

**OPENING REMARKS BY DR LEE BOON YANG,  
CHAIRMAN, SINGAPORE PRESS HOLDINGS,  
AT SPH ANNUAL GENERAL MEETING  
HELD ON FRIDAY, 1 DECEMBER 2017**

Good afternoon, Ladies and gentlemen

Welcome to the SPH Annual General Meeting 2017.

Before we commence the business of the meeting, let me provide a brief overview of SPH Group's performance in the past financial year ended 31 August.

The past financial year saw global markets buffeted by volatility. Events like the US abandonment of the Trans-Pacific Partnership and technological disruptions impacted market conditions both locally and globally.

For Financial Year ended 31 August 2017 we achieved a net profit of \$350.1 million. This is \$84.8 million or 32 per cent higher compared to FY2016. This improvement came from 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.

I will now update you on some of our major initiatives and achievements in the past financial year.

We have embarked on wide-ranging projects to rejuvenate, reinvent and reposition ourselves as we face many challenges in the media industry. We are transforming our business model to seek out new growth opportunities.

We are pressing on to strengthen 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 are reshaping our newsrooms and strengthening our news platforms to meet the changing demands of our advertisers and consumers.

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 to form a revamped TNP and distributed it free across multiple distribution points including MRT stations. With a daily average circulation of 300,000 copies, we are able to serve our readers with a strong revamped product.

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.

SPH Magazines remained the leader in magazine publishing in Southeast 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 nearly 100 magazines from the digital magazine library by leveraging on the bank's existing free WIFI network at selected locations islandwide.

Our Digital Division continued to make strategic investments in the digital space. 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.

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 JV launched the beta version of ZomWork.com in September to help companies in Singapore grow their businesses and continue to optimise the platform to address market needs.

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 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.

SPH Radio had an eventful year. 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. Mandarin station UFM100.3 saw a leap in listenership while ONE FM 91.3's listenership remained stable.

I am also pleased to announce the launch of two new radio stations to complement our three existing stations. Money FM 89.3 will be Singapore's

first business and personal finance radio station in English, while the other is a Chinese Infotainment station for active seniors aged 50 and above, called 96.3好FM. The new stations will be launched at the beginning of next year.

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%. Our Mall Management Team is focussed on rejuvenating the malls and ensuring visitors will have good experience at our malls. 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 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 expect to be able to launch the residential units in the later part of 2018.

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 will build senior health to become a major player, catering to the growing demand.

Sphere Exhibits, SPH's events and exhibitions arm, organised more than 30 exhibitions and conferences in the ASEAN region 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.

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.

Following our investment in MindChamps, we acquired Han Language Centre, an established local brand name in the Chinese tuition and education scene. With a 75 per cent share, our Chinese Media group's wealth of multimedia resources will be able to leverage on Han Language Centre's innovative curriculum and systematic teaching methods.

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 oversees 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 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 is a



valuable member of the Board, complementing our diverse strengths and expertise.

I would also like to express my deepest appreciation 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.