number of Shares '000	Fair Value per Share S\$	Expected Volatility* of SPH %	Expected Volatility* of FTSE ST All Share Index %	Expected Dividend Yield %	Risk-free Interest Rate %	Correlation between SPH Share Price and FTSE ST All Share Index^	Share Price at Grant Date S\$
2017									
13.01.17 ^(a)	13.01.18	347	3.52	14.1	N.A.	4.90	0.96	N.A.	3.69
13.01.17 ^(a)	13.01.19	347	3.34	14.1	N.A.	4.90	1.23	N.A.	3.69
13.01.17 ^(b)	13.01.20	747	2.49	14.1	11.20	5.63	1.40	0.55	3.69
13.01.17 ^(a)	13.01.20	347	3.21	14.1	N.A.	4.90	1.40	N.A.	3.69
2016									
13.01.16 ^(a)	13.01.17	355	3.50	11.77	N.A.	5.42	1.02	N.A.	3.69
13.01.16 ^(a)	13.01.18	355	3.33	11.77	N.A.	5.42	1.23	N.A.	3.69
13.01.16 ^(b)	13.01.19	708	2.98	11.77	11.17	5.42	1.54	0.60	3.69
13.01.16 ^(a)	13.01.19	354	3.15	11.77	N.A.	5.42	1.54	N.A.	3.69

* Derived based on 36 months of historical volatility prior to grant date.

^ Derived based on 36 months of historical correlation of returns prior to grant date.

^(a) Granted with non-market conditions.

^(b) Granted with both market and non-market conditions.

N.A. Not applicable

For non-market conditions, achievement factors have been estimated based on management inputs for the purpose of accrual for the performance shares until the achievement of the performance conditions can be accurately ascertained.

During the financial year, the Group recognised S\$4.5 million (2016: S\$4.9 million) of share-based compensation expense in respect of performance shares based on the fair values determined on grant date and estimation of the share grants that will ultimately vest.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

5. RESERVES

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Capital reserve	(10,409)	(11,645)	-	-
Share-based compensation reserve	7,688	9,201	7,688	9,201
Hedging reserve	(5,970)	(7,587)	-	-
Fair value reserve	337,955	443,948	25,219	36,150
Currency translation reserve	(4,867)	(3,470)	-	-
	324,397	430,447	32,907	45,351

Capital reserve

The capital reserve comprises mainly capitalised listing expenses incurred in relation to the listing of a subsidiary on the Main Board of Singapore Exchange Securities Trading Limited.

Share-based compensation reserve

The share-based compensation reserve comprises the fair value of performance shares granted.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments pending subsequent recognition in the income statement.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised.

Currency translation reserve

The currency translation reserve comprises the foreign currency differences arising from translation of the financial statements of foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

6. NON-CONTROLLING INTERESTS

The following summarises the financial information of the Group's subsidiaries with non-controlling interests, based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences with the Group's accounting policies. The information is before inter-company eliminations with other companies in the Group.

2017

	SPH REIT S\$'000	Other subsidiaries S\$'000	Total S\$'000
Revenue	212,756		
Profit	157,156		
Other comprehensive income	1,904		
Total comprehensive income	159,060		
Attributable to non-controlling interests:			
Profit	46,508	(1,377)	45,131
Other comprehensive income	576	(631)	(55)
Total comprehensive income	47,084	(2,008)	45,076
Non-current assets	3,278,843		
Current assets	67,858		
Non-current liabilities	(565,516)		
Current liabilities	(360,125)		
Net assets	2,421,060		
Net assets attributable to non-controlling interests	718,895	16,031	734,926
Cash flows from operating activities	165,200		
Cash flows used in investing activities	(6,269)		
Cash flows used in financing activities*	(163,308)		
Net decrease in cash and cash equivalents	(4,377)		

* Included S\$41.9 million dividends paid to non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

6. NON-CONTROLLING INTERESTS (CONT'D)

2016

	SPH REIT S\$'000	Other subsidiaries S\$'000	Total S\$'000
Revenue	209,594		
Profit	127,574		
Other comprehensive income	(14,204)		
Total comprehensive income	113,370		
Attributable to non-controlling interests:			
Profit	37,912	2,934	40,846
Other comprehensive income	(4,224)	(436)	(4,660)
Total comprehensive income	33,688	2,498	36,186
Non-current assets	3,237,985		
Current assets	73,270		
Non-current liabilities	(888,540)		
Current liabilities	(34,183)		
Net assets	2,388,532		
Net assets attributable to non-controlling interests	706,040	18,038	724,078
Cash flows from operating activities	160,019		
Cash flows used in investing activities	(7,763)		
Cash flows used in financing activities*	(162,229)		
Net decrease in cash and cash equivalents	(9,973)		

* Included S\$41.3 million dividends paid to non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

7. PROPERTY, PLANT AND EQUIPMENT

(a) Group

2017

	Leasehold Land and Buildings S\$'000	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Cost					
Beginning of financial year	237,087	737,741	20,350	2,041	997,219
Additions	110	2,375	497	101	3,083
Acquisition of a subsidiary [Note 17(a)]	62,883	1,033	154	–	64,070
Acquisition of business by a subsidiary [Note 17(b)]	–	58	12	–	70
Transfer from capital work-in-progress	–	6,774	696	–	7,470
Disposals/Write-offs	(2)	(11,346)	(798)	(67)	(12,213)
Currency translation differences	62	(81)	(42)	(5)	(66)
End of financial year	300,140	736,554	20,869	2,070	1,059,633
Accumulated depreciation and impairment					
Beginning of financial year	146,353	614,020	17,558	1,995	779,926
Depreciation	8,347	28,440	981	55	37,823
Disposals/Write-offs	(1)	(11,142)	(643)	(67)	(11,853)
Impairment	–	22,744	41	–	22,785
Currency translation differences	9	(62)	(27)	(4)	(84)
End of financial year	154,708	654,000	17,910	1,979	828,597
Carrying amount					
End of financial year	145,432	82,554	2,959	91	231,036
Capital work-in-progress	449	2,890	667	–	4,006
Total	145,881	85,444	3,626	91	235,042
Capital work-in-progress					
Beginning of financial year	–	2,211	19	–	2,230
Additions	449	7,453	1,344	–	9,246
Transfer to property, plant and equipment	–	(6,774)	(696)	–	(7,470)
End of financial year	449	2,890	667	–	4,006

During the financial year, the Group and Company recognised an impairment charge of S\$22.8 million on the carrying amount of certain press lines arising from the consolidation and optimisation of printing press capacity.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Group

2016

	Leasehold Land and Buildings S\$'000	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Cost					
Beginning of financial year	237,577	735,313	21,037	2,032	995,959
Additions	114	2,424	585	9	3,132
Acquisition of business by a subsidiary [Note 17(b)]	–	11	–	–	11
Transfer from capital work-in-progress	–	15,060	159	–	15,219
Disposals/Write-offs	(9)	(15,043)	(1,390)	–	(16,442)
Currency translation differences	(595)	(24)	(41)	–	(660)
End of financial year	237,087	737,741	20,350	2,041	997,219
Accumulated depreciation and impairment					
Beginning of financial year	139,499	592,240	17,746	1,840	751,325
Depreciation	6,928	36,458	1,158	155	44,699
Disposals/Write-offs	(8)	(14,664)	(1,324)	–	(15,996)
Currency translation differences	(66)	(14)	(22)	–	(102)
End of financial year	146,353	614,020	17,558	1,995	779,926
Carrying amount					
End of financial year	90,734	123,721	2,792	46	217,293
Capital work-in-progress	–	2,211	19	–	2,230
Total	90,734	125,932	2,811	46	219,523
Capital work-in-progress					
Beginning of financial year	–	5,298	44	–	5,342
Additions	–	11,973	134	–	12,107
Transfer to property, plant and equipment	–	(15,060)	(159)	–	(15,219)
End of financial year	–	2,211	19	–	2,230

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Company

2017

	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Cost				
Beginning of financial year	634,988	12,429	1,585	649,002
Additions	667	41	101	809
Transfer from capital work-in-progress	6,525	696	–	7,221
Disposals/Write-offs	(9,683)	(512)	(23)	(10,218)
End of financial year	632,497	12,654	1,663	646,814
Accumulated depreciation and impairment				
Beginning of financial year	520,184	11,226	1,558	532,968
Depreciation	25,777	256	37	26,070
Disposals/Write-offs	(9,533)	(404)	(23)	(9,960)
Impairment	22,744	41	–	22,785
End of financial year	559,172	11,119	1,572	571,863
Carrying amount				
End of financial year	73,325	1,535	91	74,951
Capital work-in-progress	2,445	648	–	3,093
Total	75,770	2,183	91	78,044
Capital work-in-progress				
Beginning of financial year	1,697	–	–	1,697
Additions	7,273	1,344	–	8,617
Transfer to property, plant and equipment	(6,525)	(696)	–	(7,221)
End of financial year	2,445	648	–	3,093

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) Company

2016

	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Cost				
Beginning of financial year	632,822	13,043	1,576	647,441
Additions	951	61	9	1,021
Transfer from capital work-in-progress	14,703	118	–	14,821
Disposals/Write-offs	(13,488)	(793)	–	(14,281)
End of financial year	634,988	12,429	1,585	649,002
Accumulated depreciation and impairment				
Beginning of financial year	499,448	11,731	1,431	512,610
Depreciation	33,876	282	127	34,285
Disposals/Write-offs	(13,140)	(787)	–	(13,927)
End of financial year	520,184	11,226	1,558	532,968
Carrying amount				
End of financial year	114,804	1,203	27	116,034
Capital work-in-progress	1,697	–	–	1,697
Total	116,501	1,203	27	117,731
Capital work-in-progress				
Beginning of financial year	4,810	–	–	4,810
Additions	11,590	118	–	11,708
Transfer to property, plant and equipment	(14,703)	(118)	–	(14,821)
End of financial year	1,697	–	–	1,697

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

8. INVESTMENT PROPERTIES

	Group	
	2017 S\$'000	2016 S\$'000
Investment properties		
Beginning of financial year	3,963,000	3,940,951
Additions	14,385	10,226
Fair value change	57,386	11,823
End of financial year	4,034,771	3,963,000
Carrying amount of		
- Freehold investment properties	2,933,500	2,865,500
- Leasehold investment properties	1,101,271	1,097,500
	4,034,771	3,963,000

The fair value of the investment properties as at the reporting date was stated based on independent professional valuations using valuation techniques and assumptions set out in Note 30(e).

The Paragon on Orchard Road with a carrying amount of S\$2,846 million (2016: S\$2,778 million) is mortgaged to banks as security for a S\$975 million loan facility granted to a subsidiary of the Group, SPH REIT [Note 20(a)].

The Seletar Mall with a carrying amount of S\$490 million (2016: S\$495 million) is mortgaged to a bank as security for a S\$300 million loan facility granted to a subsidiary of the Group, The Seletar Mall Pte. Ltd. ("TSMPL") [Note 20(b)].

The following amounts are recognised in the income statement:

	Group	
	2017 S\$'000	2016 S\$'000
Rental income	241,597	238,458
Direct operating expenses arising from investment properties that generated rental income	(49,372)	(54,904)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

9. SUBSIDIARIES

	Company	
	2017 S\$'000	2016 S\$'000
Equity investments at cost	452,304	452,304
Allowance for impairment	(14,227)	(33,054)
	438,077	419,250

During the financial year, the Company wrote back impairment losses of S\$33 million due mainly to a subsidiary reverting to a net tangible asset position on recognition of gain on divestment of a joint venture. In addition, an impairment loss of S\$14.2 million was recognised on certain subsidiaries following a review of their businesses. These resulted in a net write-back of impairment losses of S\$18.8 million.

The recoverable amounts of the subsidiaries were determined based on fair value less cost to sell. Fair value less cost to sell was represented by the net assets of the subsidiaries as at the reporting date which approximates its fair value as it mainly comprises monetary assets and liabilities.

Details of significant subsidiaries are set out in Note 29. A list of other operating subsidiaries of the Group can be found on pages 187 to 189 of the annual report.

10. ASSOCIATES

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Investments in associates	68,792	78,153	–	31,160

The Group equity accounted for its associates based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and any significant differences with the Group's accounting policies.

The Group's associates comprised mainly the following:

	Nature of relationship with the Group	Principal place of business/Country of incorporation	Ownership interest/ Voting rights held
Mediacorp Press Ltd ("MCPL")	Related media business	Singapore	# (2016: 40%)
Mediacorp TV Holdings Pte. Ltd. ("MCTV")	Related media business	Singapore	# (2016: 20%)
MindChamps Preschool (Worldwide) Pte Limited ("MindChamps")	Business adjacency	Singapore	22% (2016: 22%)
Perennial Chinatown Point LLP ("PCP")	Related property business	Singapore	27%+ (2016: 7%, held as available-for-sale investment)

On August 25, 2017, the Group entered into an agreement relating to the proposed divestment of its stake in MCPL and MCTV. Consequently, MCPL and MCTV were re-classified from Associates to Asset held for sale [Note 12(c)].

+ On December 22, 2016, the Group acquired an additional 20% stake in PCP at a consideration of S\$30.9 million. This increased the Group's shareholdings in PCP from 7% to 27%, and the investment was re-categorised from non-current Investments to Associates accordingly.

A list of operating associates of the Group can be found on page 190 of the annual report.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

10. ASSOCIATES (CONT'D)

The summarised financial information of these associates, not adjusted for the proportional ownership interest held by the Group, is as follows:

2017

	MCPL S\$'000	MCTV S\$'000	MindChamps S\$'000	PCP S\$'000
Revenue	46,669	269,584	18,190	18,822
Profit/(Loss) after tax	659	(2,014)	3,491	7,984
Other comprehensive income	589	30	(5)	-
Total comprehensive income	1,248	(1,984)	3,486	7,984
Attributable to:				
- Non-controlling interests	-	(119)	300	-
- Associate's shareholders	1,248	(1,865)	3,186	7,984
Non-current assets	-	-	6,824	428,081
Current assets	-	-	9,419	33,552
Non-current liabilities	-	-	(3,921)	(294,915)
Current liabilities	-	-	(7,397)	(5,623)
Net assets	-	-	4,925	161,095
Attributable to:				
- Non-controlling interests	-	-	533	-
- Associate's shareholders	-	-	4,392	161,095

The following table summarises the carrying amount and share of profit/(loss) and other comprehensive income of the Group's associates in the consolidated financial statements:

2017

	MCPL S\$'000	MCTV S\$'000	MindChamps S\$'000	PCP S\$'000	Other associates S\$'000	Total S\$'000
Beginning of financial year	28,558	22,761	12,617	-	14,217	78,153
Group's share of:						
Profit/(Loss) after tax	263	(377)	702	3,925 [^]	(186)	4,327
Other comprehensive income	236	6	(1)	-	24	265
Total comprehensive income	499	(371)	701	3,925	(162)	4,592
Dividends received	(2,933)	-	(567)	(2,735)	(372)	(6,607)
Impairment	(16,724)	(13,790)	-	-	(4,786)	(35,300)
Reclassified from Investments, non-current	-	-	-	11,993	-	11,993
Reclassified to Asset held for sale	(9,400)	(8,600)	-	-	-	(18,000)
Group's contribution	-	-	-	30,876	3,085	33,961
End of financial year	-	-	12,751 [*]	44,059	11,982	68,792

[^] The profit included a gain arising from the acquisition of interest in PCP.

^{*} The carrying amount of interest in MindChamps includes goodwill on acquisition of S\$11.8 million.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

10. ASSOCIATES (CONT'D)

The summarised financial information of these associates, not adjusted for the proportional ownership interest held by the Group, is as follows:

2016

	MCPL S\$'000	MCTV S\$'000	MindChamps S\$'000
Revenue	56,891	295,268	16,548
Profit after tax	1,102	5,782	5,207
Other comprehensive income	(297)	(235)	9
Total comprehensive income	805	5,547	5,216
Attributable to:			
- Non-controlling interests	-	(39)	314
- Associate's shareholders	805	5,586	4,902
Non-current assets	14,580	26,883	5,249
Current assets	26,878	134,192	7,542
Non-current liabilities	(7,564)	(44,687)	(156)
Current liabilities	(206)	(2,213)	(8,387)
Net assets	33,688	114,175	4,248
Attributable to:			
- Non-controlling interests	-	371	465
- Associate's shareholders	33,688	113,804	3,783

The following table summarises the carrying amount and share of profit/(loss) and other comprehensive income of the Group's associates in the consolidated financial statements:

2016

	MCPL S\$'000	MCTV S\$'000	MindChamps S\$'000	Other associates S\$'000	Total S\$'000
Beginning of financial year	29,428	21,644	12,709	12,093	75,874
Group's share of:					
Profit/(Loss) after tax	441	1,164	1,077	(1,893)	789
Other comprehensive income	(119)	(47)	2	256	92
Total comprehensive income	322	1,117	1,079	(1,637)	881
Dividends received	(1,192)	-	(1,171)	(328)	(2,691)
Gain on dilution of interest	-	-	-	85	85
Divestment	-	-	-	(62)	(62)
Reclassified to Investments, non-current	-	-	-	(2,734)	(2,734)
Group's contribution	-	-	-	6,800	6,800
End of financial year	28,558*	22,761	12,617*	14,217	78,153

* The carrying amount of interests in MCPL and MindChamps includes goodwill on acquisition of S\$15.1 million and S\$11.8 million respectively.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

11. JOINT VENTURES

	Group	
	2017 S\$'000	2016 S\$'000
Investments in joint ventures	8,696	12,417

The following table summarises, in aggregate, the carrying amount and share of profit/(loss) and other comprehensive income of the Group's joint ventures that are equity-accounted for in the consolidated financial statements:

	Group	
	2017 S\$'000	2016 S\$'000
Beginning of financial year	12,417	16,295
Group's share of:		
Loss after tax	(3,765)	(8,493)
Other comprehensive income	(173)	142
Total comprehensive income	(3,938)	(8,351)
Gain on dilution of interest	298	-
Impairment	(159)	-
Group's contribution	878	4,473
Divestment	(800)	-
End of financial year	8,696	12,417

During the financial year, the Group divested its entire interest in 701Search Pte. Ltd. at a consideration of S\$150.5 million. The Group recognised a gain of S\$149.7 million as the carrying amount of the investment was S\$0.8 million.

On June 21, 2017, Callisto 1 Pte. Ltd. and Elara 1 Pte. Ltd., joint venture companies of the Group were awarded the land tender for a 99 year leasehold mixed commercial and residential site at Upper Serangoon Road at a tender price of S\$1,132 million. As at August 31, 2017, the Group's share of part-payment made is recorded as Amount owing by joint ventures of S\$168.4 million [Note 14(b)] and the Group's share of outstanding commitment is S\$454.2 million.

A list of operating joint ventures of the Group can be found on page 190 of the annual report.

NOTES TO THE FINANCIAL STATEMENTS

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12. INVESTMENTS

(a) Non-current

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Available-for-sale financial assets				
- Equity securities	403,978	506,482	27,173	38,105
- Bonds	8,455	8,454	-	-
- Investment funds	94,281	108,248	-	-
	506,714	623,184	27,173	38,105
Financial assets at fair value through profit or loss				
Designated at fair value on initial recognition				
- Bonds and notes	7,014	5,676	-	-
	513,728	628,860	27,173	38,105

(b) Current

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Available-for-sale financial assets				
- Equity securities	14,070	995	-	-
- Bonds	24,790	38,586	-	-
- Investment funds	309,089	319,337	-	-
	347,949	358,918	-	-
Financial assets at fair value through profit or loss				
Designated at fair value on initial recognition				
- Bonds and notes	-	23,368	-	-
- Preference shares	10,332	10,464	-	-
Held for trading				
- Investment funds	5,089	13,950	-	-
	15,421	47,782	-	-
	363,370	406,700	-	-

During the financial year, the Group recognised an impairment loss of S\$3.4 million (2016: S\$0.8 million) on certain available-for-sale financial assets due to significant or prolonged decline in value [Note 26].

(c) Asset held for sale

On August 25, 2017, the Group entered into an agreement relating to the proposed divestment of its stake in Associates, MCPL and MCTV, which are part of segment assets under "Media". The Group recognised an impairment charge of S\$30.5 million to write-down the carrying amounts to the total consideration of S\$18 million. As the completion of the sale was in progress at the reporting date, the interests in MCPL and MCTV were re-classified from Associates to Asset held for sale.

As at August 31, 2016, the Group had entered into an agreement to divest its interest in an investment which was part of segment assets under "Others". The investment was measured at its fair value, resulting in a cumulative fair value gain of S\$2.8 million. As the completion of the sale was in progress, the investment was classified as Asset held for sale. The sale was completed in the financial year ended August 31, 2017.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

13. INTANGIBLE ASSETS

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Arising from business combinations				
- Goodwill [Note 13(a)]	129,584	60,562	-	-
- Technology, trademarks, licences, mastheads and others [Note 13(b)]	74,309	88,494	-	-
Acquired separately				
- Technology, trademarks and licences [Note 13(c)]	550	256	46,832	30,278
	204,443	149,312	46,832	30,278

(a) Arising from business combinations - Goodwill

	Group	
	2017 S\$'000	2016 S\$'000
Cost		
Beginning of financial year	110,578	111,087
Acquisition of a subsidiary [Note 17(a)]	78,930	-
Acquisition of business by a subsidiary [Note 17(b)]	-	151
Currency translation differences	(29)	(660)
End of financial year	189,479	110,578
Accumulated impairment		
Beginning of financial year	50,016	23,234
Impairment	9,879	26,775
Currency translation differences	-	7
End of financial year	59,895	50,016
Net book value	129,584	60,562

During the financial year, the Group recognised an impairment charge of S\$9.9 million mainly for the online classifieds business due to under-performance against targets (2016: S\$26.8 million mainly for the magazine business due to unfavourable market conditions).

NOTES TO THE FINANCIAL STATEMENTS

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13. INTANGIBLE ASSETS (CONT'D)

(a) Arising from business combinations - Goodwill (cont'd)

Impairment test for goodwill

The carrying value of the Group's goodwill arising from acquisitions was assessed for impairment during the financial year.

Goodwill is allocated for impairment testing purposes to the individual entity or division, which is also the cash-generating unit ("CGU").

	Group		Pre-tax discount rate ⁽¹⁾		Terminal growth rate ⁽²⁾	
	2017 S\$'000	2016 S\$'000	2017 %	2016 %	2017 %	2016 %
Carrying value of goodwill in:						
Singapore						
- Magazine	-	1,879	9.5	9.5	1.3	1.2
- Online	40,376	48,376	13.5	13.5	1.3	1.2
- Exhibition	9,190	9,190	11.0	11.0	1.3	1.2
- Healthcare	78,930	-	8.5	-	1.3	-
Multiple units with insignificant goodwill	1,088	1,117				
	129,584	60,562				

(1) The discount rate used is based on Weighted Average Cost of Capital (WACC) where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

(2) The terminal growth rate has been determined based on long-term expected inflation rate for the respective country or industry in which the entity or division operates.

The recoverable values of CGUs including goodwill are determined based on value-in-use calculations.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets approved by the Board and management forecasts over a period of five years. Cash flows beyond the terminal year are extrapolated using the estimated terminal growth rates stated in the table above. Key assumptions used in the calculation of value-in-use are growth rates, operating margins and discount rates.

The management's approach in determining the value assigned to each of the key assumptions includes comparing the key assumptions used to past actual performances (i.e. retrospective reviews) and other external sources of information such as Government statistics on growth, inflation etc.

As the process of evaluating goodwill impairment involves management judgement and prudent estimates of various factors including future cash flows as well as the cost of capital and long-term growth rates, the results can be highly sensitive to the assumptions used. Except for certain CGUs where the recoverable amount approximates the carrying amount, management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount as at the reporting dates.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

13. INTANGIBLE ASSETS (CONT'D)

- (b) Arising from business combinations
- Technology, trademarks, licences, mastheads and others

	Technology S\$'000	Trademarks, licences, mastheads and others S\$'000	Total S\$'000
Group			
2017			
Cost			
Beginning of financial year	14,076	138,707	152,783
Acquisition of a subsidiary [Note 17(a)]	–	25,840	25,840
Acquisition of business by a subsidiary [Note 17(b)]	133	72	205
Currency translation differences	–	(2,623)	(2,623)
End of financial year	14,209	161,996	176,205
Accumulated amortisation and impairment			
Beginning of financial year	8,758	55,531	64,289
Amortisation [Note 24]	2,603	8,374	10,977
Impairment	–	27,776	27,776
Currency translation differences	–	(1,146)	(1,146)
End of financial year	11,361	90,535	101,896
Net book value	2,848	71,461	74,309
2016			
Cost			
Beginning of financial year	14,076	138,273	152,349
Acquisition of business by a subsidiary [Note 17(b)]	–	775	775
Currency translation differences	–	(341)	(341)
End of financial year	14,076	138,707	152,783
Accumulated amortisation and impairment			
Beginning of financial year	6,150	45,740	51,890
Amortisation [Note 24]	2,608	8,475	11,083
Impairment	–	1,583	1,583
Currency translation differences	–	(267)	(267)
End of financial year	8,758	55,531	64,289
Net book value	5,318	83,176	88,494

During the financial year, the Group recognised an impairment charge of S\$27.8 million (2016: S\$1.6 million) mainly for the magazine business whose performance deteriorated significantly amid unfavourable market conditions. Key assumptions used in cash flow projections to determine the recoverable values are disclosed in Note 13(a).

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

13. INTANGIBLE ASSETS (CONT'D)

(c) Acquired separately - Technology, trademarks and licences

	Group	
	2017 S\$'000	2016 S\$'000
Cost		
Beginning of financial year	348	348
Additions	450	-
Currency translation differences	(7)	-
End of financial year	791	348
Accumulated amortisation		
Beginning of financial year	92	65
Amortisation [Note 24]	25	27
Impairment	125	-
Currency translation differences	(1)	-
End of financial year	241	92
Net book value	550	256

	Technology		Trademarks, licences, mastheads and others S\$'000	Total S\$'000
	S\$'000			
Company				
2017				
Cost				
Beginning of financial year	178	36,889		37,067
Additions	-	18,691		18,691
End of financial year	178	55,580		55,758
Accumulated amortisation				
Beginning of financial year	178	6,611		6,789
Amortisation	-	2,137		2,137
End of financial year	178	8,748		8,926
Net book value	-	46,832		46,832

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

13. INTANGIBLE ASSETS (CONT'D)

(c) Acquired separately - Technology, trademarks and licences (cont'd)

	Technology S\$'000	Trademarks, licences, mastheads and others S\$'000	Total S\$'000
Company			
2016			
Cost			
Beginning and end of financial year	178	36,889	37,067
Accumulated amortisation			
Beginning of financial year	143	4,713	4,856
Amortisation	35	1,898	1,933
End of financial year	178	6,611	6,789
Net book value	-	30,278	30,278

14. TRADE AND OTHER RECEIVABLES

(a) Non-current

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Staff loans	4,506	4,338	4,497	4,276
Sundry debtors	4,429	1,393	153	181
	8,935	5,731	4,650	4,457

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Current

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Trade receivables				
- Non-related parties	90,857	116,677	64,409	79,513
- Less: Allowance for impairment - non-related parties	(5,265)	(7,948)	(3,106)	(5,958)
	85,592	108,729	61,303	73,555
Amounts owing by				
- Subsidiaries [Note 14(b)(i)]	-	-	1,598,644	1,330,976
- Associates [Note 14(b)(ii)]	110	9	-	-
- Joint ventures [Note 14(b)(iii)]	168,408	435	168,408	422
	168,518	444	1,767,052	1,331,398
Loans to subsidiaries [Note 14(b)(iv)]	-	-	554,518	377,156
Accrued interest	1,130	774	63	67
Sundry debtors [Note 14(b)(v)]	49,119	19,655	1,546	819
Prepayments	8,246	5,659	5,831	3,799
Staff loans	1,816	1,692	1,652	1,463
	314,421	136,953	2,391,965	1,788,257

- (i) The amounts owing by subsidiaries are non-trade, unsecured, interest-free and repayable on demand. The amounts included an allowance for impairment of S\$0.8 million (2016: S\$1.2 million).
- (ii) The amounts owing by associates are non-trade, unsecured, interest-free and repayable on demand.
- (iii) The amounts owing by joint ventures are non-trade, unsecured, interest-free and repayable on demand. As at the reporting date, the amount of S\$168.4 million pertained to payment made by the Company on behalf of the joint ventures for the Group's share of part-payment of land tender price pending the finalisation of the joint ventures' funding arrangements [Note 11].
- (iv) The loans to subsidiaries are unsecured, interest-free and repayable on demand. The loans included an allowance for impairment of S\$79.9 million (2016: S\$73.7 million). During the financial year, a net allowance for impairment loss of S\$6.2 million (2016: S\$8.2 million) was recognised in respect of loans to subsidiaries following a review of the subsidiaries' businesses.
- (v) The amounts owing by sundry debtors included proceeds of S\$31 million (2016: S\$5.8 million) from the disposal of investments due after financial year-end.

NOTES TO THE FINANCIAL STATEMENTS

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15. DERIVATIVES

	Contract Notional Amount S\$'000	Fair Value	
		Assets S\$'000	Liabilities S\$'000
Group			
2017			
Non-current			
Cash flow hedge			
- Interest rate swaps [Note 20(e)]	280,000	-	7,365
Equity option on investment		200	-
		<u>200</u>	<u>7,365</u>
Current			
Cash flow hedge			
- Interest rate swaps [Note 20(e)]	270,000	-	1,250
Derivatives that do not qualify as hedges			
- Currency forwards	137,158	1,473	43
		<u>1,473</u>	<u>1,293</u>
2016			
Non-current			
Cash flow hedge			
- Interest rate swaps [Note 20(e)]	550,000	-	10,983
Equity option on investment		200	-
		<u>200</u>	<u>10,983</u>
Current			
Derivatives that do not qualify as hedges			
- Currency forwards	138,971	89	1,396

16. INVENTORIES

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Raw materials and consumable stores	22,636	22,304	20,269	20,112
Allowance for write-down of inventories	(744)	(1,079)	(712)	(1,000)
	<u>21,892</u>	<u>21,225</u>	<u>19,557</u>	<u>19,112</u>

The cost of inventories recognised as an expense and included in materials, production and distribution costs in the income statement amounted to S\$57.5 million (2016: S\$68.9 million).

During the financial year, the Group wrote back an allowance for stock obsolescence amounting to S\$0.2 million as those stocks were utilised (2016: An allowance of S\$0.4 million was made).

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Cash held as fixed bank deposits	183,542	231,802	79,695	131,011
Cash and bank balances	129,105	81,092	70,772	31,753
	312,647	312,894	150,467	162,764

(a) Acquisition of a subsidiary

	Group At fair values 2017 S\$'000
Identifiable assets and liabilities	
Property, plant and equipment [Note 7(a)]	64,070
Intangible assets (excluding goodwill) [Note 13(b)]	25,840
Current assets (including cash)	11,496
Deferred tax liabilities [Note 19(a)(i)]	(11,852)
Current liabilities	(4,493)
Identifiable net assets acquired	85,061
Goodwill on acquisition [Note 13(a)]	78,930
Total purchase consideration	163,991
Less: Cash and cash equivalents	(6,807)
Net cash outflow on acquisition of subsidiary	157,184

Orange Valley Healthcare Pte. Ltd. ("OVH")

On April 25, 2017, the Group acquired the entire share capital of OVH and all the registered trademarks and intellectual property rights, for a total consideration of S\$164 million. OVH operates nursing homes; provides a range of ancillary services like meals and catering, physiotherapy and rehabilitation; and supplies medical, nursing and healthcare equipment and consumables.

The fair values of leasehold buildings which are included under Property, plant and equipment are based on independent professional valuations using the Capitalisation approach. The fair values of intangible assets are determined by independent professionals using the Relief-from-Royalty method and Multi-period excess earnings method.

After accounting for cash acquired of S\$6.8 million, the net cash outflow as of August 31, 2017 was S\$157.2 million. The Group has recognised intangible assets of S\$104.8 million (including goodwill), subject to completion of the purchase price allocation exercise. The acquisition of an established nursing home operator provided the Group an opportunity to enter into the healthcare sector.

The acquired business contributed revenue of S\$10.7 million and net loss of S\$0.5 million for the period April 25, 2017 to August 31, 2017. If the acquisition had occurred on September 1, 2016, Group operating revenue and net profit would have increased by an additional S\$22.2 million and S\$1 million respectively.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

17. CASH AND CASH EQUIVALENTS (CONT'D)

(b) Acquisition of business by a subsidiary

	Group At fair values	
	2017 S\$'000	2016 S\$'000
Identifiable assets and liabilities		
Property, plant and equipment [Note 7(a)]	70	11
Intangible assets (excluding goodwill) [Note 13(b)]	205	775
Current assets	54	63
Deferred tax liabilities [Note 19(a)(i)]	(35)	–
Current liabilities	(5)	–
Identifiable net assets acquired	289	849
Gain on acquisition	(289)	–
Goodwill on acquisition [Note 13(a)]	–	151
Total purchase consideration	–	1,000

2017

Brand New Media (Singapore) Pte. Ltd. (“BNM”)

On January 3, 2017, the Group acquired the distressed assets of BNM for a consideration of S\$1. BNM specialises in video-led content marketing and responsive advertising that offers clients an end-to-end content creation and distribution solution.

The Group has recognised intangible assets of S\$0.2 million and a gain on acquisition of S\$0.3 million in the income statement, subject to completion of the purchase price allocation exercise.

The acquired business contributed revenue of S\$0.8 million and net loss of S\$0.3 million for the period January 3, 2017 to August 31, 2017. There is no material effect to the Group operating revenue and net profit had the acquisition occurred on September 1, 2016.

2016

Pacom Media Pte Ltd (“Pacom”)

On August 26, 2016, the Group acquired the business assets of Pacom for a total consideration of S\$1 million. Pacom publishes golf magazines, organises golf events and serves as media representative for corporate clients.

The Group had recognised intangible assets of S\$0.9 million (including goodwill).

There was no material effect to the Group operating revenue and net profit had the acquisition occurred on September 1, 2015.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

18. TRADE AND OTHER PAYABLES

(a) Non-current

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Deposits received	34,680	39,341	-	-
Collections in advance	2,876	4,103	2,876	4,103
	37,556	43,444	2,876	4,103

(b) Current

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Trade payables – non-related parties	28,241	32,270	17,788	21,401
Amounts owing to				
- Subsidiaries [Note 18(b)(i)]	-	-	885,113	725,212
- Associates [Note 18(b)(ii)]	3,070	-	-	-
- Joint ventures [Note 18(b)(iii)]	787	2,952	-	-
	3,857	2,952	885,113	725,212
Accrued operating expenses	119,755	123,709	79,903	85,308
Deposits received	34,187	28,633	10,336	10,242
Sundry creditors	16,095	16,906	7,215	8,452
Collections in advance	39,217	41,195	19,841	20,450
	241,352	245,665	1,020,196	871,065

- (i) The amounts owing to subsidiaries are non-trade, unsecured and repayable on demand. Except for amounts owing to a subsidiary of S\$43.3 million (2016: S\$29.1 million) with interest rates ranging from 0.85% to 0.92% (2016: 0.61% to 0.89%) per annum as at the reporting date, the amounts owing to other subsidiaries are interest-free.
- (ii) The amounts owing to associates are non-trade, unsecured, interest-free and repayable on demand.
- (iii) The amounts owing to joint ventures are non-trade, unsecured, repayable on demand and interest-bearing. The interest rate is 1.93% (2016: 1.19%) per annum as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

19. INCOME TAXES

(a) Deferred taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown on the statements of financial position:

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Deferred tax liabilities	53,406	51,515	16,893	23,326
Deferred tax assets	(4,216)	(4,143)	(3,329)	(2,755)
	49,190	47,372	13,564	20,571

Deferred tax taken to equity during the financial year is as follows:

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Hedging reserve	79	(302)	-	-
Fair value reserve	689	(226)	-	-
	768	(528)	-	-

Deferred tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and capital allowances of S\$11.5 million (2016: S\$7.3 million) and S\$3.4 million (2016: S\$3.3 million) respectively at the reporting date which can be carried forward and used to offset against future taxable income, subject to meeting of certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses have no expiry dates except for S\$5.9 million (2016: S\$5.3 million) which can be carried forward to a maximum of five years.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

19. INCOME TAXES (CONT'D)

(a) Deferred taxes (cont'd)

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

(i) Deferred tax liabilities

	Accelerated Tax Depreciation S\$'000	Fair Value Changes S\$'000	Others S\$'000	Total S\$'000
Group				
2017				
Beginning of financial year	35,034	8,895	7,586	51,515
Acquisition of a subsidiary [Note 17(a)]	68	-	11,784	11,852
Acquisition of business by a subsidiary [Note 17(b)]	-	-	35	35
Recognised in income statement	(10,557)	-	(128)	(10,685)
Recognised in equity	-	689	-	689
End of financial year	24,545	9,584	19,277	53,406
2016				
Beginning of financial year	37,519	9,237	7,934	54,690
Recognised in income statement	(2,485)	-	(348)	(2,833)
Recognised in equity	-	(342)	-	(342)
End of financial year	35,034	8,895	7,586	51,515
Company				
2017				
Beginning of financial year	23,206	-	120	23,326
Recognised in income statement	(6,433)	-	-	(6,433)
End of financial year	16,773	-	120	16,893
2016				
Beginning of financial year	25,947	-	121	26,068
Recognised in income statement	(2,741)	-	(1)	(2,742)
End of financial year	23,206	-	120	23,326

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

19. INCOME TAXES (CONT'D)

(a) Deferred taxes (cont'd)

(ii) Deferred tax assets

	Provisions S\$'000	Fair Value Changes S\$'000	Total S\$'000
Group			
2017			
Beginning of financial year	(3,957)	(186)	(4,143)
Recognised in income statement	(349)	–	(349)
Recognised in equity	–	79	79
Currency translation differences	197	–	197
End of financial year	(4,109)	(107)	(4,216)
2016			
Beginning of financial year	(4,032)	–	(4,032)
Recognised in income statement	60	–	60
Recognised in equity	–	(186)	(186)
Currency translation differences	15	–	15
End of financial year	(3,957)	(186)	(4,143)
Company			
2017			
Beginning of financial year	(2,755)	–	(2,755)
Recognised in income statement	(574)	–	(574)
End of financial year	(3,329)	–	(3,329)
2016			
Beginning of financial year	(2,860)	–	(2,860)
Recognised in income statement	105	–	105
End of financial year	(2,755)	–	(2,755)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

19. INCOME TAXES (CONT'D)

(b) Income tax expense

	Group	
	2017 S\$'000	2016 S\$'000
Tax expense attributable to profit is made up of:		
Current year		
- Current tax	46,352	57,616
- Deferred tax	(11,704)	(2,789)
	34,648	54,827
Prior years		
- Current tax	958	59
- Deferred tax	670	16
	1,628	75
	36,276	54,902

The income tax expense on profit for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to the following factors:

	Group	
	2017 S\$'000	2016 S\$'000
Profit before taxation	431,492	361,041
Tax calculated at corporate tax rate of 17%	73,354	61,377
Income taxed at concessionary rate	(264)	(185)
Income not subject to tax	(46,849)	(12,754)
Expenses not deductible for tax purposes	12,501	8,474
Tax relief for contributions made to Institutes of Public Character	(30)	(161)
Effect of different tax rates in other countries	(422)	259
Tax rebates	(227)	(449)
Tax incentives	(1,827)	(1,322)
Others	(1,588)	(412)
Under-provision in prior years	1,628	75
Tax charge	36,276	54,902

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

20. BORROWINGS

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Secured				
Term loans [Note 20(a) and 20(b)]	1,147,202	1,145,362	-	-
Unsecured				
Loans from non-controlling interest [Note 20(c)]	53,017	52,037	-	-
Other banking facilities [Note 20(d)]	299,520	99,954	296,000	85,000
	1,499,739	1,297,353	296,000	85,000
Borrowings are repayable:				
Within 1 year	971,695	99,954	296,000	85,000
Between 1 - 5 years	528,044	1,197,399	-	-
	1,499,739	1,297,353	296,000	85,000

- (a) On July 24, 2013, SPH REIT established a term loan facility up to the amount of S\$975 million, of which the amount drawn down was S\$850 million. As at the reporting date, the loan stated at amortised cost amounted to S\$847.4 million (2016: S\$845.9 million). The loan has various repayment dates of which S\$135 million is repayable in March 2018, S\$185 million in July 2018, S\$125 million in July 2019, S\$280 million in July 2020 and S\$125 million in July 2021.

The term loan is secured by way of a first legal mortgage on SPH REIT's investment property – Paragon [Note 8], first legal charge over the tenancy account and sales proceeds account for Paragon, and an assignment of certain insurances taken in relation to Paragon.

After taking into account fixed interest rates and interest rate swap arrangements totalling S\$730 million (2016: S\$730 million), the effective interest rate as at the reporting date on the outstanding term loan was 2.82% (2016: 2.82%) per annum.

- (b) On June 2, 2015, TSMPL established a term loan facility up to the amount of S\$300 million which was fully drawn down. As at the reporting date, the loan stated at amortised cost amounted to S\$299.8 million (2016: S\$299.5 million). The loan is repayable in June 2018.

The term loan is secured by way of a first legal mortgage on TSMPL's investment property – The Seletar Mall [Note 8], first legal charge over the tenancy account and sales proceeds account for The Seletar Mall, and an assignment of certain insurances taken in relation to The Seletar Mall.

After taking into account interest rate swap arrangements totalling S\$100 million (2016: S\$100 million), the effective interest rate as at the reporting date on the outstanding term loan was 1.97% (2016: 2.31%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

20. BORROWINGS (CONT'D)

- (c) As at August 31, 2017, TSMPL had outstanding unsecured loans of S\$53.7 million (2016: S\$53.7 million) from its non-controlling interest. The loans stated at amortised cost amounted to S\$53 million (2016: S\$52 million). The loans are interest-free and repayment is subject to the subordination agreement under the S\$300 million term loan facility taken by TSMPL from a bank [Note 20(b)]. The unamortised fair value gain as at the reporting date was S\$0.7 million (2016: S\$1.7 million).

The fair value of the loans was S\$53 million (2016: S\$52 million) determined from the cash flow analyses discounted at market borrowing rates of 1.81% (2016: 1.81%) per annum which management expected to be available to the Group.

- (d) As at August 31, 2017, the other banking facilities included S\$296 million and S\$3.5 million (2016: S\$85 million and S\$15 million) [Note 30(b)] of unsecured facilities drawn down by the Company and a subsidiary of the Group respectively. The amounts are repayable in September 2017 (2016: September 2016).
- (e) In respect of bank borrowings, where appropriate, the Group's policy is to minimise its interest rate risk exposure by entering into interest rate swaps over the duration of its borrowings. Accordingly, SPH REIT and TSMPL entered into interest rate swap contracts to swap floating rates for fixed interest rates as part of their interest rate risk management. Under the interest rate swaps, SPH REIT and TSMPL agreed with other parties to exchange at specified intervals, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts. At August 31, 2017, the fixed interest rate for SPH REIT was 1.44% to 2.32% (2016: 1.44% to 2.32%) and TSMPL was 1.82% (2016: 1.82%) per annum. The floating rates are referenced to Singapore dollar swap offer rate and repriced every three months.

The notional principal amounts of the outstanding interest rate swap contracts and their corresponding fair values as at August 31, 2017 are:

	Group	
	2017 S\$'000	2016 S\$'000
Notional due:		
Within 1 year	270,000	–
Between 1 - 5 years	280,000	550,000
Fair values [Note 15]	(8,615)	(10,983)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

21. CAPITAL AND OTHER COMMITMENTS

(a) Commitments for capital expenditure and investments

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Authorised and contracted for				
- Property, plant and equipment	11,699	4,511	3,596	4,430
- Investment properties	3,476	4,596	-	-
- Investments	30,183	26,719	-	-
	45,358	35,826	3,596	4,430

(b) Operating lease commitments – where the Group and/or Company is a lessee

The future minimum lease payables under non-cancellable operating leases contracted for but not recognised as payables, are as follows:

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Within 1 year	11,854	9,362	258	241
Between 1 - 5 years	31,350	22,317	268	9
After 5 years	110,093	122,474	-	-
	153,297	154,153	526	250

The Group and Company lease various commercial/residential space and plant and machinery under non-cancellable operating lease agreements with varying terms and renewal rights.

The operating lease rental expense of S\$18 million (2016: S\$16.3 million) was recognised in the income statement during the financial year.

(c) Operating lease commitments – where the Group is a lessor

The future minimum lease receivables under non-cancellable operating leases contracted for but not recognised as receivables, are as follows:

	Group	
	2017 S\$'000	2016 S\$'000
Within 1 year	210,162	223,345
Between 1 - 5 years	266,113	287,582
After 5 years	-	247
	476,275	511,174

The Group leases to third parties various commercial/residential space under non-cancellable operating lease agreements with varying terms, escalation clauses and renewal rights.

NOTES TO THE FINANCIAL STATEMENTS

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22. OPERATING REVENUE

	Group	
	2017 S\$'000	2016 S\$'000
Media		
Sale of services – Advertisements	504,041	606,532
Sale of goods – Circulation	161,994	170,713
Others	59,392	56,976
	725,427	834,221
Property		
Rental and rental-related services	244,159	241,310
Others		
Sale of services – Advertisements	17,257	15,699
Sale of services – Multimedia, healthcare and other services	45,672	33,119
	62,929	48,818
	1,032,515	1,124,349

23. STAFF COSTS

	Group	
	2017 S\$'000	2016 S\$'000
Salaries, bonuses and other costs	312,367	316,450
Employers' contribution to defined contribution plans	40,575	41,216
Share-based compensation expense	4,522	4,885
	357,464	362,551

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

24. OTHER OPERATING EXPENSES

	Group	
	2017 S\$'000	2016 S\$'000
Included in other operating expenses are:		
Audit fees		
- Company's auditors	1,061	1,081
- Other auditors	71	60
Non-audit fees [#]		
- Company's auditors	230	184
Retrenchment and outplacement costs	6,702	-
Net foreign exchange differences from operations	805	(1,392)
(Write-back of impairment)/Impairment of trade receivables [Note 30(b)(ii)]	(1,277)	598
Bad debts recovery	(152)	(167)
Loss on disposal of property, plant and equipment	154	374
Amortisation of intangible assets [Note 13(b) and 13(c)]	11,002	11,110
Write-back of impairment of an associate	-	(259)

[#] Non-audit fees are mainly for services relating to non-statutory audit/review assignments.

25. FINANCE COSTS

	Group	
	2017 S\$'000	2016 S\$'000
Interest expense		
- Bank loans	24,785	26,446
- Loans from non-controlling interest	954	910
Cash flow hedges, reclassified from hedging reserve*	5,561	3,915
	31,300	31,271

* In relation to interest rate swap arrangements in Note 20(e).

NOTES TO THE FINANCIAL STATEMENTS

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26. NET INCOME FROM INVESTMENTS

	Group	
	2017 S\$'000	2016 S\$'000
Available-for-sale financial assets		
Interest income	3,471	1,397
Dividend income	25,464	26,373
Net foreign exchange differences	(600)	550
Transfer from fair value reserve on disposal of investments	26,686	13,442
Impairment of investments [Note 12]	(3,362)	(810)
	51,659	40,952
Financial assets at fair value through profit or loss		
Net fair value changes on investments		
- Designated upon initial recognition	1,919	2,185
- Held for trading	1,391	1,577
Net fair value changes on derivatives	(1,868)	6,919
	1,442	10,681
Deposits with financial institutions		
Interest income	1,390	1,564
Net foreign exchange differences	(626)	(1,444)
	764	120
	53,865	51,753

NOTES TO THE FINANCIAL STATEMENTS

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27. DIVIDENDS

	Company	
	2017 S\$'000	2016 S\$'000
Tax-exempt dividends paid:		
- Final dividend of 8 cents per share in respect of previous financial year (2016: 8 cents per share)	129,184	129,097
- Special final dividend of 3 cents per share in respect of previous financial year (2016: 5 cents per share)	48,444	80,685
- Interim dividend of 6 cents per share (2016: 7 cents per share)	96,928	113,036
	274,556	322,818

The Directors have proposed a final dividend of 3 cents per share and a special final dividend of 6 cents per share for the financial year, amounting to a total of S\$145.3 million. These dividends are tax-exempt.

These financial statements do not reflect these proposed dividends, which will be accounted for in shareholders' interests as an appropriation of retained profit in the financial year ending August 31, 2018 when they are approved at the next annual general meeting.

28. EARNINGS PER SHARE

	Group			
	2017		2016	
	Basic S\$'000	Diluted S\$'000	Basic S\$'000	Diluted S\$'000
Profit after taxation attributable to shareholders of the Company	350,085	350,085	265,293	265,293

	2017		2016	
	Number of Shares '000	Number of Shares '000	Number of Shares '000	Number of Shares '000
Weighted average number of shares	1,615,083	1,615,083	1,614,436	1,614,436
Adjustment for assumed conversion of performance shares	-	5,426	-	7,039
Weighted average number of shares used to compute earnings per share	1,615,083	1,620,509	1,614,436	1,621,475

	Basic	Diluted	Basic	Diluted
Earnings per share (S\$)	0.22	0.22	0.16	0.16

NOTES TO THE FINANCIAL STATEMENTS

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29. SIGNIFICANT SUBSIDIARIES OF THE GROUP

Name of Subsidiaries	Principal Activities	Country of Incorporation	Effective % of Equity held by the Group	
			2017 %	2016 %
Times Properties Private Limited	Letting properties and provision of property management services	Singapore	100	100
Orchard 290 Ltd	Holding investments and management of shopping centres and other commercial properties	Singapore	100	100
Singapore News and Publications Limited	Holding investments and properties	Singapore	100	100
Singapore Newspaper Services Private Limited	Holding investments and properties	Singapore	100	100
Lianhe Investments Pte. Ltd.	Holding investments for trading purposes	Singapore	100	100
SPH Multimedia Private Limited	Holding investments	Singapore	100	100
SPH AsiaOne Ltd	Holding investments	Singapore	100	100
The Seletar Mall Pte. Ltd.	Holding property investments and management of shopping centre	Singapore	70	70
SPH REIT	Holding property investments	Singapore	70	70

Note:

(i) The above companies are audited by KPMG LLP, Singapore.

(ii) A list of other operating subsidiaries of the Group can be found on pages 187 to 189 of the annual report.

30. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, particularly market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. Where appropriate, the Group's risk management policies seek to minimise potential adverse effects of these risks on the financial performance of the Group.

Matters pertaining to risk management strategies and execution require the decision and approval of the Board of Directors ("Board").

Financial risk management is mainly carried out by a central treasury department ("Treasury & Investment") in accordance with policies approved by the Board. Treasury & Investment analyses its investment portfolio and works closely with business units to identify, evaluate and hedge financial risks where appropriate. Guidelines for authority levels and exposure limits are in place to prevent unauthorised transactions. The Board is regularly updated on the Group's financial investments and hedging activities.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

The policies for managing these risks are summarised below.

(a) Market risk

(i) Currency risk

The currency risk of the Group arises from its operational purchases of raw materials, consumable stores and capital expenditure denominated in currencies other than the functional currency. In addition, currency risk also arises from the Group's foreign currency investments and from costs incurred by its overseas news bureaus. The Group also has investments in foreign subsidiaries, associates and joint ventures, whose net assets are exposed to currency translation risk.

Where appropriate, the Group enters into foreign exchange forward contracts and cross currency swaps to hedge against its currency risk resulting from anticipated sale and purchase transactions in foreign currencies, its foreign currency denominated investments and net assets of its foreign subsidiaries, associates and joint ventures.

The Group's currency exposure on its monetary financial assets and liabilities based on the information provided to key management is as follows:

	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
Group				
2017				
Assets				
Investments	33,245	–	–	33,245
Trade and other receivables	270,571	35,180	4,832	310,583
Cash and cash equivalents	288,725	13,513	10,409	312,647
	592,541	48,693	15,241	656,475
Liabilities				
Trade and other payables	(220,952)	(11,374)	(4,489)	(236,815)
Borrowings	(1,496,219)	–	(3,520)	(1,499,739)
	(1,717,171)	(11,374)	(8,009)	(1,736,554)
Net (liabilities)/assets	(1,124,630)	37,319	7,232	(1,080,079)
Less: Net liabilities/(assets) denominated in the respective entities' functional currencies	1,124,630	–	(9,652)	1,114,978
Less: Firm commitments in foreign currencies	–	(214)	–	(214)
Less: Currency forwards*	–	(135,800)	–	(135,800)
Currency exposure	–	(98,695)	(2,420)	(101,115)

* Entered into to manage risk of foreign currency fluctuations of non-monetary investments denominated in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
Group				
2016				
Assets				
Investments	70,408	–	–	70,408
Trade and other receivables	119,789	6,570	6,131	132,490
Cash and cash equivalents	289,902	10,044	12,948	312,894
	480,099	16,614	19,079	515,792
Liabilities				
Trade and other payables	(224,742)	(13,017)	(6,052)	(243,811)
Borrowings	(1,282,399)	–	(14,954)	(1,297,353)
	(1,507,141)	(13,017)	(21,006)	(1,541,164)
Net (liabilities)/assets	(1,027,042)	3,597	(1,927)	(1,025,372)
Less: Net liabilities/(assets) denominated in the respective entities' functional currencies	1,027,042	–	(10,082)	1,016,960
Less: Firm commitments in foreign currencies	–	(475)	(90)	(565)
Less: Currency forwards*	–	(136,285)	(3,953)	(140,238)
Currency exposure	–	(133,163)	(16,052)	(149,215)

* Entered into to manage risk of foreign currency fluctuations of non-monetary investments denominated in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Company's currency exposure on its monetary financial assets and liabilities based on the information provided to key management is as follows:

	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
Company				
2017				
Assets				
Trade and other receivables	2,389,114	1,423	247	2,390,784
Cash and cash equivalents	136,968	13,248	251	150,467
	2,526,082	14,671	498	2,541,251
Liabilities				
Trade and other payables	(989,428)	(10,878)	(49)	(1,000,355)
Borrowings	(296,000)	-	-	(296,000)
	(1,285,428)	(10,878)	(49)	(1,296,355)
Net assets	1,240,654	3,793	449	1,244,896
Less: Net assets denominated in the Company's functional currency	(1,240,654)	-	-	(1,240,654)
Less: Firm commitments in foreign currencies	-	(214)	-	(214)
Currency exposure	-	3,579	449	4,028

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
Company				
2016				
Assets				
Trade and other receivables	1,788,142	481	292	1,788,915
Cash and cash equivalents	153,025	9,529	210	162,764
	1,941,167	10,010	502	1,951,679
Liabilities				
Trade and other payables	(836,682)	(13,542)	(391)	(850,615)
Borrowings	(85,000)	-	-	(85,000)
	(921,682)	(13,542)	(391)	(935,615)
Net assets/(liabilities)	1,019,485	(3,532)	111	1,016,064
Less: Net assets denominated in the Company's functional currency	(1,019,485)	-	-	(1,019,485)
Less: Firm commitments in foreign currencies	-	(475)	(90)	(565)
Currency exposure	-	(4,007)	21	(3,986)

A reasonably possible strengthening (weakening) of the USD by 5% (2016: 5%) against the SGD at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2017		2016	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
Group				
USD against SGD				
- strengthened	(4,096)	-	(5,526)	-
- weakened	4,096	-	5,526	-
Company				
USD against SGD				
- strengthened	149	-	(166)	-
- weakened	(149)	-	166	-

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(ii) Price risk

The Group is exposed to securities price risk arising from its investments which are classified either as available-for-sale or at fair value through profit or loss. To manage the price risk arising from its investments, the Group diversifies its portfolio across different markets and industries, where appropriate.

A change of 20% (2016: 20%) in prices for investments at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2017		2016	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
Group				
Investments				
- prices increase	3,963	153,296	5,188	176,121
- prices decrease	(3,963)	(153,296)	(5,188)	(176,121)
Company				
Investments				
- prices increase	-	5,435	-	7,621
- prices decrease	-	(5,435)	-	(7,621)

NOTES TO THE FINANCIAL STATEMENTS

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30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(iii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has cash balances placed with reputable banks and financial institutions, and investments in bonds and government-related securities, which generate interest income for the Group. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

The Group's debt comprises mainly bank borrowings taken up by the Company and its subsidiaries to finance its operations. Where appropriate, the Group seeks to minimise its cash flow interest rate risk exposure by entering into interest rate swap contract to swap floating interest rate for fixed interest rate over the duration of its borrowings.

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD.

A change of 0.5% (2016: 0.5%) in interest rate at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2017		2016	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
Group				
Investments				
- interest rates increase	-	(614)	(38)	(468)
- interest rates decrease	-	614	38	468
Borrowings				
- interest rates increase	(1,430)	-	(1,430)	-
- interest rates decrease	1,430	-	1,430	-

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, thereby resulting in financial loss to the Group. For trade receivables, the Group manages its credit risk through the application of credit approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains collateral in the form of deposits, bankers'/insurance guarantees from its customers, and imposes cash terms and/or advance payments from customers of lower credit standing. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. As such, management has determined the credit quality of the customers to be of acceptable risk.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position which comprise mainly trade and other receivables, investments in bonds and notes, and cash balances placed with banks. In addition, the Company is the primary obligor for unsecured composite advance facilities which could be utilised by the Company and its designated subsidiaries. The amounts utilised by the Company and a subsidiary as at August 31, 2017 were S\$296 million (2016: S\$85 million) and S\$3.5 million (2016: S\$15 million) respectively [Note 20(d)].

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
By types of customers				
Advertisement	55,069	74,760	45,524	55,386
Circulation	10,953	12,824	10,400	11,912
Multimedia	4,683	5,598	919	2,300
Rental	2,924	4,335	–	–
Others	11,963	11,212	4,460	3,957
	85,592	108,729	61,303	73,555

As at August 31, 2017, 40% – 65% (2016: 40% – 65%) of the trade receivables were backed by bankers'/insurance guarantees and/or deposits from customers.

(i) Financial assets that are neither past due nor impaired

Bank deposits and investments in bonds are neither past due nor impaired. Bank deposits are placed with reputable banks and financial institutions. The Group's bond portfolio is primarily invested in investment grade securities. Trade receivables that are neither past due nor impaired are substantially due from companies with a good collection track record with the Group.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

(ii) Financial assets that are past due and/or impaired

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Past due 1 to 30 days	12,896	20,947	6,523	11,093
Past due 31 to 60 days	4,504	9,499	1,974	3,663
Past due 61 to 90 days	3,031	4,320	1,445	1,701
Past due over 90 days	7,362	5,254	4,797	3,406
	27,793	40,020	14,739	19,863

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Gross amount	5,265	7,948	3,106	5,958
Less: Allowance for impairment	(5,265)	(7,948)	(3,106)	(5,958)
	–	–	–	–
Beginning of financial year	7,948	9,193	5,958	6,693
Acquisition of a subsidiary	242	–	–	–
Allowance (written-back)/made [Note 24]	(1,277)	598	(1,661)	(2)
Allowance utilised	(1,633)	(1,601)	(1,191)	(733)
Currency translation difference	(15)	(242)	–	–
End of financial year	5,265	7,948	3,106	5,958

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuation in cash flows.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows.

	Less than 1 year S\$'000	Between 1 and 2 years S\$'000	Between 2 and 5 years S\$'000	Over 5 years S\$'000
Group				
At August 31, 2017				
Net-settled interest rate swaps	(5,334)	(2,450)	(1,548)	-
Gross-settled currency forwards				
- Receipts	137,158	-	-	-
- Payments	(135,728)	-	-	-
Trade and other payables	(202,135)	(10,379)	(24,301)	-
Borrowings	(993,102)	(135,750)	(415,456)	-
	(1,199,141)	(148,579)	(441,305)	-
At August 31, 2016				
Net-settled interest rate swaps	(5,383)	(2,996)	(2,751)	-
Gross-settled currency forwards				
- Receipts	138,971	-	-	-
- Payments	(140,278)	-	-	-
Trade and other payables	(204,470)	(19,555)	(19,413)	(373)
Borrowings	(122,622)	(693,633)	(550,799)	-
	(333,782)	(716,184)	(572,963)	(373)
Company				
At August 31, 2017				
Trade and other payables	(1,000,355)	-	-	-
Borrowings	(296,172)	-	-	-
	(1,296,527)	-	-	-
At August 31, 2016				
Trade and other payables	(850,615)	-	-	-
Borrowings	(85,075)	-	-	-
	(935,690)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The total capital of the Group and the Company is represented by the respective "Shareholders' interests" as presented on the statements of financial position.

Management uses the "Return on Shareholders' Funds" as a measure of efficiency in managing capital. The "Return on Shareholders' Funds" is calculated as profit attributable to shareholders divided by shareholders' interests. The "Return on Shareholders' Funds" was 10% per annum for the current financial year ended August 31, 2017 (2016: 7.5% per annum) and is in line with the Group's objectives. The "Return on Shareholders' Funds" for the last five years was between 7.5% and 12.2%.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) Inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group				
2017				
Assets				
Investment properties	-	-	4,034,771	4,034,771
Financial assets at fair value through profit or loss	15,421	2,037	4,977	22,435
Available-for-sale financial assets	409,561	248,794	196,308	854,663
Derivatives	-	1,473	200	1,673
	424,982	252,304	4,236,256	4,913,542
Liabilities				
Derivatives	-	(8,658)	-	(8,658)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group				
2016				
Assets				
Investment properties	–	–	3,963,000	3,963,000
Financial assets at fair value through profit or loss	47,782	5,676	–	53,458
Available-for-sale financial assets	538,483	237,433	206,186	982,102
Asset held for sale	–	–	8,831	8,831
Derivatives	–	289	–	289
	586,265	243,398	4,178,017	5,007,680
Liabilities				
Derivatives	–	(12,379)	–	(12,379)

As at August 31, 2017, the Company's available-for-sale financial assets with a carrying amount of S\$27.2 million (2016: S\$38.1 million) are measured at fair value using Level 1 valuation method.

The assessment of the fair value of unquoted financial instruments is performed on a quarterly basis by the Group's finance department. The determination of the fair value of investment properties is performed on an annual basis by external independent property valuers having appropriate recognised professional qualifications and experience in the category of property being valued. Management reviews the appropriateness of the valuation methodologies and assumptions adopted and addresses any significant issues that may arise.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

The fair value of investment properties and available-for-sale financial assets included in Level 3 is determined as follows:

Description	Valuation technique(s)	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment properties			
Completed	Capitalisation approach	- Capitalisation rate: 3.6% to 4.8% (2016: 3.8% to 5%)	The estimated fair value varies inversely with the capitalisation rate.
- Retail, residential and commercial	Discounted cashflow approach	- Discount rate: 7.5% (2016: 7.5%)	The estimated fair value varies inversely with the discount rate.
	Comparable sales method	- Comparable sales prices*: S\$966psf to S\$3,343psf (2016: S\$1,093psf to S\$4,967psf)	The estimated fair value varies with the adjusted comparable sales prices.
Available-for-sale financial assets			
Equities	Net tangible assets	- Net tangible assets ¹	N.A.
	Derived from funding exercise	- Derived from funding exercise ²	N.A.
Bonds	Net asset value	- Net asset value ³	N.A.
Investment funds	Net asset value	- Net asset value ³	N.A.
Asset held for sale			
Equity	Agreed sale consideration	N.A.	N.A.

+ Comparable sales prices have been adjusted by the size, tenure, location, age and condition and development of the comparable properties to arrive at the fair value of the investment properties held by the Group.

¹ Fair value of certain unquoted equities is determined by reference to the underlying net tangible assets of the investee companies.

² Fair value of certain unquoted equities for which the underlying companies are performing to market expectations is estimated to be equivalent to their recent cost of acquisition or value achieved during funding exercises.

³ Fair value of unquoted bonds and unquoted investment funds is determined by reference to the underlying asset value of the investee companies, which comprise mainly investment properties at fair value or portfolio investments at fair value.

N.A. Not applicable

The Group recognises transfers between the levels of the fair value hierarchy at the event or change in circumstances that caused the transfer.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

Movements in Level 3 assets are as follows:

	Financial assets at fair value through profit or loss		Available-for-sale financial assets			Asset held for sale S\$'000	Derivatives S\$'000
	Investment properties S\$'000	Bonds S\$'000	Equities S\$'000	Bonds S\$'000	Investment funds S\$'000		
Group							
2017							
Beginning of financial year	3,963,000	-	66,438	8,454	131,294	8,831	-
Additions	14,385	713	-	-	9,187	-	-
Disposals	-	-	-	-	(33,478)	(9,602)	-
Gains/(Losses) recognised in income statement	57,386	(49)	(801)	-	4,160	-	-
(Losses)/Gains recognised in other comprehensive income	-	-	(1,473)	1	(1,008)	771	-
Transferred from Level 2	-	4,313	14,529	-	-	-	200
Transferred to Level 2	-	-	(995)	-	-	-	-
End of financial year	4,034,771	4,977	77,698	8,455	110,155	-	200

	Investment properties S\$'000	Available-for-sale financial assets			Asset held for sale S\$'000
		Equities S\$'000	Bonds S\$'000	Investment funds S\$'000	
Group					
2016					
Beginning of financial year	3,940,951	9,679	8,452	106,273	-
Additions	10,226	30,036	-	7,040	-
Disposals	-	-	-	(1,929)	-
Reclassified as Asset held for sale	-	(6,473)	-	-	6,473
Gains/(Losses) recognised in income statement	11,823	-	-	(804)	-
Gains recognised in other comprehensive income	-	136	2	7,440	2,358
Transferred from Level 2	-	35,257	-	13,274	-
Transferred to Level 2	-	(2,197)	-	-	-
End of financial year	3,963,000	66,438	8,454	131,294	8,831

Certain financial assets were transferred from Level 2 to Level 3, and from Level 3 to Level 2, due to lack of recent arm's length transactions and as observable market data becomes available respectively.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Financial assets and liabilities not measured at fair value but for which fair values are disclosed

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group				
2017				
Liabilities				
Borrowings	-	53,017	-	53,017
2016				
Liabilities				
Borrowings	-	52,037	-	52,037

(g) Offsetting financial assets and liabilities

The disclosures set out in the tables below include financial assets and liabilities that are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statements of financial position.

	Gross amount of recognised financial assets/ (liabilities) S\$'000	Gross amount of recognised financial assets/ (liabilities) offset in the statement of financial position S\$'000	Net amount of financial assets/ (liabilities) presented in the statement of financial position S\$'000	Related amount not offset in the statement of financial position S\$'000	Net amount S\$'000
Group					
2017					
Assets					
Currency forwards	1,473	-	1,473	(43)	1,430
Liabilities					
Currency forwards	(43)	-	(43)	43	-
Interest rate swaps	(8,615)	-	(8,615)	-	(8,615)
	(8,658)	-	(8,658)	43	(8,615)
2016					
Assets					
Currency forwards	89	-	89	(89)	-
Liabilities					
Currency forwards	(1,396)	-	(1,396)	89	(1,307)
Interest rate swaps	(10,983)	-	(10,983)	-	(10,983)
	(12,379)	-	(12,379)	89	(12,290)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(h) Fair value

The basis for fair value measurement of financial assets and liabilities is set out in Notes 20(c) and 30(e). The fair values of other financial assets and liabilities approximate their carrying amounts.

(i) Financial instruments by category

	Loans and receivables S\$'000	Available- for-sale financial assets S\$'000	Financial assets/ (liabilities) at fair value through profit or loss S\$'000	Derivatives used for hedging S\$'000	Other financial liabilities at amortised cost S\$'000	Total S\$'000
Group						
2017						
Assets						
Investments	-	854,663	22,435	-	-	877,098
Trade and other receivables excluding non-financial instruments	310,583	-	-	-	-	310,583
Derivatives	-	-	1,673	-	-	1,673
Cash and cash equivalents	312,647	-	-	-	-	312,647
	623,230	854,663	24,108	-	-	1,502,001
Liabilities						
Trade and other payables excluding non-financial instruments	-	-	-	-	(236,815)	(236,815)
Borrowings	-	-	-	-	(1,499,739)	(1,499,739)
Derivatives	-	-	(43)	(8,615)	-	(8,658)
	-	-	(43)	(8,615)	(1,736,554)	(1,745,212)
2016						
Assets						
Investments	-	982,102	53,458	-	-	1,035,560
Trade and other receivables excluding non-financial instruments	132,490	-	-	-	-	132,490
Asset held for sale	-	8,831	-	-	-	8,831
Derivatives	-	-	289	-	-	289
Cash and cash equivalents	312,894	-	-	-	-	312,894
	445,384	990,933	53,747	-	-	1,490,064
Liabilities						
Trade and other payables excluding non-financial instruments	-	-	-	-	(243,811)	(243,811)
Borrowings	-	-	-	-	(1,297,353)	(1,297,353)
Derivatives	-	-	(1,396)	(10,983)	-	(12,379)
	-	-	(1,396)	(10,983)	(1,541,164)	(1,553,543)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(i) Financial instruments by category (cont'd)

	Loans and receivables S\$'000	Available- for-sale financial assets S\$'000	Other financial liabilities at amortised cost S\$'000	Total S\$'000
Company				
2017				
Assets				
Investments	-	27,173	-	27,173
Trade and other receivables excluding non-financial instruments	2,390,784	-	-	2,390,784
Cash and cash equivalents	150,467	-	-	150,467
	2,541,251	27,173	-	2,568,424
Liabilities				
Trade and other payables excluding non-financial instruments	-	-	(1,000,355)	(1,000,355)
Borrowings	-	-	(296,000)	(296,000)
	-	-	(1,296,355)	(1,296,355)
2016				
Assets				
Investments	-	38,105	-	38,105
Trade and other receivables excluding non-financial instruments	1,788,915	-	-	1,788,915
Cash and cash equivalents	162,764	-	-	162,764
	1,951,679	38,105	-	1,989,784
Liabilities				
Trade and other payables excluding non-financial instruments	-	-	(850,615)	(850,615)
Borrowings	-	-	(85,000)	(85,000)
	-	-	(935,615)	(935,615)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

31. RELATED PARTY TRANSACTIONS

Key management personnel compensation and transactions are as follows:

	Group	
	2017 S\$'000	2016 S\$'000
Remuneration and other short-term employee benefits	22,534	21,287
Employers' contribution to defined contribution plans	830	758
Share-based compensation expense	3,323	2,838
	26,687	24,883
Staff loans granted to key management personnel	277	249

The above includes total emoluments of the Company's directors of S\$4.4 million (2016: S\$4 million).

32. SEGMENTAL INFORMATION

(a) Operating segments

Management has determined the operating segments based on the reports provided to the Chief Executive Officer of the Company that are used to make strategic decisions.

The Group is organised into three major operating segments, namely Media, Property, and Treasury and Investment. The Media segment is involved in the production of content for distribution on print and other media platforms. The Property segment holds, manages and develops properties of the Group. The Treasury and Investment segment manages the investment activities of the Group. Other operations under the Group, which are currently not significant to be reported separately, are included under "Others". These include the Group's businesses and investments in online classifieds, events and exhibitions, healthcare and the New Media Fund.

Segment performance is evaluated based on profit/(loss) before taxation which is used as a measure of performance as management believes this is most relevant in evaluating the results of the segments.

Inter-segment pricing is determined on mutually agreed terms. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

32. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

Information regarding the results of each reportable segment is included in the table below.

2017

	Media S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue						
External sales	725,427	244,159	-	62,929	-	1,032,515
Inter-segmental sales	4,223	2,512	-	3,547	(10,282)	-
Total operating revenue	729,650	246,671	-	66,476	(10,282)	1,032,515
Result						
Segment result	62,175	188,281	49,089	(8,932)	-	290,613
Finance costs	-	(29,235)	(2,051)	(14)	-	(31,300)
Fair value change on investment properties	-	57,386	-	-	-	57,386
Share of results of associates and joint ventures	(268)	3,925	-	(3,095)	-	562
Gain on divestment of a joint venture	-	-	-	149,690	-	149,690
Impairment of associates and a joint venture	(35,300)	-	-	(159)	-	(35,459)
Profit before taxation	26,607	220,357	47,038	137,490	-	431,492
Taxation						(36,276)
Profit after taxation						395,216
Non-controlling interests						(45,131)
Profit attributable to Shareholders						350,085
Other information						
Segment assets	346,191	4,322,917*	999,819	437,483	-	6,106,410
Segment assets includes:						
Associates/Joint ventures	11,002	44,059	-	22,427	-	77,488
Additions to:						
- property, plant and equipment	11,259	621	-	64,589	-	76,469
- investment properties	-	14,385	-	-	-	14,385
- intangible assets	655	-	-	104,770	-	105,425
Segment liabilities	171,345	1,296,052	300,271	19,637	-	1,787,305
Current tax liabilities						46,591
Deferred tax liabilities						49,190
Consolidated total liabilities						1,883,086
Depreciation	35,473	567	-	1,783	-	37,823
Amortisation of intangible assets	2,261	-	-	8,741	-	11,002
Impairment of property, plant and equipment	22,785	-	-	-	-	22,785
Impairment of goodwill	1,879	-	-	8,000	-	9,879
Impairment of intangible assets	27,901	-	-	-	-	27,901

* Included S\$168.4 million for the Group's share of part-payment of land tender price [Note 11].

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

32. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

2016

	Media S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue						
External sales	834,221	241,310	–	48,818	–	1,124,349
Inter-segmental sales	4,794	2,143	–	1,782	(8,719)	–
Total operating revenue	839,015	243,453	–	50,600	(8,719)	1,124,349
Result						
Segment result	175,496	179,437	50,194	(16,934)	–	388,193
Finance costs	(30)	(29,851)	(1,361)	(29)	–	(31,271)
Fair value change on investment properties	–	11,823	–	–	–	11,823
Share of results of associates and joint ventures	(262)	–	–	(7,442)	–	(7,704)
Profit/(Loss) before taxation	175,204	161,409	48,833	(24,405)	–	361,041
Taxation						(54,902)
Profit after taxation						306,139
Non-controlling interests						(40,846)
Profit attributable to Shareholders						265,293
Other information						
Segment assets	482,630	4,049,265	1,143,157	268,836	–	5,943,888
Segment assets includes:						
Associates/Joint ventures	65,504	–	–	25,066	–	90,570
Additions to:						
- property, plant and equipment	14,418	579	–	253	–	15,250
- investment properties	–	10,226	–	–	–	10,226
- intangible assets	926	–	–	–	–	926
Segment liabilities	183,920	1,294,553	102,087	18,281	–	1,598,841
Current tax liabilities						56,271
Deferred tax liabilities						47,372
Consolidated total liabilities						1,702,484
Depreciation	43,689	525	–	485	–	44,699
Amortisation of intangible assets	2,824	–	–	8,286	–	11,110
Impairment of goodwill	21,041	–	–	5,734	–	26,775
Impairment of intangible assets	1,108	–	–	475	–	1,583

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

32. SEGMENTAL INFORMATION (CONT'D)

(b) Geographical segments

The principal geographical area in which the Group operates is Singapore. The Group's overseas operations include publishing and distributing magazines, providing marketing and editorial services, providing online classified services, organising events and exhibitions, and holding investments.

	Operating revenue		Non-current assets		Total assets	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Singapore	1,009,437	1,089,880	5,049,234	5,019,461	6,064,032	5,886,021
Other countries	23,078	34,469	25,373	37,735	42,378	57,867
	1,032,515	1,124,349	5,074,607	5,057,196	6,106,410	5,943,888

33. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new standards and amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after September 1, 2017 or later periods for which the Group has not early adopted.

For those new standards and amendments and interpretations to existing standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, the Group has set up project teams to assess the transition options and the potential impact on the financial statements, and to implement these standards. The Group does not plan to adopt these standards early.

Applicable to the Group's accounting periods beginning September 1, 2018

Convergence with International Financial Reporting Standards ("IFRS")

The Accounting Standards Council announced on May 29, 2014 that Singapore-incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the IFRS (referred to as SG-IFRS in these financial statements) for the financial year ending December 31, 2018 onwards.

The Group has performed a preliminary assessment of the impact of SG-IFRS 1 *First-time adoption of International Financial Reporting Standards* for the transition to the new reporting framework.

Based on the preliminary assessment, the Group does not expect to change its existing accounting policies on adoption of the new framework other than arising from the adoption of new and revised standards. The impact on adoption of SG-IFRS 15 *Revenue from Contracts with Customers* and SG-IFRS 9 *Financial Instruments* is expected to be similar to adopting FRS 115 and FRS 109 as described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 replaces all existing revenue recognition requirements. It establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

Based on the Group's initial assessment of the impact on its financial statements, the Group does not expect significant changes to the basis of revenue recognition for its sale of goods and rendering of services. Transition adjustments are not expected to be material on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

33. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONT'D)

FRS 109 *Financial Instruments*

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

The Group's preliminary assessment of the elements of FRS 109 is as described below.

Classification and measurement – The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109.

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

For financial assets currently held at fair value, the Group expects to continue measuring most of these assets at fair value under FRS 109. The expected classification and measurement of these financial assets under FRS 109 is summarised below:

- Non-current available-for-sale (“AFS”) equity securities and investments funds are expected to be classified as financial assets subsequently measured at fair value through other comprehensive income (“FVOCI”). Similar to AFS financial assets, the fair value changes of FVOCI financial assets are taken to other comprehensive income (“OCI”) on re-measurement. However, any gain or loss on FVOCI equity instruments will not be reclassified to income statement upon divestment.
- Non-current AFS and non-current fair value through profit or loss (“FVTPL”) debt securities are also expected to be classified as FVOCI financial assets.
- Current AFS financial assets are expected to be classified as FVTPL financial assets. With the change in classification from AFS to FVTPL, the fair value changes which are currently taken to OCI will be recognised directly in profit or loss under FRS 109.
- Current FVTPL financial assets will continue to be classified as financial assets subsequently measured at FVTPL.

Impairment – The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables and any contract assets arising from the application of FRS 115. The Group is currently refining its impairment loss estimation methodology to quantify the impact on its financial statements.

Hedge accounting – The Group expects that all its existing hedges that are designated in effective hedging relationships will continue to qualify for hedge accounting under FRS 109.

Transition – The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

33. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONT'D)

Applicable to the Group's accounting periods beginning September 1, 2019

FRS 116 Leases

FRS 116 replaces existing lease accounting guidance. It eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use ("ROU") assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The accounting for lessors will not change significantly.

The Group has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee. Based on the assessment, the Group expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. The operating lease commitments on an undiscounted basis amount to approximately 2.5% of the consolidated total assets and 8.1% of consolidated total liabilities. Assuming no additional new operating leases in future years until the effective date, the Group expects the amount of ROU asset and lease liability to be lower due to discounting and as the lease terms run down.

The Group expects that the impact on adoption of FRS 116 *Leases* to be similar to adopting SG-FRS 116, after the transition to SG-IFRS in 2018 as described above.

34. SUBSEQUENT EVENT

In October 2016, the Group announced a staff reduction of up to 10% over two years. The Group will complete the full 10% staff reduction by end 2017, and is expected to incur retrenchment costs of approximately S\$13 million in the next financial year. This includes restructuring the newsrooms and sales operations, reducing 15% of staff in these core media divisions.

35. AUTHORISATION OF FINANCIAL STATEMENTS

On October 11, 2017, the Board of Directors of Singapore Press Holdings Limited authorised these financial statements for issue.

OPERATING COMPANIES OF THE GROUP

AS AT AUGUST 31, 2017

SUBSIDIARIES

Name of Subsidiary	Principal Activities	Country of Incorporation
Beerfest Asia Pte. Ltd.	Organising events, concerts and exhibitions	Singapore
Bizlink Exhibition Services Pte. Ltd.	Organising conventions, conferences and exhibitions	Singapore
Blu Inc Holdings (Malaysia) Sdn. Bhd.	Holding investments and providing management support services	Malaysia
Blu Inc Media (HK) Limited	Publishing magazines and providing editorial and other services	Hong Kong
Blu Inc Media China	Advertising and promoting the magazine publishing business	The People's Republic of China
Blu Inc Media Sdn. Bhd.	Publishing and distributing magazines and books	Malaysia
BNM Content Solutions Pte. Ltd.	Production of dramas, variety shows and documentaries	Singapore
BNM Content Solutions (Philippines) Corp.	Executing camera work, editing for videos, and sound mixing, for audio-video presentations and music recording	Philippines
Callisto 2 Pte. Ltd.	Holding investments	Singapore
Callisto 3 Pte. Ltd.	Holding investments	Singapore
Callisto 8 Pte. Ltd.	Holding investments	Singapore
CT Point Investments Pte. Ltd.	Holding investments	Singapore
Culcreative International Pte. Ltd.	Holding investments	Singapore
Digi Ventures Private Limited	Fund management and holding investments	Singapore
Elara 8 Pte. Ltd.	Holding investments	Singapore
Exhibits Inc Pte. Ltd.	Organising conventions, conferences and exhibitions	Singapore
Fastco Pte Ltd	Development of software for interactive digital media and investment holding	Singapore
Focus Publishing Ltd	Publishing magazines and providing editorial services	Singapore
ILPL 2 Pte. Ltd.	Holding investments	Singapore
Invest Healthcare Pte. Ltd.	Holding investments	Singapore
Invest Learning Pte. Ltd.	Holding investments	Singapore
Invest Media Pte. Ltd.	Holding investments	Singapore

OPERATING COMPANIES OF THE GROUP

AS AT AUGUST 31, 2017

SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Activities	Country of Incorporation
Life-Medic Healthcare Supplies Pte. Ltd.	Trading of medical and healthcare equipment and consumables	Singapore
Moon Holdings Pte. Ltd.	Holding investments	Singapore
New Beginnings Management Consulting (Shanghai) Company Limited	Business management and consultancy services	The People's Republic of China
Orange Valley 3-T Rehab Pte. Ltd.	Providing rehabilitation services	Singapore
Orange Valley Healthcare Pte. Ltd.	Holding investments	Singapore
Orange Valley Nursing Homes Pte. Ltd.	Nursing home operator and home care services	Singapore
Orange Valley Properties Pte. Ltd.	Properties holding	Singapore
PE One Pte. Ltd.	Holding investments	Singapore
PT Shareinvestor Technologies Indonesia	Computer programming activity for online investor relations and related business	Indonesia
Quotz Pte. Ltd.	Providing online system for sales of vehicles and related services	Singapore
Red Anthill Ventures Pte. Ltd.	Holding investments	Singapore
SGCM Pte. Ltd.	Providing online classifieds services for cars	Singapore
Shareinvestor Pte Ltd	Providing online investor relations services, developing applications and operating a financial portal	Singapore
Shareinvestor.com Holdings Pte Ltd	Holding investments and providing management services	Singapore
SI Portal.com Sdn Bhd	Providing online investor relations services, developing applications and operating a financial portal	Malaysia
Sin Chew Jit Poh (Singapore) Limited	Holding investments and properties	Singapore
Singapore Nutri-Diet Industries Pte. Ltd.	Provision of food services to customers	Singapore
Singapore Press Holdings (Overseas) Limited	Providing marketing and other services and holding investments	Singapore
SPH (Americas) Pte Ltd	Providing news reporting services	Singapore
SPH AlphaOne Pte. Ltd.	Holding investments	Singapore
SPH Buzz Pte. Ltd.	Franchising kiosks to third party operators	Singapore

OPERATING COMPANIES OF THE GROUP

AS AT AUGUST 31, 2017

SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Activities	Country of Incorporation
SPH Data Services Pte Ltd	Licensing copyrights and trademarks	Singapore
SPH Digital Media Pte. Ltd.	Providing online investor relations services and holding investments	Singapore
SPH Digital Media Sdn. Bhd.	Providing sales agent services to its ultimate holding corporation	Malaysia
SPH Interactive International Pte. Ltd.	Licensing software, providing technical services and holding investments	Singapore
SPH Interactive Pte. Ltd.	Holding investments	Singapore
SPH Magazines Pte. Ltd.	Publishing magazines, providing online marketing services and editorial services and holding investments	Singapore
SPH Pacom Pte. Ltd.	Publishing, events management and holding investment	Singapore
SPH REIT Management Pte. Ltd.	Property fund management	Singapore
SPH Retail Property Management Services Pte. Ltd.	Managing shopping centres	Singapore
SPH Radio Private Limited	Radio broadcasting	Singapore
SPH Ventures Pte. Ltd.	Holding investments	Singapore
SPHM Pte Ltd	Publishing and distributing magazines	Singapore
Sphere Exhibits Pte. Ltd.	Organising conventions, conferences and exhibitions and holding investments	Singapore
Sphere Exhibits Malaysia Sdn. Bhd.	Management and promotion of events, exhibitions and meetings	Malaysia
Straits Times Press Pte. Ltd.	Publishing and distributing of books	Singapore
StreetSine Technology Group Pte. Ltd.	Developing E-commerce applications and software consultancy	Singapore
StreetSine Singapore Pte. Ltd.	Web search portals in providing property data and analysis and development of E-commerce applications	Singapore
Tamil Murasu Limited	Publishing newspapers	Singapore
The Straits Times Press (1975) Limited	Holding investments	Singapore
TPR Holdings Pte. Ltd.	Holding investments	Singapore
Waterbrooks Consultants Pte. Ltd	Providing public relations and consultancy services	Singapore

OPERATING COMPANIES OF THE GROUP

AS AT AUGUST 31, 2017

ASSOCIATES

Name of Associate	Principal Activities	Country of Incorporation
Brand New Media (Singapore) Pte. Ltd.	Television programme production and advertising services	Singapore
Conversion Hub Marketing Pte. Ltd.	Providing social media advertising	Singapore
Kyosei Ventures Pte. Ltd.	Providing online marketing and technology services	Singapore
Magzter Inc.	Self-service digital magazine store and newsstand	United States
MindChamps Preschool (Worldwide) Pte. Limited	Operating and franchising of early childhood curriculum and enrichment programmes and related investment holdings	Singapore
Perennial Chinatown Point LLP	Holding properties for rent and holding investments	Singapore
RecomN Singapore Pte. Ltd.	Operation of a services matching portal	Singapore
SI.com (Thailand) Co. Ltd	Providing online investor relations services, developing applications and operating a financial portal	Thailand
WISI Australia Pty Ltd	Providing online investor relations services and developing applications	Australia
ZBJ-SPH Pte. Ltd.	Operation of an online B2B creative services marketplace	Singapore

JOINT VENTURES

Name of Joint Venture	Principal Activities	Country of Incorporation
702Search (Thailand) B.V.	Investment holding and other activities	The Netherlands
703Search (Indonesia) B.V.	Investment holding and other activities	The Netherlands
Callisto 1 Pte. Ltd.	Holding property investment	Singapore
Elara 1 Pte. Ltd.	Property developer	Singapore
Elara 2 Pte. Ltd.	Holding investments	Singapore
Elara 3 Pte. Ltd.	Holding investments	Singapore
SPH Plug and Play Pte. Ltd.	Holding investments	Singapore

OVERSEAS BUREAUS

AS AT 31 AUGUST 2017

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OVERSEAS BUREAUS

AS AT 31 AUGUST 2017

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OVERSEAS BUREAUS

AS AT 31 AUGUST 2017

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PROPERTIES OF THE GROUP

AS AT 31 AUGUST 2017

Location	Tenure	Expiry Date of Lease	Land (Sq M)	Built-In (Sq M)	Existing Use	Effective Group Interest (%)
SINGAPORE						
Media Centre 82 Genting Lane	Leasehold	July 15, 2040	24,892	49,131	Industrial	100
Print Centre 2 Jurong Port Road	Leasehold	June 8, 2034	110,075	102,352	Industrial	100
News Centre 1000 Toa Payoh North	Leasehold	March 2, 2031	21,730	54,275	Industrial	100
Manhattan House 151 Chin Swee Road Units #01-39 to #01-48 and #01-51 to #01-56	Leasehold	October 15, 2068	-	554	Commercial	100
20A Yarwood Avenue	Leasehold	May 6, 2878	1,721	488	Residential	100
42 Nassim Road	Freehold	-	1,406	686	Residential	100
42A Nassim Road	Freehold	-	1,444	645	Residential	100
42B Nassim Road	Freehold	-	1,418	645	Residential	100
Paragon 290 Orchard Road	Freehold	-	17,355	94,307	Commercial	70
The Clementi Mall 3155 Commonwealth Avenue West	Leasehold	August 31, 2109	-	26,976	Commercial	70
The Seletar Mall 33 Sengkang West Avenue	Leasehold	April 17, 2111	8,790	26,370	Commercial	70
Orange Valley Nursing Homes Pte Ltd 11, Woodlands Avenue 1	Leasehold	September 30, 2033	2,000.4	3,597.94	Nursing	100
Orange Valley Properties Pte Ltd 221, Clementi Avenue 4 6, Simei Street 3	Leasehold Leasehold	July 15, 2031 April 14, 2034	2,345.6 2,200	4,221.649 3,959.79	Nursing Nursing	100 100
HONG KONG						
Tower Two, Lippo Centre Unit 1308 13th Floor 89 Queensway, Hong Kong	Leasehold	February 14, 2059	-	368	Commercial	100
CHINA						
New Beginnings Room 1302, Block A, No. 868 East Longhua Road, Shanghai 200023, PRC	Leasehold	February 17, 2058	170	111	Commercial	100
Blu Inc Media China Unit 1902-1905, No. 425, Yishan Road, Xuhui District, Shanghai	Leasehold	August 27, 2054	647	461	Commercial	100

SHAREHOLDING STATISTICS

AS AT 3 OCTOBER 2017

DISTRIBUTION OF ORDINARY SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 - 99	277	0.45	10,226	0.00
100 - 1,000	8,486	13.79	7,646,941	0.48
1,001 - 10,000	38,588	62.72	179,856,971	11.25
10,001 - 1,000,000	14,100	22.92	627,254,374	39.24
1,000,001 and above	76	0.12	783,843,699	49.03
TOTAL	61,527	100.00	1,598,612,211	100.00

* Shareholdings exclude 2,036,910 treasury shares.

TWENTY LARGEST ORDINARY SHAREHOLDERS

Name of Shareholder	No. of Shares	%*
1 CITIBANK NOMINEES SINGAPORE PTE LTD	169,445,561	10.60
2 DBS NOMINEES PTE LTD	164,597,023	10.30
3 HSBC (SINGAPORE) NOMINEES PTE LTD	69,105,878	4.32
4 DBSN SERVICES PTE LTD	41,021,054	2.57
5 UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	39,819,710	2.49
6 RAFFLES NOMINEES (PTE) LTD	34,428,898	2.15
7 UOB KAY HIAN PTE LTD	19,700,729	1.23
8 BPSS NOMINEES SINGAPORE (PTE.) LTD.	15,258,170	0.95
9 LEE FOUNDATION STATES OF MALAYA	15,215,522	0.95
10 OCBC NOMINEES SINGAPORE PTE LTD	14,860,544	0.93
11 LEE PINEAPPLE COMPANY PTE LTD	12,750,000	0.80
12 CHAN SIEW KIM ALICE	11,105,000	0.69
13 LEUNG KAI FOOK MEDICAL CO PTE LTD	10,331,950	0.65
14 DB NOMINEES (SINGAPORE) PTE LTD	10,000,706	0.63
15 OCBC SECURITIES PRIVATE LTD	9,994,595	0.63
16 PHAY THONG HUAT PTE LTD	9,542,000	0.60
17 LEE FOUNDATION	8,210,940	0.51
18 GAN THIAN CHIN	7,648,000	0.48
19 NANYANG PRESS (SINGAPORE) LIMITED	6,403,824	0.40
20 TAN TIANG HIN JERRY	6,173,675	0.39
TOTAL:	675,613,779	42.27

* Shareholdings exclude 2,036,910 treasury shares.

SHAREHOLDING STATISTICS

AS AT 3 OCTOBER 2017

DISTRIBUTION OF MANAGEMENT SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	9	50.00	48	0.00
100 - 1,000	0	0.00	0	0.00
1,001 - 10,000	0	0.00	0	0.00
10,001 - 1,000,000	3	16.67	2,193,317	13.41
1,000,001 and above	6	33.33	14,168,404	86.59
TOTAL	18	100.00	16,361,769	100.00

HOLDERS OF MANAGEMENT SHARES

Name of Shareholder	No. of Shares	%
1 THE GREAT EASTERN LIFE ASSURANCE CO LTD	3,698,297	22.60
2 OVERSEA-CHINESE BANKING CORPORATION LTD	2,748,829	16.80
3 NTUC INCOME INSURANCE COOPERATIVE LIMITED	2,674,219	16.35
4 SINGAPORE TELECOMMUNICATIONS LIMITED	2,176,119	13.30
5 DBS BANK LTD	1,554,362	9.50
6 UNITED OVERSEAS BANK LTD	1,316,578	8.05
7 NATIONAL UNIVERSITY OF SINGAPORE	876,797	5.36
8 FULLERTON (PRIVATE) LIMITED	658,260	4.02
9 NANYANG TECHNOLOGICAL UNIVERSITY	658,260	4.02
10 CHIEF EXECUTIVE OFFICER	16	0.00
11 DIRECTORS* (FOUR EACH)	32	0.00
TOTAL:	16,361,769	100.00

* Excluding the Chief Executive Officer.

Note:

1. Not less than 99.9% of the ordinary shares in the Company is held by the public and Rule 723 of the SGX Listing Manual has been complied with.
2. The Company has no subsidiary holdings.

VOTING RIGHTS OF SHAREHOLDERS

The holders of management and ordinary shares shall be entitled to one (1) vote for each share, EXCEPT that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, the holders of the management shares shall be entitled either on a poll or by show of hands to two hundred (200) votes for each management share held.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

NOTICE IS HEREBY GIVEN that the Thirty-Third Annual General Meeting of Singapore Press Holdings Limited (the “**Company**”) will be held at the Auditorium, 1000 Toa Payoh North, News Centre, 1st Storey, Annexe Block, Singapore 318994 on Friday, 1 December 2017 at 2.30 p.m. for the following business:

ROUTINE BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 August 2017 and the Auditor’s Report thereon.
2. To declare a final dividend of 3 cents per share and a special dividend of 6 cents per share, on a tax-exempt basis, in respect of the financial year ended 31 August 2017.
3. To re-elect the following Directors who are retiring by rotation in accordance with Articles 116 and 117 of the Company’s Constitution, and who, being eligible, offer themselves for re-election:
 - (i) Bahren Shaari
 - (ii) Quek See Tiat
 - (iii) Tan Yen Yen
4. To re-elect Andrew Lim Ming-Hui, a Director who will cease to hold office in accordance with Article 120 of the Company’s Constitution, and who, being eligible, offers himself for re-election.
5. To approve Directors’ fees of up to S\$1,450,000 for the financial year ending 31 August 2018 (2017: up to S\$1,450,000).
6. To re-appoint the Auditor and to authorise the Directors to fix its remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:
 - (i) “That pursuant to Section 161 of the Companies Act, Chapter 50 (the “**Companies Act**”) and the listing rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), and subject to the provisions of the Newspaper and Printing Presses Act, Chapter 206, authority be and is hereby given to the Directors of the Company to:
 - (a) (i) issue shares of the Company whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
 - (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

 - (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No. 198402868E

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
- (ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(ii) "That the Directors of the Company be and are hereby authorised to grant awards ("**Awards**") in accordance with the provisions of the SPH Performance Share Plan 2016 (the "**SPH Performance Share Plan**") and to allot and issue from time to time such number of fully paid-up ordinary shares of the Company ("**Ordinary Shares**") as may be required to be delivered pursuant to the vesting of Awards under the SPH Performance Share Plan, provided that:

- (a) the aggregate number of (1) new Ordinary Shares allotted and issued and/or to be allotted and issued, (2) existing Ordinary Shares (including Ordinary Shares held as treasury shares) delivered and/or to be delivered, and (3) Ordinary Shares released and/or to be released in the form of cash in lieu of Ordinary Shares, pursuant to Awards granted under the SPH Performance Share Plan, shall not exceed 5 per cent. of the total number of issued Ordinary Shares (excluding treasury shares and subsidiary holdings) from time to time;
- (b) the aggregate number of Ordinary Shares under Awards to be granted pursuant to the SPH Performance Share Plan during the period (the "**Relevant Year**") commencing from this Annual General Meeting and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 1 per cent. of the total number of issued Ordinary Shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"); and
- (c) if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used for the grant of Awards in subsequent years for the duration of the SPH Performance Share Plan,

and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST."

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

(iii) "That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Ordinary Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market purchase(s) on the SGX-ST; and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy Back Mandate**");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
 - (iii) the date on which purchases or acquisitions of Ordinary Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of an Ordinary Share for the five consecutive trading days on which the Ordinary Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action which occurs after the relevant five day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Ordinary Shares from holders of Ordinary Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Ordinary Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means that number of issued Ordinary Shares representing 10 per cent. of the total number of the issued Ordinary Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

"**Maximum Price**", in relation to an Ordinary Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, in the case of a market purchase of an Ordinary Share and off-market purchase pursuant to an equal access scheme, 105 per cent. of the Average Closing Price of the Ordinary Share; and

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.”

By Order of the Board

Ginney Lim May Ling
Khor Siew Kim
Company Secretaries

Singapore,
1 November 2017

Notes:

1. (a) A Member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting, provided that a Member holding management shares is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting in respect of the management shares held by him. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A Member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

“**Relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

2. A proxy need not be a Member of the Company.
3. The instrument appointing a proxy or proxies must be lodged at the Company's Share Registration Office, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02, Singapore 068898 not less than 72 hours before the time fixed for the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Member of the Company (i) consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the Member discloses the personal data of the Member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of warranty.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

EXPLANATORY NOTES & STATEMENT PURSUANT TO ARTICLE 75 OF THE COMPANY'S CONSTITUTION

1. In relation to Ordinary Resolution No. 3(i):
Bahren Shaari* will, upon re-election, continue as Chairman of the Nominating Committee and as a member of the Executive Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Bahren and the other Directors or the Company.
2. In relation to Ordinary Resolution No. 3(ii):
Quek See Tiat* will, upon re-election, continue as Chairman of the Audit Committee and as a member of the Executive Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Quek and the other Directors or the Company.
3. In relation to Ordinary Resolution No. 3(iii):
Tan Yen Yen* will, upon re-election, continue as a member of the Remuneration Committee and the Board Risk Committee. She is considered an independent Director. There are no relationships (including immediate family relationships) between Ms Tan and the other Directors or the Company.
4. In relation to Ordinary Resolution No. 4:
Andrew Lim Ming-Hui* will, upon re-election, continue as Chairman of the Board Risk Committee and as a member of the Audit Committee and the Nominating Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Lim and the other Directors or the Company.
5. Ordinary Resolution No. 5, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is, during the financial year from 1 September 2017 to 31 August 2018. The amount of Directors' fees is computed based on the anticipated number of Board and Board Committee meetings, assuming full attendance by all the Directors. The amount also includes a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director, additional unscheduled Board meetings and/or for the formation of additional Board Committees. In order to align Directors' interests with that of shareholders, up to 25 per cent. of their fees may be used to acquire ordinary shares of the Company in their names from the open market.
6. The effects of the Resolutions under the heading "Special Business" in the Notice of the Thirty-Third Annual General Meeting are:
 - (a) Ordinary Resolution No. 7(i) is to authorise the Directors of the Company from the date of that meeting until the next Annual General Meeting, subject to the provisions of the Newspaper and Printing Presses Act, Chapter 206, to issue shares of the Company and/or to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which up to 10 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) may be issued other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time that Ordinary Resolution No. 7(i) is passed, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution No. 7(i) is passed, and (ii) any subsequent bonus issue, consolidation or subdivision of shares. For the avoidance of doubt, any consolidation or subdivision of shares of the Company will require shareholders' approval. As at 3 October 2017 (the "**Latest Practicable Date**"), the Company had 2,036,910 treasury shares and no subsidiary holdings.

* Details of the Director's current directorships in other listed companies and other principal commitments are set out on pages 24 to 27 of the Annual Report 2017.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

- (b) Ordinary Resolution No. 7(ii) is to empower the Directors to grant awards, and to allot and issue new ordinary shares of the Company, pursuant to the SPH Performance Share Plan 2016. The total number of ordinary shares which may be delivered pursuant to awards granted under the SPH Performance Share Plan 2016 (whether in the form of ordinary shares or in the form of cash in lieu of ordinary shares) shall not exceed 5 per cent. of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time. In addition, Ordinary Resolution No. 7(ii) will provide that the total number of ordinary shares under awards to be granted pursuant to the SPH Performance Share Plan 2016 from this Annual General Meeting to the next Annual General Meeting (the “**Relevant Year**”) shall not exceed 1 per cent. of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the “**Yearly Limit**”), provided that if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used by the Directors to make grants of awards under the SPH Performance Share Plan 2016 in subsequent years, for the duration of the SPH Performance Share Plan 2016.
- (c) Ordinary Resolution No. 7(iii) is to renew the mandate to permit the Company to purchase or acquire issued ordinary shares of the Company on the terms and subject to the conditions of the Resolution.

The Company may use internal sources of funds, or a combination of internal resources and external borrowings, to finance the purchase or acquisition of its ordinary shares. The amount of funding required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired and the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Buy Back Mandate on the audited financial statements of the Company and the Group for the financial year ended 31 August 2017, based on certain assumptions, are set out in paragraph 2.6 of the Letter to Shareholders dated 1 November 2017.

VOTING RIGHTS OF SHAREHOLDERS

The holders of management and ordinary shares shall be entitled to one (1) vote for each share, except that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, the holders of the management shares shall be entitled either on a poll or show of hands to two hundred (200) votes for each management share held in accordance with the provisions of the Newspaper and Printing Presses Act, Chapter 206.

PROXY FORM

SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Co Regn No: 198402868E

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.

2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in Singapore Press Holdings Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Member accepts and agrees to the personal data privacy terms set out in the accompanying Notice of Annual General Meeting.

Refreshments after Annual General Meeting

Coffee, tea and water will be served after the Annual General Meeting.

I/We, _____ (Name) _____ (NRIC/Passport/Co. Reg. No.)

of _____ (Address)

being a Member/Members of the abovenamed Company, hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

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or failing him/her, or if no person is named above, the Chairman of the Annual General Meeting, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the Auditorium, 1000 Toa Payoh North, News Centre, 1st Storey, Annexe Block, Singapore 318994 on Friday, 1 December 2017 at 2.30 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting and at any adjournment thereof.

(Voting will be conducted by poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" in the relevant box provided below. Alternatively, if you wish to vote some of your shares "For" and some of your shares "Against" the relevant resolution, please insert the relevant number of shares (and, if you hold both ordinary shares and management shares, the relevant class of shares) in the relevant boxes provided below.)

No.	Resolutions	No. of votes For	No. of votes Against
	Routine Business		
1.	To receive and adopt the Directors' Statement and Audited Financial Statements and the Auditor's Report thereon		
2.	To declare a Final Dividend and a Special Dividend		
3.	To re-elect Directors pursuant to Articles 116 and 117		
	(i) Bahren Shaari		
	(ii) Quek See Tiat		
	(iii) Tan Yen Yen		
4.	To re-elect Director pursuant to Article 120		
	Andrew Lim Ming-Hui		
5.	To approve Directors' fees for the financial year ending 31 August 2018		
6.	To re-appoint the Auditor and authorise the Directors to fix its remuneration		
	Special Business		
7.	(i) To authorise the Directors to issue shares and instruments convertible into shares pursuant to Section 161 of the Companies Act, Chapter 50		
	(ii) To authorise the Directors to grant awards and allot and issue ordinary shares pursuant to the SPH Performance Share Plan 2016		
	(iii) To approve the renewal of the Share Buy Back Mandate		

Dated this _____ day of _____ 2017.

Total Number of Ordinary Shares held	
Total Number of Management Shares held	

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES ON THE REVERSE



PROXY FORM

SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Co Regn No: 198402868E

IMPORTANT

Note:

1. Please insert the total number of ordinary shares and/or management shares ("**Shares**") held by you. If you have ordinary shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of ordinary shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have ordinary shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2.
 - (a) A Member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting, provided that a Member holding management shares is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting in respect of the management shares held by him. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
 - (b) A Member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.
3. A proxy need not be a Member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02, Singapore 068898, not less than 72 hours before the time appointed for the Annual General Meeting.
5. Completion and return of an instrument appointing a proxy or proxies shall not preclude a Member from attending, speaking and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy or proxies, to the Annual General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
7. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the Member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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SINGAPORE PRESS HOLDINGS LIMITED

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