



SINGAPORE PRESS HOLDINGS LIMITED

Reg. No. 198402868E

(Incorporated in Singapore)

ANNOUNCEMENT

UNAUDITED RESULTS* FOR THE PERIOD ENDED 29 FEBRUARY 2020

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Results for the Second Quarter ended 29 February 2020

	Group		
	2Q 2020 S\$'000	2Q 2019 S\$'000	Change %
Operating revenue	227,452	223,326	1.8
Other operating income	3,820	4,498	(15.1)
Total revenue	231,272	227,824	1.5
Materials, production and distribution costs	(26,348)	(30,209)	(12.8)
Staff costs	(81,296)	(79,856)	1.8
Premises costs	(23,711)	(20,184)	17.5
Depreciation	(10,186)	(6,593)	54.5
Other operating expenses	(24,191)	(31,856)	(24.1)
Write-back of impairment loss/(Impairment loss) on trade receivables	293	(374)	NM
Finance costs	(17,044)	(12,290)	38.7
Total costs	(182,483)	(181,362)	0.6
Operating profit#	48,789	46,462	5.0
Fair value change on an investment property	-	(12,864)	NM
Share of results of associates and joint ventures	3,241	11,814	(72.6)
Net income from investments	3,039	(749)	NM
Profit before taxation	55,069	44,663	23.3
Taxation	(10,305)	(10,908)	(5.5)
Profit after taxation	44,764	33,755	32.6
Attributable to:			
Shareholders of the Company	31,305	29,685	5.5
Non-controlling interests	13,459	4,070	230.7
	44,764	33,755	32.6

* Please refer to the attached auditors' review report.

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

NM Not Meaningful

1(a)(ii) Notes:**Profit after taxation is arrived at after accounting for:**

	Group		
	2Q 2020	2Q 2019	Change
	S\$'000	S\$'000	%
Write-back of allowance/(Allowance) for stock obsolescence	287	(158)	NM
Share-based compensation expense	(851)	(1,181)	(27.9)
Profit on disposal of property, plant and equipment	1,190	9	NM
Amortisation of intangible assets	(1,848)	(1,941)	(4.8)
Loss on divestment of interest in associate	-	(426)	NM
Interest income from treasury and operations	2,084	2,054	1.5
Net fair value changes on			
- Investments at fair value through profit or loss ("FVTPL")	1,304	(1,389)	NM
- Derivatives (foreign exchange forwards)	(275)	1,058	NM
Net foreign exchange differences	1,674	(2,179)	NM
Net over/(under)-provision of prior years' taxation	31	(16)	NM

1(a)(iii) Statement of Comprehensive Income

	Group		
	2Q 2020	2Q 2019	Change
	S\$'000	S\$'000	%
Profit after taxation	44,764	33,755	32.6
Other comprehensive income, net of tax			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Capital reserves			
- share of capital reserves of an associate	-	20	NM
Cash flow hedges (interest rate swaps)			
- net fair value changes	(3,497)	(1,557)	124.6
- transferred to income statement	913	341	167.7
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	(13,115)	1,369	NM
	(15,699)	173	NM
<u>Item that will not be re-classified subsequently to profit or loss</u>			
Net fair value changes on fair value through other comprehensive income ("FVOCI") financial assets	(1,200)	(8,207)	(85.4)
Total comprehensive income	<u>27,865</u>	<u>25,721</u>	8.3
Attributable to:			
Shareholders of the Company	18,898	22,154	(14.7)
Non-controlling interests	8,967	3,567	151.4
	<u>27,865</u>	<u>25,721</u>	8.3

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Statements of Financial Position as at 29 February 2020

	Group		Company	
	29 Feb 2020 S\$'000	31 Aug 2019 S\$'000	29 Feb 2020 S\$'000	31 Aug 2019 S\$'000
CAPITAL EMPLOYED				
Share capital	522,809	522,809	522,809	522,809
Treasury shares	(15,577)	(13,226)	(15,577)	(13,226)
Reserves	82,375	82,618	1,353	3,260
Retained profits	2,856,501	2,896,255	1,687,936	1,780,434
Shareholders' interests	3,446,108	3,488,456	2,196,521	2,293,277
Perpetual securities	451,784	150,512	451,784	150,512
Non-controlling interests	1,230,026	1,068,180	-	-
Total equity	5,127,918	4,707,148	2,648,305	2,443,789
EMPLOYMENT OF CAPITAL				
Non-current assets				
Property, plant and equipment	274,193	188,023	49,089	43,194
Investment properties (a)	6,424,627	5,014,896	-	-
Subsidiaries	-	-	436,798	436,798
Associates	374,350	366,012	-	-
Joint ventures	14,034	21,995	600	600
Investments	354,803	352,797	-	-
Intangible assets	152,754	141,197	39,931	41,311
Trade and other receivables	257,766	251,337	2,419,898	2,069,297
Derivatives	4,323	2,065	-	-
	7,856,850	6,338,322	2,946,316	2,591,200
Current assets				
Inventories	21,165	23,472	19,191	21,491
Trade and other receivables	137,066	147,408	1,183,901	761,108
Investments	42,584	43,733	-	-
Derivatives	-	20	-	-
Cash and cash equivalents	502,053	554,435	307,486	119,816
	702,868	769,068	1,510,578	902,415
Total assets	8,559,718	7,107,390	4,456,894	3,493,615
Non-current liabilities				
Trade and other payables	40,019	40,475	231	105
Deferred tax liabilities	36,044	34,431	6,811	7,363
Borrowings	2,427,898	1,646,008	648,978	146,810
Derivatives	5,067	2,339	1,868	1,096
	2,509,028	1,723,253	657,888	155,374
Current liabilities				
Trade and other payables	254,519	228,328	797,254	752,225
Current tax liabilities	33,964	36,099	6,574	8,169
Borrowings	633,226	411,001	346,873	134,058
Derivatives	1,063	1,561	-	-
	922,772	676,989	1,150,701	894,452
Total liabilities	3,431,800	2,400,242	1,808,589	1,049,826
Net assets	5,127,918	4,707,148	2,648,305	2,443,789

Notes to the Balance Sheets

- (a) As at 31 August 2019, the carrying amount of the investment properties was based on valuations performed by the independent external valuers. As at 29 February 2020, the carrying amount of the investment properties was based on assessments performed by the Group or independent valuers for assets newly acquired from 31 August 2019. The assessments were based on the discounted cash flow and income capitalisation methods. The key inputs used in the assessments such as the discount rate, terminal yield, capitalisation rate and vacancy assumptions were based on market data that has been adjusted for Group's internal data.

Valuation of investment properties is subject to significant estimation uncertainty. The outbreak of the Novel Coronavirus ("COVID-19") has negatively affected the retail and student accommodation sector in countries where the Group's investment properties are located. Given that the potential impact of COVID-19 is constantly evolving, significant market uncertainty exists. Therefore, the carrying amount of the investment properties assessed by the Group was current as at 29 February 2020 only. This carrying amount assessed may change significantly after the balance sheet date.

1(b)(ii) Aggregate amount of the group's borrowings and debt securities

Group Borrowings

Amount repayable in one year

As at 29 February 2020		As at 31 August 2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
279,834	341,670	279,625	131,376

Amount repayable after one year

As at 29 February 2020		As at 31 August 2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,653,645	689,687	1,454,932	191,076

Details of collateral

The total secured borrowings of S\$1,933.5 million as at 29 February 2020 (31 August 2019: S\$1,734.6 million) represented the secured borrowings stated at amortised cost.

The secured term loans comprised S\$995 million for SPH REIT, S\$300 million for The Seletar Mall Pte Ltd ("TSMPL"), £205 million for Straits Capitol Trust ("SCT"), A\$105 million for Figtree Holding Trust ("FHT") and A\$200 million for Marion Sub Trust ("MST") (31 August 2019: S\$995 million for SPH REIT, S\$300 million for TSMPL, £205 million for SCT and A\$105 million for FHT).

The term loan taken up by SPH REIT is secured by way of a first legal mortgage on SPH REIT's investment property – Paragon, first legal charge over the tenancy account and sales proceeds account for Paragon, and an assignment of certain insurances taken in relation to Paragon.

The term loan taken up by TSMPL is secured by way of a first legal mortgage on TSMPL's investment property – The Seletar Mall, 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.

The term loan taken up by SCT is secured, inter alia, by way of property mortgages against the Purpose-Built Student Accommodation ("PBSA") portfolio comprising 20 assets in the United Kingdom, and a corporate guarantee from the Company.

The term loan taken up by FHT is secured by way of mortgage over the Figtree Grove Shopping Centre ("Figtree") and a fixed and floating charge over all assets of FHT and Figtree Trust and the assets of the trustee of each of the Trust.

The term loan taken up by MST is secured by way of mortgage over the Westfield Marion Shopping Centre ("Westfield Marion"), all-asset general security deed over current and future assets of MAAM TT (Marion) Pty Ltd in its own capacity and as trustee for MST and such specified entities constituted to receive income derived from Westfield Marion.

The above borrowings exclude lease liabilities of S\$96.3 million (31 August 2019: Nil) recognised on right-of-use assets following the adoption of SFRS(I) 16 Leases.

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

Consolidated Statement of Cash Flows for the Second Quarter ended 29 February 2020

	2Q 2020	2Q 2019
	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	55,069	44,663
Adjustments for:		
Depreciation	10,186	6,593
Profit on disposal of property, plant and equipment	(1,190)	(9)
Fair value change on an investment property	-	12,864
Share of results of associates and joint ventures	(3,241)	(11,814)
Loss on divestment of interests in associates	-	426
Net income from investments	(3,039)	749
Amortisation of intangible assets	1,848	1,941
(Write-back of impairment loss)/Impairment loss on trade receivables	(293)	374
Finance costs	17,044	12,290
Share-based compensation expense	851	1,181
Other non-cash items	841	(352)
Operating cash flow before working capital changes	<u>78,076</u>	<u>68,906</u>
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	1,021	(1,272)
Trade and other receivables, current	29,765	19,360
Trade and other payables, current	(136,471)	(6,593)
Trade and other receivables, non-current	(305)	1,738
Trade and other payables, non-current	5,568	(8,807)
Others	573	(1,119)
	<u>(21,773)</u>	<u>72,213</u>
Income tax paid	(21,388)	(24,831)
Net cash (used in)/from operating activities	<u>(43,161)</u>	<u>47,382</u>

**Consolidated Statement of Cash Flows for the Second Quarter ended 29 February 2020
(cont'd)**

	2Q 2020 S\$'000	2Q 2019 S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(7,216)	(7,238)
Proceeds from disposal of property, plant and equipment	1	15
Additions to investment properties	(663,188)	(233,717)
Acquisition of a subsidiary (net of cash acquired)	(714,680)	-
Acquisition of interests in associates	-	(12,566)
Proceeds from divestment of interests in an associate	-	6
(Increase)/Decrease in amounts owing by associates/ joint ventures	(614)	81
(Decrease)/Increase in amounts owing to associates/ joint ventures	(20)	64
Purchase of investments, non-current	(2,937)	(5,180)
Purchase of investments, current	(950)	(108,870)
Proceeds from disposal of investments, non-current	4,392	4,654
Proceeds from disposal of investments, current	167,227	196,594
Dividends received	72	-
Interest received	1,394	665
Other investment income	501	(977)
Net cash used in investing activities	<u>(1,216,018)</u>	<u>(166,469)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of medium term notes (net of transaction costs)	497,857	-
Proceeds from bank loans (net of transaction costs)	989,309	200,115
Repayment of bank loans	(599,977)	-
Payment for lease liabilities	(4,135)	-
Interest paid	(12,637)	(10,915)
Share buy-back	(2,102)	-
Proceeds from capital contribution by non-controlling interests	162,823	16,961
Dividends paid	(104,710)	(112,934)
Dividends paid (net) by subsidiaries to non-controlling interests	(11,038)	(10,678)
Distributions to perpetual securities holders	(9,517)	-
Net cash from financing activities	<u>905,873</u>	<u>82,549</u>
Net decrease in cash and cash equivalents	(353,306)	(36,538)
Cash and cash equivalents at beginning of period	855,359	379,941
Cash and cash equivalents at end of period	<u>502,053</u>	<u>343,403</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statements of Changes in Total Equity for the Second Quarter ended 29 February 2020

(a) Group

	← Attributable to Shareholders of the Company →							Retained Profits	Total	Perpetual Securities	Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Capital Reserve	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Currency Translation Reserve					
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 December 2019	522,809	(15,055)	(10,300)	4,864	(6,650)	109,575	(1,207)	2,835,393	3,439,429	447,220	1,068,974	4,955,623
Total comprehensive income for the quarter	-	-	-	-	(1,899)	(1,200)	(9,308)	31,305	18,898	-	8,967	27,865
Realised profit on disposal of FVOCI financial assets	-	-	-	-	-	(518)	-	518	-	-	-	-
Transactions with owners, recognised directly in equity												
<u>Contributions by and distributions to owners</u>												
Share-based compensation	-	-	-	851	-	-	-	-	851	-	-	851
Treasury shares re-issued	-	1,580	-	(2,811)	-	-	-	1,196	(35)	-	-	(35)
Share buy-back – held as treasury shares	-	(2,102)	-	-	-	-	-	-	(2,102)	-	-	(2,102)
Dividends and distribution	-	-	-	-	-	-	-	(6,553)	(6,553)	4,564	(15,293)	(17,282)
<u>Changes in ownership interest in a subsidiary without a change in control</u>												
Acquisition of additional interest in a subsidiary	-	-	(3)	-	(1)	-	(1)	27	22	-	(22)	-
Dilution of interest in a subsidiary	-	-	752	-	181	-	50	(5,385)	(4,402)	-	4,577	175
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	162,823	162,823
Balance as at 29 February 2020	522,809	(15,577)	(9,551)	2,904	(8,369)	107,857	(10,466)	2,856,501	3,446,108	451,784	1,230,026	5,127,918

Statements of Changes in Total Equity for the Second Quarter ended 29 February 2020 (cont'd)

(a) Group (cont'd)

	← Attributable to Shareholders of the Company →									Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Capital Reserve	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Currency Translation Reserve	Retained Profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 December 2018	522,809	(10,694)	(10,284)	8,516	(1,743)	316,772	(2,149)	2,718,230	3,541,457	751,566	4,293,023
Total comprehensive income for the quarter	-	-	20	-	(921)	(8,207)	1,577	29,685	22,154	3,567	25,721
Realised profit on disposal of FVOCI financial assets	-	-	-	-	-	(219,601)	-	219,601	-	-	-
Transactions with owners, recognised directly in equity											
<u>Contributions by and distributions to owners</u>											
Share-based compensation	-	-	-	1,181	-	-	-	-	1,181	-	1,181
Treasury shares re-issued	-	3,100	-	(6,949)	-	-	-	3,818	(31)	-	(31)
Dividends	-	-	-	-	-	-	-	(112,934)	(112,934)	(10,678)	(123,612)
<u>Changes in ownership interest in a subsidiary without a change in control</u>											
Acquisition of additional interest in a subsidiary	-	-	(4)	-	(1)	-	-	33	28	(28)	-
Dilution of interest in a subsidiary	-	-	-	-	-	-	-	(3)	(3)	61	58
Contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	16,961	16,961
Balance as at 28 February 2019	522,809	(7,594)	(10,268)	2,748	(2,665)	88,964	(572)	2,858,430	3,451,852	761,449	4,213,301

Statements of Changes in Total Equity for the Second Quarter ended 29 February 2020 (cont'd)

(b) Company

	Share Capital	Treasury Shares	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Retained Profits	Total	Perpetual securities	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 December 2019	522,809	(15,055)	4,864	(1,198)	88	1,685,989	2,197,497	447,220	2,644,717
Total comprehensive income for the year	-	-	-	(353)	(88)	5,426	4,985	-	4,985
Transactions with owners, recognised directly in equity									
<u>Contributions by and distributions to owners</u>									
Share-based compensation	-	-	851	-	-	-	851	-	851
Treasury shares re-issued	-	1,580	(2,811)	-	-	1,196	(35)	-	(35)
Share buy-back – held as treasury shares	-	(2,102)	-	-	-	-	(2,102)	-	(2,102)
Dividends and distribution	-	-	-	-	-	(4,675)	(4,675)	4,564	(111)
Balance as at 29 February 2020	522,809	(15,577)	2,904	(1,551)	-	1,687,936	2,196,521	451,784	2,648,305
Balance as at 1 December 2018	522,809	(10,694)	8,516	(106)	(1)	1,532,857	2,053,381	-	2,053,381
Total comprehensive income for the year	-	-	-	(58)	-	10,995	10,937	-	10,937
Transactions with owners, recognised directly in equity									
<u>Contributions by and distributions to owners</u>									
Share-based compensation	-	-	1,181	-	-	-	1,181	-	1,181
Treasury shares re-issued	-	3,100	(6,949)	-	-	3,818	(31)	-	(31)
Dividends	-	-	-	-	-	(112,934)	(112,934)	-	(112,934)
Balance as at 28 February 2019	522,809	(7,594)	2,748	(164)	(1)	1,434,736	1,952,534	-	1,952,534

- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Performance Shares

- (a) At the annual general meeting of the Company held on 1 December 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.
- (b) As at 29 February 2020, the number of shares granted and outstanding (being contingent award) under the 2016 Share Plan was 4,615,737 (28 February 2019: 3,594,631). Movements in the number of performance shares during the current quarter are summarised below:

<u>Outstanding as at 01.12.19</u> (‘000)	<u>Adjusted[#]</u> (‘000)	<u>Granted[*]</u> (‘000)	<u>Vested</u> (‘000)	<u>Outstanding as at 29.02.20</u> (‘000)
3,582	(412)	2,155	(709)	4,616

[#] Adjusted at end of the performance period based on the level of achievement of pre-set performance conditions.

^{*} This included a special sign-on bonus of SPH shares.

Share Buy Back

Under the Share Buy Back Mandate (first approved by the Shareholders on 16 July 1999 and last renewed at the Annual General Meeting on 29 November 2019), the Company bought back 1.05 million ordinary shares during the current quarter. These shares are held as treasury shares. The amount paid, including brokerage fees, totalled S\$2.1 million and was deducted against shareholders' equity.

Share Capital and Treasury Shares

As at 29 February 2020, the Company had 1,594,222,297 ordinary shares, 16,361,769 management shares and 6,426,824 treasury shares (28 February 2019: 1,598,079,180 ordinary shares, 16,361,769 management shares and 2,569,941 treasury shares).

The treasury shares held represent 0.4% (28 February 2019: 0.2%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 29 February 2020 and 28 February 2019.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 29 February 2020, the Company had 1,594,222,297 ordinary shares and 16,361,769 management shares (31 August 2019: 1,595,502,880 ordinary shares and 16,361,769 management shares).

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Between 1 December 2019 and 29 February 2020, the Company transferred 708,917 treasury shares for the fulfilment of share awards vested under the 2016 Share Plan. The total value of the treasury shares transferred was S\$1.6 million.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company has no subsidiary holdings as at 29 February 2020.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The financial information as set out in paragraphs 1, 4, 5, 6, 7, 8, 9, 10 and 11 of this announcement has been extracted from the condensed interim financial information that has been reviewed by our auditors, KPMG LLP, in accordance with Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Please refer to the attached auditors' review report.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Accounting Policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 August 2019, except for the adoption of the Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 *Leases* applicable for the financial period beginning 1 September 2019, and early adoption of the Amendments to SFRS(I) 3 *Definition of a Business*.

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group and the Company applied SFRS(I) 16 on 1 September 2019, using the modified retrospective approach, with no restatement of comparative information. The Group and the Company applied the practical expedient to grandfather the definition of a lease on transition. This means that they will apply SFRS(I) 16 to all contracts entered into before 1 September 2019 and identified as leases in accordance with SFRS(I) 1-17 *Leases* and SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*.

On 1 September 2019, the Group recognised ROU assets of S\$93.1 million, financial lease receivables of S\$3.8 million from sub-lease arrangements, and lease liabilities of S\$96.6 million.

Amendments to SFRS(I) 3 *Definition of a Business*

The Group has elected to early adopt the Amendments to SFRS(I) 3 *Definition of a Business*, effective for periods beginning on or after 1 January 2020. The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

On 20 December 2019, the Group acquired all the shares in 17 companies in UK for a consideration of £411 million (including discharge of the companies debt owing to a financial institution of £131.9 million). Arising from the acquisition, the Group acquired a portfolio of PBSA properties and a property management services operator. Based on the concentration test, substantially all of the fair values of the gross assets is concentrated in investment properties. As such, the transaction was accounted for as an asset acquisition.

5. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earnings Per Share for the Second Quarter ended 29 February 2020

	Group	
	2Q 2020	2Q 2019
(a) Based on the weighted average number of shares on issue (S\$)	0.02	0.02
(b) On fully diluted basis (S\$)	0.02	0.02

Earnings per share was calculated based on profit after taxation attributable to shareholders of the Company less accrued distribution for perpetual securities, divided by the weighted average number of shares (excluding treasury shares).

6. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year**

Net Asset Value Per Share

	Group		Company	
	29 Feb 2020	31 Aug 2019	29 Feb 2020	31 Aug 2019
Net asset value per share based on total number of issued shares at the end of period/year (S\$)	2.14	2.16	1.36	1.42

Net asset value per share was calculated based on shareholders' interests, divided by the number of shares (excluding treasury shares) as at the reporting date.

7. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Review of Results for the Second Quarter ended 29 February 2020 ("2Q 2020") compared with the Second Quarter ended 28 February 2019 ("2Q 2019")

7.1 Income Statement

- 7.1.1 Group operating revenue comprised mainly advertisement and circulation revenue (print and digital), rental income from retail malls and student accommodation, and income from other businesses (including aged care, events and exhibitions and education). The increase in group operating revenue of S\$4.1 million (1.8%), from S\$223.3 million in 2Q 2019 to S\$227.5 million in 2Q 2020, was due to higher revenue of S\$23.9 million (33%) from the Property segment offset by the decline in advertisement and circulation revenue of S\$17.5 million (18.3%) and S\$2.2 million (6.5%) respectively.

Other operating income included sales of production waste and other scrap materials, distribution service fees for third party periodicals, and income from branding events. Other operating income of 2Q 2020 decreased by S\$0.7 million (15.1%), from S\$4.5 million in 2Q 2019 to S\$3.8 million in 2Q 2020.

Total revenue of S\$231.3 million in 2Q 2020 was higher by S\$3.4 million (1.5%) compared to S\$227.8 million in 2Q 2019.

7.1.2 Materials, production and distribution costs included newsprint and other material costs, factory overheads and distribution costs for the media business, and production costs and supplies for the events and exhibitions and aged care businesses. The reduction in materials, production and distribution costs by S\$3.9 million (12.8%), from S\$30.2 million in 2Q 2019 to S\$26.3 million in 2Q 2020, was in line with lower revenue of the media business.

Staff costs comprised salaries, bonuses, allowances, employers' contribution to defined contribution plans and share-based compensation expense. The increase in staff costs of S\$1.4 million (1.8%), from S\$79.9 million in 2Q 2019 to S\$81.3 million in 2Q 2020, was mainly due to headcount of the newly acquired businesses.

Premises costs relate mainly to rental expenses, property tax, building maintenance costs and utility charges, and are primarily incurred for the retail malls, student accommodation, media and aged care businesses. Premises costs increased S\$3.5 million (17.5%), from S\$20.2 million in 2Q 2019 to S\$23.7 million in 2Q 2020. This quarter saw higher costs of S\$3.5 million (151.2%) from the PBSA portfolio due to increased scale of operations, and costs of S\$4.7 million from Westfield Marion which was acquired in December 2019. These were substantially offset by lower rental expenses of S\$4.3 million (85.6%) with rental expenses being replaced by depreciation expense recognised for right-of-use (ROU) assets and finance charges on lease liabilities following the adoption of SFRS(I) 16 *Leases*.

Depreciation costs increased by S\$3.6 million (54.5%) from S\$6.6 million in 2Q 2019 to S\$10.2 million in 2Q 2020, mainly due to the depreciation of ROU assets.

Other operating expenses included business promotion expenses, articles and news agencies' fees, computer system maintenance and software licence fees, amortisation of intangibles assets, foreign exchange differences and other expenses in line with business activities. Other operating expenses decreased S\$7.7 million (24.1%), from S\$31.9 million in 2Q 2019 to S\$24.2 million in 2Q 2020 due partly to lower business promotion costs of S\$4.7 million (61.1%).

Finance costs increased by S\$4.8 million (38.7%), from S\$12.3 million in 2Q 2019 to S\$17 million in 2Q 2020, mainly due to interest costs on Medium Term Notes issued in January 2020 and loan facilities taken up to fund the acquisition of new assets in the PBSA portfolio and Westfield Marion.

Overall, total costs increased by S\$1.1 million (0.6%) from S\$181.4 million in 2Q 2019 to S\$182.5 million in 2Q 2020.

7.1.3 As a result of the foregoing, operating profit of S\$48.8 million in 2Q 2020 was S\$2.3 million (5%) higher compared to S\$46.5 million in 2Q 2019.

- 7.1.4 Fair value loss on an investment property of S\$12.9 million in 2Q 2019 relates mainly to expensing of stamp duty for Figtree.
- 7.1.5 Share of results of associates and joint ventures was S\$8.6 million (72.6%) lower, from S\$11.8 million in 2Q 2019 to S\$3.2 million in 2Q 2020, mainly due to the absence of a S\$13.9 million fair value gain from Chinatown point recognised last year partially cushioned by the share of profits of S\$3.7 million from Konnectivity this year.
- 7.1.6 Investment income comprised fair value changes on investments and derivatives, foreign exchange differences, and dividend and interest income from the investment portfolio. Investment income for the quarter was a gain of S\$3 million against a loss of S\$0.7 million in the same quarter last year, mainly due to fair value gains on portfolio investments.
- 7.1.7 Taxation charge of S\$10.3 million in 2Q 2020 was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income.
- 7.1.8 After accounting for non-controlling interests, net profit attributable to shareholders of S\$31.3 million in 2Q 2020 was S\$1.6 million (5.5%) higher compared to S\$29.7 million in 2Q 2019.

7.2 Statements of Financial Position

Equity

- 7.2.1 Equity comprised share capital, treasury shares, reserves and retained profits of the Company's shareholders, perpetual securities and non-controlling interests. The increase in equity by S\$420.8 million (8.9%) from S\$4,707.1 million as at 31 August 2019 to S\$5,127.9 million as at 29 February 2020 was attributable to S\$300 million of perpetual securities issued by the Company and S\$162.8 million contribution from non-controlling interests due to the issuance of SPH REIT units.

Non-current assets

- 7.2.2 Non-current assets comprised property, plant and equipment, investment properties, interests in associates and joint ventures, investments, intangible assets, trade and other receivables, and derivatives. The increase in non-current assets by S\$1,518.5 million (24%) from S\$6,338.3 million as at 31 August 2019 to S\$7,856.9 million as at 29 February 2020 was mainly due to increases in property, plant & equipment, investment properties and intangible assets.
- 7.2.3 Property, plant and equipment comprised of leasehold land and buildings, plant and equipment, furniture and fittings, and motor vehicles. The increase in property, plant and equipment by S\$86.2 million (45.8%), from S\$188 million as at 31 August 2019 to S\$274.2 million as at 29 February 2020, was attributed to additions of S\$6.6 million and the recognition of ROU assets of S\$99.5 million following the adoption of SFRS(I) 16 *Leases*, partially offset by depreciation of S\$20.2 million.
- 7.2.4 Investment properties comprised mainly retail malls and student accommodation assets. The increase in investment properties of S\$1,409.7 million (28.1%), from S\$5,014.9 million as at 31 August 2019 to S\$6,424.6 million as at 29 February 2020, arose mainly from the acquisition of PBSA assets of S\$765 million in the United Kingdom and Germany, and retail asset Westfield Marion of S\$627.7 million in Australia.
- 7.2.5 Intangible assets included goodwill, technology, trademarks, licences and mastheads that are acquired mainly through business acquisitions. The increase in intangible assets of S\$11.6 million (8.2%), from S\$141.2 million as at 31 August 2019 to S\$152.8 million as at 29 February 2020, arose mainly from the acquisition of PBSA assets.

Current assets

- 7.2.6 Current assets comprised inventories, trade and other receivables, investments, derivatives, and cash and cash equivalents. The decrease in current assets of S\$66.2 million (8.6%) from S\$769.1 million as at 31 August 2019 to S\$702.9 million as at 29 February 2020, was mainly due to decrease in trade and other receivables, and cash and cash equivalents.
- 7.2.7 Current trade and other receivables decreased by S\$10.3 million (7%), from S\$147.4 million as at 31 August 2019 to S\$137.1 million as at 29 February 2020. This was mainly due to receipt of proceeds due from disposal of investments partially offset by increased receivables from the expanded PBSA portfolio.

- 7.2.8 Cash and cash equivalents decreased by S\$52.4 million (9.4%) from S\$554.4 million as at 31 August 2019 to S\$502.1 million as at 29 February 2020. Details of the movements are set out in the Consolidated Statement of Cash Flows in paragraph 8(b) and paragraph 10.2.

Non-current liabilities

- 7.2.9 Non-current liabilities comprised trade and other payables, deferred tax liabilities, borrowings, and derivatives. The increase in non-current liabilities by S\$785.8 million (45.6%), from S\$1,723.3 million as at 31 August 2019 to S\$2,509 million as at 29 February 2020 was attributed to increase in borrowings.
- 7.2.10 Non-current borrowings increased by S\$781.9 million (47.5%), from S\$1,646 million as at 31 August 2019 to S\$2,427.9 million as at 29 February 2020. The increase relates mainly to the net proceeds of S\$497.9 million from the issuance of S\$500 million Medium Term Notes by the Company, and bank loans of S\$185.4 million (A\$200 million) taken up to partially fund the acquisition of Westfield Marion. In addition, long-term lease liabilities of S\$84.6 million was recognised following the adoption of SFRS(I) 16 *Leases*.

Current liabilities

- 7.2.11 Current liabilities comprised trade and other payables, current tax liabilities, borrowings and derivatives. The increase in current liabilities by S\$245.8 million (36.3%) from S\$677 million as at 31 August 2019 to S\$922.8 million as at 29 February 2020, was due to increase in trade and other payables and borrowings.
- 7.2.12 Current trade and other payables increased by S\$26.2 million (11.5%), from S\$228.3 million as at 31 August 2019 to S\$254.5 million as at 29 February 2020, due to increased collections in advance and payables from the expanded PBSA portfolio.
- 7.2.13 Current borrowings increased by S\$222.2 million (54.1%), from S\$411 million as at 31 August 2019 to S\$633.2 million as at 29 February 2020. This increase was mainly due to the net drawdown of short-term facilities of S\$205 million, largely to fund the acquisition of PBSA assets. In addition, short-term lease liabilities of S\$11.7 million was recognised following the adoption of SFRS(I) 16 *Leases*.
- 7.2.14 As at 29 February 2020, the Group is in a net current liabilities position of S\$219.9 million mainly due to the maturity of loans within the next 12 months. This included a secured term loan of S\$280 million taken up by SPH REIT which will be re-financed.

7.3 Statement of Cash Flows

2Q 2020

- 7.3.1 Net cash used in operating activities of S\$43.2 million was due to working capital changes of S\$99.8 million and income tax paid of S\$21.4 million, partially offset by operating cash inflow of S\$78.1 million.
- 7.3.2 Net cash used in investing activities of S\$1,216 million was due to acquisition of investment properties of S\$663.2 million mainly Westfield Marion and acquisition of a subsidiary of S\$714.7 million for the PBSA portfolio. These were partially offset by net proceeds from the purchase and disposal of treasury investments of S\$167.7 million.
- 7.3.3 Net cash from financing activities of S\$905.9 million was attributed to proceeds (net of transaction costs) from the issuance of Medium Term Notes of S\$497.9 million, drawdown of loan facilities of S\$389.3 million (net of repayments), and contribution of S\$162.8 million from the non-controlling interests arising from the issuance of SPH REIT units. These were partially offset by dividends and distributions paid of S\$125.3 million.

8(a)(i) Performance for the Half-Year ended 29 February 2020**Results for the Half-Year ended 29 February 2020**

	Group		
	1H 2020	1H 2019	Change
	S\$'000	S\$'000	%
Operating revenue	471,434	477,643	(1.3)
Other operating income	8,855	8,936	(0.9)
Total revenue	<u>480,289</u>	<u>486,579</u>	(1.3)
Materials, production and distribution costs	(58,323)	(66,853)	(12.8)
Staff costs	(165,701)	(166,345)	(0.4)
Premises costs	(42,635)	(39,837)	7.0
Depreciation	(20,172)	(13,189)	52.9
Other operating expenses	(60,369)	(55,974)	7.9
Impairment loss on trade receivables	(268)	(147)	82.3
Finance costs	(30,088)	(22,931)	31.2
Total costs	<u>(377,556)</u>	<u>(365,276)</u>	3.4
Operating profit [#]	102,733	121,303	(15.3)
Fair value change on investment properties	10,527	(12,864)	NM
Share of results of associates and joint ventures	2,479	9,379	(73.6)
Net income from investments	<u>7,588</u>	<u>2,433</u>	211.9
Profit before taxation	123,327	120,251	2.6
Taxation	<u>(21,590)</u>	<u>(20,653)</u>	4.5
Profit after taxation	<u>101,737</u>	<u>99,598</u>	2.1
Attributable to:			
Shareholders of the Company	77,638	85,614	(9.3)
Non-controlling interests	<u>24,099</u>	<u>13,984</u>	72.3
	<u>101,737</u>	<u>99,598</u>	2.1

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

NM Not Meaningful

8(a)(ii) Notes:**Profit after taxation is arrived at after accounting for:**

	Group		
	1H 2020	1H 2019	Change
	S\$'000	S\$'000	%
Write-back of allowance/(Allowance) for stock obsolescence	459	(347)	NM
Share-based compensation expense	(1,545)	(1,914)	(19.3)
Retrenchment costs	(7,209)	-	NM
Profit on disposal of property, plant and equipment	1,236	118	947.5
Amortisation of intangible assets	(3,721)	(4,068)	(8.5)
Gain on divestment of interests in subsidiaries	-	396	NM
Gain/(Loss) on divestment of interests in associates	477	(426)	NM
Interest income from treasury and operations	5,201	3,783	37.5
Net fair value changes on			
- Investments at fair value through profit or loss ("FVTPL")	(151)	(647)	(76.7)
- Derivatives (foreign exchange forwards)	164	786	(79.1)
Net foreign exchange differences	1,085	(474)	NM
Net (under)/over-provision of prior years' taxation	(285)	184	NM

8(a)(iii) Statement of Comprehensive Income

	Group		
	1H 2020	1H 2019	Change
	S\$'000	S\$'000	%
Profit after taxation	101,737	99,598	2.1
Other comprehensive income, net of tax			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Capital reserves			
- share of capital reserves of an associate	-	20	NM
Cash flow hedges (interest rate swaps)			
- net fair value changes	(5,543)	(1,691)	227.8
- transferred to income statement	1,364	913	49.4
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	(3,057)	(2,070)	47.7
	<u>(7,236)</u>	<u>(2,828)</u>	155.9
<u>Item that will not be re-classified subsequently to profit or loss</u>			
Net fair value changes on fair value through other comprehensive income ("FVOCI") financial assets	4,854	53,146	(90.9)
Total comprehensive income	<u>99,355</u>	<u>149,916</u>	(33.7)
Attributable to:			
Shareholders of the Company	79,967	136,240	(41.3)
Non-controlling interests	19,388	13,676	41.8
	<u>99,355</u>	<u>149,916</u>	(33.7)

8(b) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

Consolidated Statement of Cash Flows for the Half Year ended 29 February 2020

	1H 2020	1H 2019
	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	123,327	120,251
Adjustments for:		
Depreciation	20,172	13,189
Profit on disposal of property, plant and equipment	(1,236)	(118)
Fair value change on investment properties	(10,527)	12,864
Share of results of associates and joint ventures	(2,479)	(9,379)
Gain on divestments of interests in subsidiaries	-	(396)
(Gain)/Loss on divestment of interests in associates	(477)	426
Net income from investments	(7,588)	(2,433)
Amortisation of intangible assets	3,721	4,068
Impairment loss on trade receivables	268	147
Finance costs	30,088	22,931
Share-based compensation expense	1,545	1,914
Other non-cash items	1,373	(340)
Operating cash flow before working capital changes	158,187	163,124
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	2,307	(6,180)
Trade and other receivables, current	1,685	(8,629)
Trade and other payables, current	(29,146)	4,996
Trade and other receivables, non-current	217	983
Trade and other payables, non-current	(456)	(5,400)
Others	453	(4,365)
	133,247	144,529
Income tax paid	(22,271)	(25,565)
Net cash from operating activities	110,976	118,964

**Consolidated Statement of Cash Flows for the Half Year ended 29 February 2020
(cont'd)**

	1H 2020	1H 2019
	S\$'000	S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(12,508)	(14,596)
Proceeds from disposal of property, plant and equipment	47	170
Additions to investment properties	(663,904)	(538,003)
Acquisition of interests in associates	-	(13,753)
Adjustment to purchase consideration of an investment property	10,527	-
Acquisition of a subsidiary (net of cash acquired)	(714,680)	-
Distributions received from associates	1,105	1,577
Proceeds from divestment of interests in subsidiaries	-	815
Proceeds from divestment of interests in an associate	-	6
(Increase)/Decrease in amounts owing by associates/ joint ventures	(1,279)	72
Increase/(Decrease) in amounts owing to associates/ joint ventures	351	(960)
Purchase of investments, non-current	(4,304)	(12,105)
Purchase of investments, current	(150,778)	(174,754)
Proceeds from disposal of investments, non-current	5,218	10,816
Proceeds from disposal of investments, current	184,766	316,770
Dividends received	4,716	1,158
Interest received	2,836	1,966
Other investment income	477	(3,165)
Net cash used in investing activities	<u>(1,337,410)</u>	<u>(423,986)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of medium term notes (net of transaction costs)	497,857	-
Proceeds from bank loans (net of transaction costs)	989,309	524,996
Repayment of bank loans	(599,977)	(85,000)
Interest paid	(25,262)	(20,637)
Payment for lease liabilities	(8,231)	-
Share buy-back	(3,931)	(3,593)
Proceeds from perpetual securities issued (net of transaction costs)	298,396	-
Proceeds from capital contribution by non-controlling interests	162,823	16,961
Dividends paid	(104,710)	(112,934)
Dividends paid (net) by subsidiaries to non-controlling interests	(22,705)	(30,866)
Distributions to perpetual securities holders	(9,517)	-
Net cash from financing activities	<u>1,174,052</u>	<u>288,927</u>
Net decrease in cash and cash equivalents	(52,382)	(16,095)
Cash and cash equivalents at beginning of period	554,435	359,498
Cash and cash equivalents at end of period	<u>502,053</u>	<u>343,403</u>

9. Earnings Per Share for the Half Year ended 29 February 2020

	Group	
	1H 2020	1H 2019
(a) Based on the weighted average number of shares on issue (S\$)	0.04	0.05
(b) On fully diluted basis (S\$)	0.04	0.05

Earnings per share was calculated based on profit after taxation attributable to shareholders of the Company less accrued distribution for perpetual securities, divided by the weighted average number of shares (excluding treasury shares).

10. Review of Results for the Half Year ended 29 February 2020 (“1H 2020”) compared with the Half Year ended 28 February 2019 (“1H 2019”)

10.1 Income Statement

10.1.1 Group operating revenue comprised mainly advertisement and circulation revenue (print and digital), rental income from retail malls and student accommodation, and income from other businesses (including aged care, events and exhibitions and education). The decrease in group operating revenue of S\$6.2 million (1.3%), from S\$477.6 million in 1H 2019 to S\$471.4 million in 1H 2020, was due to lower advertisement revenue of S\$36.6 million (17.1%) and circulation revenue of S\$3.7 million (5.4%). The reduction was cushioned by higher revenue of S\$36.8 million (26.2%) from the Property business, with increases of S\$15.9 million (127.3%) from the expanded PBSA portfolio, S\$5 million (158.1%) from Figtree, and S\$12.6 million from the recently acquired Westfield Marion.

Other operating income included sales of production waste and other scrap materials, distribution service fees for third party periodicals, and income from branding events. Other operating income of S\$8.9 million in 1H 2020 was flat against 1H 2019.

Total revenue of S\$480.3 million in 1H 2020 was lower by S\$6.3 million (1.3%) compared to S\$486.6 million in 1H 2019.

10.1.2 Materials, production and distribution costs included newsprint and other material costs, factory overheads and distribution costs for the media business, and production costs and supplies for the events and exhibitions and aged care businesses. The reduction in materials, production and distribution costs by S\$8.5 million (12.8%), from S\$66.9 million in 1H 2019 to S\$58.3 million in 1H 2020, was in line with lower revenue of the media business.

Staff costs comprised salaries, bonuses, allowances, employers’ contribution to defined contribution plans and share-based compensation expense. Staff costs was flat at S\$165.7 million in 1H 2020 compared to S\$166.3 million in 1H 2019.

Premises costs relate mainly to rental expenses, property tax, building maintenance costs and utility charges, and are primarily incurred for the retail malls, student accommodation, media and aged care businesses. Premises costs was S\$2.8 million (7%) higher, from S\$39.8 million in 1H 2019 to S\$42.6 million in 1H 2020. This was due to increases of S\$11.6 million (48.4%) from the PBSA portfolio and retail assets, offset by lower rental expenses of S\$8.2 million (80.9%) primarily due to rental expenses being replaced by depreciation expense recognised for right-of-use (ROU) assets and finance charges on lease liabilities following the adoption of SFRS(I) 16 Leases.

Depreciation costs increased by S\$7 million (52.9%) from S\$13.2 million in 1H 2019 to S\$20.2 million in 1H 2020, mainly due to the depreciation of ROU assets.

Other operating expenses included business promotion expenses, articles and news agencies' fees, computer system maintenance and software licence fees, amortisation of intangibles assets, foreign exchange differences and other expenses in line with business activities. Other operating expenses increased S\$4.4 million (7.9%), from S\$56 million in 1H 2019 to S\$60.4 million in 1H 2020. This was due to retrenchment costs of S\$7.2 million.

Finance costs increased by S\$7.2 million (31.2%), from S\$22.9 million in 1H 2019 to S\$30.1 million in 1H 2020, mainly due to interest costs on Medium Term Notes issued in January 2020 and loan facilities taken up to fund the acquisition of new assets in the PBSA portfolio, Figtree and Westfield Marion.

Overall, total costs increased by S\$12.3 million (3.4%) from S\$365.3 million in 1H 2019 to S\$377.6 million in 1H 2020.

- 10.1.3 As a result of the foregoing, operating profit of S\$102.7 million in 1H 2020 was S\$18.6 million (15.3%) lower compared to S\$121.3 million in 1H 2019.
- 10.1.4 Fair value gain on investment properties of S\$10.5 million in 1H 2020 arose from an adjustment to the purchase consideration of an asset in the PBSA portfolio. Fair value loss on investment properties of S\$12.9 million in 1H 2019 relates mainly to expensing of stamp duty for Figtree.
- 10.1.5 The share of results of associates and joint ventures was S\$6.9 million (73.6%) lower, from S\$9.4 million in 1H 2019 to S\$2.5 million in 1H 2020. This was mainly due to the absence of a S\$13.9 million fair value gain from Chinatown Point recognised last year, partially cushioned by share of profit of S\$6 million from Konnectivity this year.
- 10.1.6 Investment income comprised fair value changes on investments and derivatives, foreign exchange differences, and dividend and interest income from the investment portfolio. Investment income increased S\$5.2 million (211.9%), from S\$2.4 million in 1H 2019 to S\$7.6 million in 1H 2020. This was due to higher dividend income this year and absence of foreign exchange losses recognised last year.
- 10.1.7 Taxation charge of S\$21.6 million in 1H 2020 was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. This included an amount of S\$0.3 million for under-provision of taxation in respect of prior years.
- 10.1.8 After accounting for non-controlling interests, net profit attributable to shareholders of S\$77.6 million in 1H 2020 was S\$8 million (9.3%) lower compared to S\$85.6 million in 1H 2019.

10.2 Statement of Cash Flows

1H 2020

- 10.2.1 Net cash from operating activities of S\$111 million was due to cash inflow from operating activities of S\$158.2 million, partially offset by working capital changes of S\$24.9 million and income tax paid of S\$22.3 million.
- 10.2.2 Net cash used in investing activities of S\$1,337.4 million was due to additions to investment properties of S\$663.9 million mainly Westfield Marion and acquisition of a subsidiary of S\$714.7 million for the PBSA portfolio. These were partially offset by net proceeds from the purchase and disposal of treasury investments of S\$34.9 million.
- 10.2.3 Net cash from financing activities of S\$1,174.1 million was attributed to proceeds (net of transaction costs) from the issuance of Medium Term Notes of S\$497.9 million and perpetual securities of S\$298.4 million by the Company, drawdown of loan facilities of S\$389.3 million (net of repayments), and contribution of S\$162.8 million from the non-controlling interests arising from the issuance of SPH REIT units. These were partially offset by dividends and distributions paid of S\$136.9 million and interest payment of S\$25.3 million.

11. Segmental information (of the group) for the Half Year ended 29 February 2020

Business Segments

The Group is organised into three major operating segments, namely Media, Property, and Others. 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 in the retail, student accommodation and residential sectors. 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, aged care, events and exhibitions, education, New Media Fund, Treasury and Investment and other business adjacencies.

Group Segmental Information

1H 2020

	Media S\$'000	Property S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue					
External sales	253,854	177,087	40,493	-	471,434
Inter-segmental sales	1,928	1,583	807	(4,318)	-
Total operating revenue	255,782	178,670	41,300	(4,318)	471,434
Result					
Segment result	11,436	126,744	2,229	-	140,409
Finance costs	(1,097)	(28,453)	(538)	-	(30,088)
Fair value change on investment properties	-	10,527	-	-	10,527
Share of results of associates and joint ventures	-	(3,965)	6,444	-	2,479
Profit before taxation	10,339	104,853	8,135	-	123,327

1H 2019

	Media S\$'000	Property S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue					
External sales	296,162	140,331	41,150	-	477,643
Inter-segmental sales	1,816	1,074	683	(3,573)	-
Total operating revenue	297,978	141,405	41,833	(3,573)	477,643
Result					
Segment result	42,397	106,074	(1,804)	-	146,667
Finance costs	-	(22,830)	(101)	-	(22,931)
Fair value change on investment properties	-	(12,864)	-	-	(12,864)
Share of results of associates and joint ventures	(325)	9,401	303	-	9,379
Profit/(Loss) before taxation	42,072	79,781	(1,602)	-	120,251

Group Segmental Review

Media

Revenue for the Media business declined S\$42.3 million (14.3%), from S\$296.2 million in 1H 2019 to S\$253.9 million in 1H 2020. Media advertisement revenue fell by S\$37.9 million (18.5%) with Newspaper print advertisement revenue declining by S\$32.2 million (20.4%). Newspaper digital advertisement revenue reported growth of S\$0.5 million (3.7%) year-on-year.

Circulation revenue fell S\$3.7 million (5.4%) as daily average newspaper print sales decreased by 53,109 copies (10.7%), while daily average newspaper digital sales increased by 110,355 copies (50.2%) excluding copies relating to a barter agreement which has ended.

Profit before tax was S\$31.7 million (75.4%) lower year-on-year, from S\$42.1 million in 1H 2019 to S\$10.3 million in 1H 2020. The decrease was due to revenue decline of S\$42.3 million (14.3%) and retrenchment costs of S\$7.2 million recognised in 1H 2020, partially cushioned by reduction in materials, production and distribution costs of S\$9.1 million (13.9%), staff costs of S\$4.2 million (3%) and business promotion costs of S\$4.2 million (41.9%).

Property

Revenue for the Property segment rose by S\$36.8 million (26.2%), from S\$140.3 million in 1H 2019 to S\$177.1 million in 1H 2020. The PBSA portfolio recorded higher revenue of S\$15.9 million (127.3%) attributable to assets acquired subsequent to 1H 2019. There was also higher revenue of S\$5 million (158.1%) from Figtree which was acquired in December 2018. In addition, the acquisition of Westfield Marion in December 2019 contributed revenue of S\$12.6 million in 1H 2020.

Profit before tax increased by S\$25.1 million (31.4%), from S\$79.8 million in 1H 2019 to S\$104.9 million in 1H 2020. Operating profit was S\$15 million (18.1%) higher compared to 1H 2019. In addition, the Group recognised a fair value gain of S\$10.5 million arising from an adjustment to the purchase consideration of an asset in the PBSA portfolio. In the corresponding period last year, the Group recorded a fair value loss on an investment property of S\$12.9 million relating mainly to the stamp duty expense for Figtree, and a S\$13.9 million fair value gain on Chinatown Point.

Others

Revenue for the Others segment decreased by S\$0.7 million (1.6%), from S\$41.2 million in 1H 2019 to S\$40.5 million in 1H 2020.

Profit before tax was S\$8.1 million in 1H 2020 against a loss of S\$1.6 million in 1H 2019. The increase was mainly due to share of profit from an associate, Konnectivity Pte Ltd.

12. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast was made previously.

13. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Post 1HFY20 – Covid-19 impact

- 13.1 The 1HFY20's results reflect the initial impact of the Covid-19 outbreak on the Group's business segments. In the Media segment, advertising was affected across most sectors with the exception of government spending.
- 13.2 The Group's other business segments have since been similarly disrupted. In the Property segment, tenants in the retail malls in Singapore and Australia have been affected by lower footfall due to strict social distancing measures. The latest 'circuit breaker' measures in Singapore are the most recent examples. SPH REIT has responded with the offer of rental rebates to tenants as well as targeted assistance. It will also be fully passing on the total property tax rebates given by the Inland Revenue Authority of Singapore to its tenants.
- 13.3 The PBSA business has also been affected by UK university closures and students returning home. Students who leave do not have to pay rent for the remainder of the AY19/20. The duration of the university closures is unknown.
- 13.4 The Group will continue to provide reliable reporting on the Covid-19 situation and to progress its digital transformation initiatives. With the uncertainty over the depth and duration of the Covid-19 pandemic, the Group will need to adopt a prudent approach in managing its cashflows and investment activities.

Post 1HFY20 – Changes in Financial Reporting Frequency

- 13.5 Going forward, SPH will be adopting the option of semi-annual reporting. The Group believes that this will encourage investors to take a longer-term view of the business. However, the Group will provide a business commentary on the first and third quarter performance, to update investors between the half-yearly reports while continuing to comply with its continuing disclosure obligations.

14. Dividends

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Rate	1.5 cents per share
Tax rate	Tax exempt (One-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Rate	5.5 cents per share
Tax rate	Tax exempt (One-tier)

(c) Date payable

The date the dividend is payable: 22 May 2020.

(d) Record Date

The Share Transfer Books and Register of Members of the Company will be closed on 6 May 2020, 5.00 p.m. for preparation of dividend warrants. Duly stamped and completed transfers received by our Share Transfer Office, Tricor Barbinder Share Registration Services, 80 Robinson Road #02-00 Singapore 068898, up to 5.00 p.m. on 6 May 2020 will be registered to determine shareholders' entitlements to the interim dividend. In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will distribute the dividends to holders of the securities accounts.

15. If no dividend has been declared (recommended), a statement to that effect

Not applicable.

16. **If the group has obtained a general mandate from shareholders for Interested Person Transactions, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

17. **Please disclose a confirmation that the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers pursuant to Rule 720(1) of the SGX Listing Manual.

BY ORDER OF THE BOARD

Ginney Lim May Ling
Khor Siew Kim

Company Secretaries

Singapore,
7 April 2020



CONFIRMATION BY THE BOARD
Pursuant to Rule 705(5) of the Listing Manual

We, Lee Boon Yang and Ng Yat Chung, being two directors of Singapore Press Holdings Limited ("the Company"), do hereby confirm on behalf of the directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the second quarter ended 29 February 2020 to be false or misleading in any material respect.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Lee Boon Yang', written over a horizontal line.

LEE BOON YANG
Chairman

A handwritten signature in blue ink, appearing to read 'Ng Yat Chung', written over a horizontal line.

NG YAT CHUNG
Director

Singapore,
7 April 2020



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

Telephone +65 6213 3388
Fax +65 6225 0984
Internet kpmg.com.sg

Report on review of Condensed Interim Financial Information

The Board of Directors
Singapore Press Holdings Limited

Introduction

We have reviewed the accompanying 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 29 February 2020, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in total equity, consolidated statement of cash flows of the Group for the three-month and six-months periods then ended, and statement of changes in total equity of the Company for the three-month period, and certain explanatory notes (the “Condensed Interim Financial Information”). Management is responsible for the preparation and presentation of this Condensed Interim Financial Information in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Information is not prepared, in all material respects, in accordance with SFRS(I) 1-34 *Interim Financial Reporting*.



Singapore Press Holdings Limited
Review of Interim Financial Information
Period ended 29 February 2020

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Condensed Interim Financial Information for the purpose of assisting the Company to meet the requirements of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Company's announcement of its interim financial information for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.

A handwritten signature in blue ink that reads 'KPMG LLP'.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
7 April 2020