



MEDIASCAPE

Maintaining **F**ocus in an Evolving Mediascape
Annual Report 2016



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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, and their respective student publications. It also includes subsidiaries Tamil Murasu Ltd, which publishes Tamil Murasu and *tabla!*; 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; and the two English stations of SPH Radio – Kiss92 and ONE FM 91.3.

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 Newsgazine. 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 new media initiatives include AsiaOne, Stomp, zaobao.sg, zaobao.com and SPH Razor.

On an average day, 2.4 million* individuals or 58 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 100 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 out-of-home 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.

SPH has a 20 per cent stake in MediaCorp TV Holdings Pte Ltd, which operates free-to-air channels 5, 8 and U, and a 40 per cent stake in MediaCorp Press Limited, which publishes the free newspaper, Today.

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, Trezo), 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.

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 2015, Monday-Sunday, read any SPH newspapers in print or digital format

BUSINESSES AND PRODUCTS UNDER THE SPH GROUP

NEWSPAPERS

Berita Harian
 Berita Minggu
 Gen G
 i3
 IN
 Lianhe Wanbao
 Lianhe Zaobao
 Little Red Dot
 Shin Min Daily News
 tabla!
 Tamil Murasu
 The Business Times
 The Business Times Weekend
 The New Paper
 The Straits Times
 The Sunday Times
 Thumbs Up
 Thumbs Up Junior
 Thumbs Up Little Junior
 Zaobao Sunday
 zbCOMMA

MAGAZINES

24:7
 Action Asia
 Always Toyota
 Ascent
 Asia-Pacific Boating
 AsiaSpa
 China Boating
 CLEO Singapore
 Cohort
 Eh!
 Female
 Female Brides
 Fraser Cachet
 Glam
 Glam Lelaki
 HardwareMAG
 Harper's BAZAAR Singapore
 Health No. 1
 Her World
 Her World Brides
 Home & Decor
 ICON
 ICON Moments
 ICON Weddings
 JET Asia-Pacific
 LP Luxury Properties
 Men's Health Singapore
 NSMan
 Nanyou
 Nuyou
 Savour
 Shape Singapore
 SilverKris
 Simply Her

Singapore Health
 Singapore Magazine
 Singapore Nautilus
 The Finder
 The Johnnie Walker House Edit
 The Peak
 The Peak Gourmet & Travel
 The Peak Timepieces
 The Singapore Women's Weekly
 Torque
 U-Weekly
 Victory Trail
 Wellness No. 1
 Winning Post
 Young Families
 Young Parents
 Young Parents Preschool Guide
 ZBBZ

* SPH has more than 100 magazine titles including contract and licensed titles in the region. For more information, visit www.sphmagazines.com.sg

BOOK PUBLISHING / CONTRACT PUBLISHING

Focus Publishing
 Straits Times Press

INTERNET AND DIGITAL MEDIA

701search.com

asiaone.com

beritaharian.sg

btinvest.com.sg

businesstimes.com.sg

chope.com.sg

chotot.com

cleo.com.sg

fastjobs.sg

femalemag.com.sg

gameaxis.com

hardwarezone.co.id

hardwarezone.com.my

hardwarezone.com.ph

hardwarezone.com.sg

harpersbazaar.com.sg

herworldplus.com

homeanddecor.com.sg

homeanddecor.co.id

iconsingapore.com.sg

kaidee.com

kiss92.sg

lollipop.sg

luxury-insider.com

menshealth.com.sg

mudah.my

mindchamps.org

mycarforum.com

nuyou.com.sg

olx.co.id

onefm.sg

quotz.com.sg

razor.tv

sgcarmart.com

shape.com.sg

shareinvestor.com

sheshops.com

simplyher.com.sg

SPHMBO.com.sg

srx.com.sg

stcars.sg

stjobs.sg

stomp.com.sg

stpressbooks.com.sg

stproperty.sg

straitstimes.com

tabla.com.sg

tamilmurasu.com.sg

thefinder.com.sg

thepeakmagazine.com

tnp.sg

torque.com.sg

towkayzone.com.sg

trezo.sg

ufm1003.sg

wanbao.com.sg

womensweekly.com.sg

youngparents.com.sg

zaobao.com

(accessible from China and Greater China)

zaobao.sg

zbcomma.sg

EVENTS AND OUT-OF-HOME ADVERTISING

BizLink Exhibition Services

Buzz Pods

Exhibits Inc

Sphere Conferences

Sphere Exhibits

SPHMBO

PROPERTIES

Retail

SPH REIT

Paragon

The Clementi Mall

The Seletar Mall

Residential

Sky@eleven

BROADCASTING

SPH Radio

ONE FM 91.3

Kiss92

UFM100.3

FOCUSED ON Media

As we continue to diversify our business portfolio and grow our revenue streams, we remain focused on being Asia's leading media organisation.





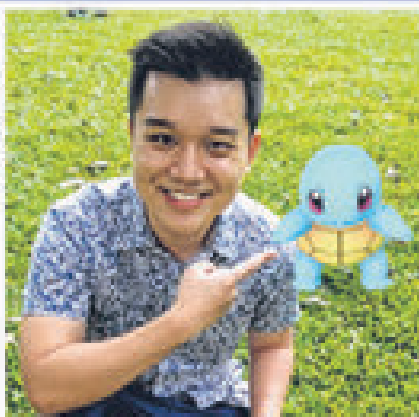
SINCE 1845

STRAITS TIMES



Life Singing cop eyes music career **D7**

Business
More workplaces go hip **C7**



Digital Life
Lester Hio reviews Pokémon Go **B18**

ed from Batam terror suspects **A6** • World Thousands stranded by Delta computer meltdown **A8**

DESIGN: SOCIETY OF NEWS DESIGN

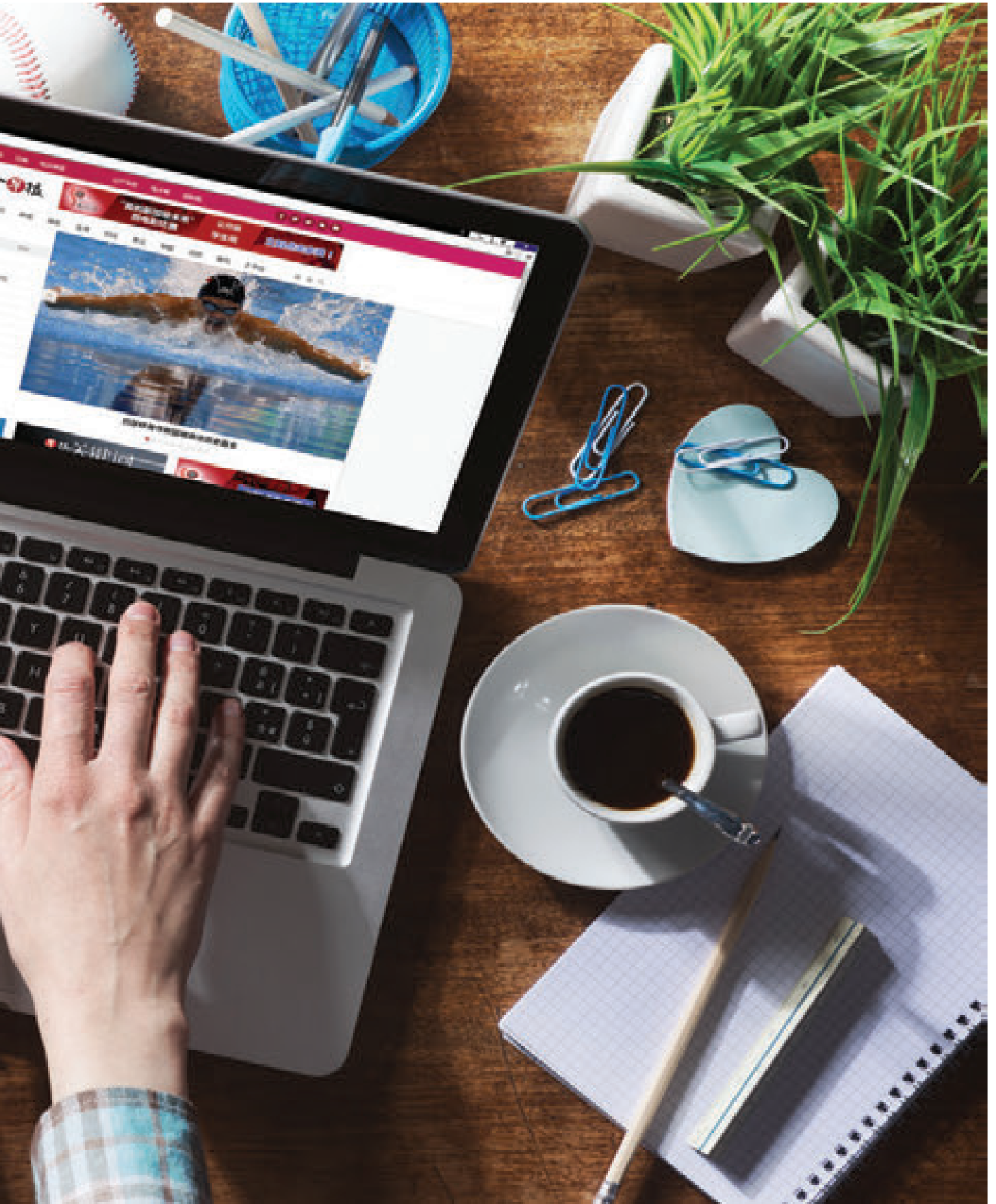
BEST IN NEWSPAPER DESIGN, BEST NEWS WEBSITE: WAN-IFRA



FOCUSED ON Connectivity

In the fast evolving mediascape and digital world, we connect consumers to our suite of multi-language and multi-platform media products.





FOCUSED ON Entertainment

Our broadcast stations inspire and enliven our listeners day and night through captivating entertainment.





ONEFM 91.3
Real Music

***kiss92** FM
All the great songs in one place

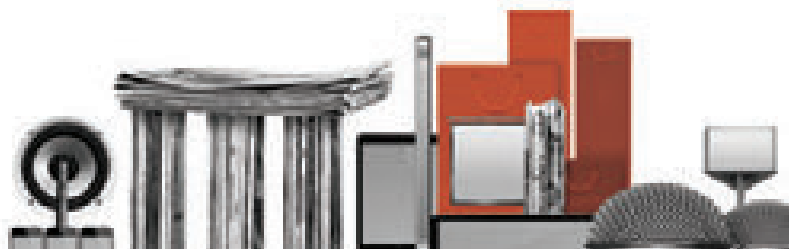
UFM
100.3

U选好歌,非听不可!

FOCUSED ON Quality

Our malls provide quality shopping experiences through a diverse tenant mix and asset enhancement initiatives.

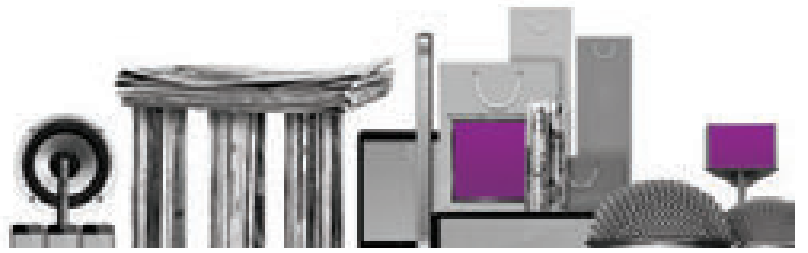




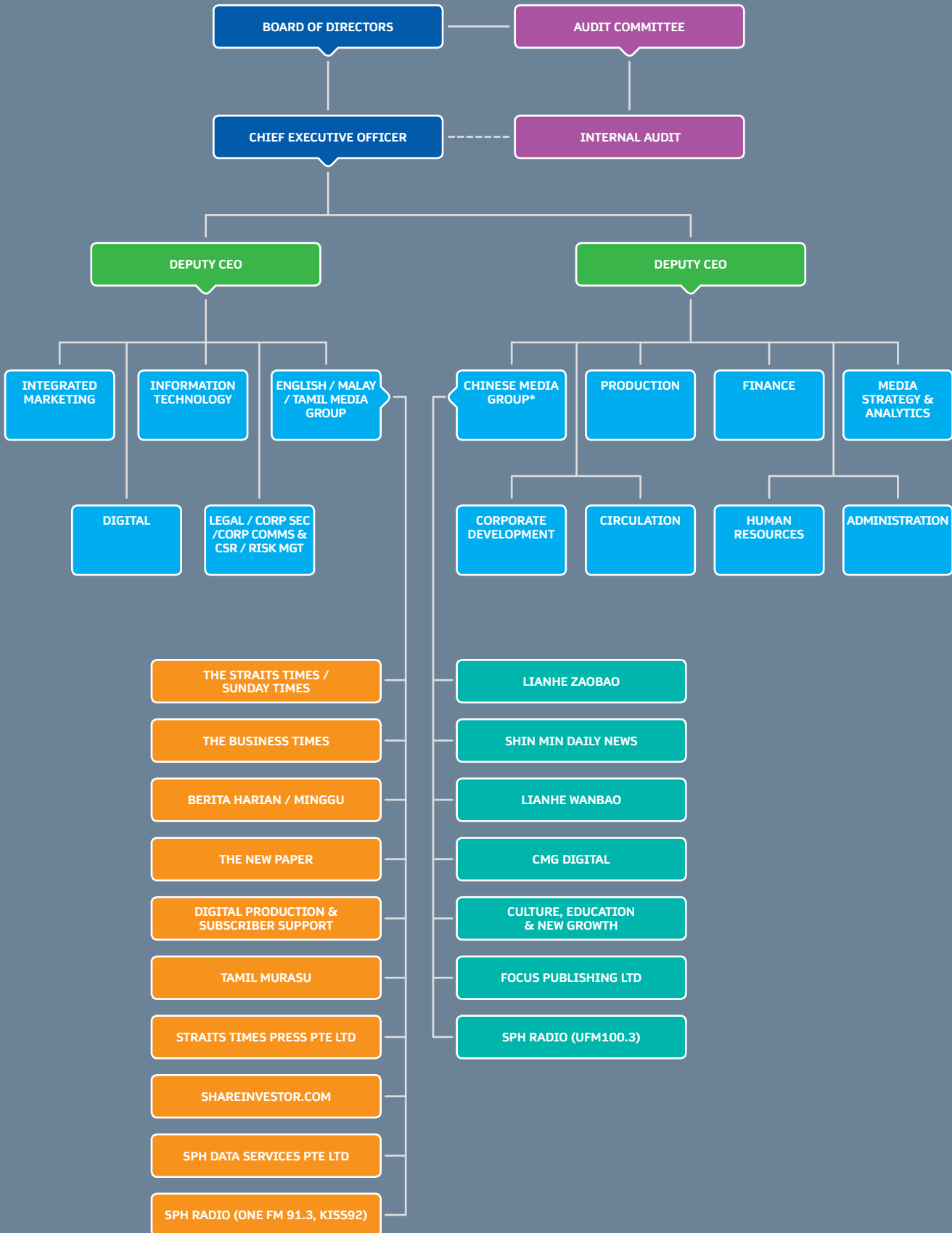
FOCUSED ON Opportunities

Our innovative ideas, events and exhibitions create opportunities for businesses to link up with their right audiences locally and across the region.





ORGANISATION STRUCTURE



* The Chinese Media Group structure comes into effect from 1 December 2016

GROUP FINANCIAL HIGHLIGHTS

for the financial year ended August 31, 2016

	2016 S\$'000	2015 S\$'000	Change %
Operating revenue	1,124,349	1,177,080	(4.5)
Operating profit[#]	305,169	353,500	(13.7)
Profit before taxation	361,041	430,245	(16.1)
Profit after taxation	306,139	370,422	(17.4)
Non-controlling interests	(40,846)	(48,721)	(16.2)
Profit attributable to shareholders	265,293	321,701	(17.5)
Shareholders' interests	3,517,326	3,618,813	(2.8)
Total assets	5,943,888	6,070,042	(2.1)
Total liabilities	1,702,484	1,723,392	(1.2)
Non-controlling interests	724,078	727,837	(0.5)
Dividends declared for the financial year	290,664	322,855	(10.0)

Profitability ratios	%	%	% points
Operating margin [^]	27.1	30.0	(2.9)
Return on operating revenue	23.6	27.3	(3.7)
Return on shareholders' funds	7.5	8.9	(1.4)

Per share data			%
Net assets attributable to shareholders (S\$)	2.18	2.24	(2.7)
Profit attributable to shareholders (S\$)	0.16	0.20	(20.0)
Dividends declared for the financial year (cents) ^{##}	18	20	(10.0)
Dividend cover for the financial year (times)	0.9	1.0	(10.0)

Value added	S\$	S\$	%
Per employee	193,792	201,877	(4.0)
Per \$ employment costs	2.20	2.28	(3.5)
Per \$ investment in property, plant and equipment (before depreciation)	0.82	0.87	(5.7)
Per \$ operating revenue	0.73	0.73	-

[#] 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 11 cents per share, comprising a normal dividend of 8 cents per share and a special dividend of 3 cents per share, is subject to approval by shareholders at the Annual General Meeting on December 1, 2016.

CHAIRMAN'S STATEMENT



Lee Boon Yang
Chairman

Group Net Profit

\$265.3m

The past financial year witnessed many major events that impacted the world's economy. The United Kingdom's decision to withdraw from the European Union in June, China's economic slowdown and acts of terrorism in several major cities led to weaker market conditions both globally and in Singapore. SPH's performance was inevitably affected.

SPH ended the Financial Year 2015/2016 with a net profit of \$265.3 million. This is \$56.4 million or 17.5 per cent lower compared to FY2015.

At the operating level, Group recurring earnings of \$305.2 million was lower by \$48.3 million or 13.7 per cent. Group operating revenue of \$1,124.3 million was \$52.7 million or 4.5 per cent lower than FY2015.

Revenue from the Group's core Media business slid by \$68.3 million or 7.6 per cent year-on-year. Against FY2015, advertisement revenue was down \$61.5 million or 9.2 per cent, and circulation revenue dipped \$5.3 million or 3.0 per cent.

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

The Board has proposed a dividend of 11 cents per share, comprising a Normal Dividend of 8 cents per share and a Special Dividend of 3 cents per share in respect of the financial year ended 31 August 2016. We had earlier declared and paid an interim dividend of 7 cents per share.

Planning for the future

As part of our succession planning, we appointed two Deputy CEOs – Mr Patrick Daniel and Mr Anthony Tan – to help CEO Alan Chan manage SPH's complex businesses.

In the face of the challenges facing the media industry, and to enable us to be more nimble to seize opportunities, we will be implementing more measures to keep costs in check and boost efficiencies.

To deliver more effective and integrated solutions to our advertisers and business partners, the Group's sales and marketing functions were revamped with the creation of a new Integrated Marketing Division incorporating print, digital, radio and out-of-home. This consolidation of our marketing team's resources, together with our fully integrated newsroom operations, will boost synergy by leveraging the strengths and experience of our staff from various platforms. This will better position SPH to be the media company of choice for our partners.

Enhancing our Core Media Products

Newspapers

SPH's total newspaper circulation, covering both print and digital editions, averaged 997,300 copies per day, a year-on-year increase of 2.8 per cent. This was achieved by reaching out to more readers on their mobile devices while continuing to excel in print. The total daily average circulation (print and digital) of The Straits Times and The Sunday Times registered year-on-year growth of 3.9 per cent to 393,300. Lianhe Zaobao achieved year-on-year increase of 15.9 per cent to 188,600 total daily average circulation.

The Straits Times embarked on a major revamp across all platforms in July last year. This won many accolades, including 11 awards at the sixth Asian Digital Media Awards in November 2015 in Hong Kong – unprecedented for any publication at this event. The awards included four golds for Best News Website, Best Data Visualisation Project, Best Lifestyle Mobile Service and for Best Use of Online Video for its weekly series, "It Changed My Life".

The Straits Times also marked its 170th anniversary with a three-month long public exhibition of photos and pages from its rich archives at the ArtsScience Museum, which drew more than 135,000 visitors.

In the continual effort to enhance our products, Chinese daily Lianhe Zaobao and the weekend edition of The Business Times (BT Weekend) also underwent major revamps. The digital and print editions of both publications took on a new look with refreshed content that is more visually appealing to our readers and more advertiser-friendly. As The Business Times marked its 40th anniversary, BT Weekend introduced a "Newspaper magazine" concept for quality weekend reading.

FY2016 also saw SPH celebrating 50 years of newsprint creativity. We launched an exhibition at Paragon, showcasing a rich selection of iconic and nostalgic newspaper advertisements spanning across five decades.

Group Operating Revenue

\$1,124.3m

CHAIRMAN'S STATEMENT

WE CONTINUED TO BE THE LEADER IN MAGAZINE PUBLISHING IN ASIA BY PRODUCING STRONG EDITORIAL CONTENT AND AWARD-WINNING DESIGNS.

Magazines

We continued to be the leader in magazine publishing in Asia by producing strong editorial content and award-winning designs. 105 of our magazines launched digital editions to complement our stable of more than 100 titles of print offerings. These included the highest-circulating titles and best reads in their respective lifestyle categories.

SPH Magazines emerged as the preferred choice of advertisers and marketers in the 2016 Media Spend Benchmarking Survey. This reaffirmed our commitment to deliver robust content for all our titles and offer comprehensive marketing solutions to cater to the diverse interests and needs of our readers and advertisers on all our media platforms. We have just launched our latest brand campaign to reinforce our capabilities as an all-in-one media solutions provider, with direct access to 9.7 million women, men and luxury consumers.

Digital operations and Investments

Our Chinese Media Group consolidated its digital resources under a new digital media unit to better meet the needs of readers and advertisers. The new unit created an integrated digital platform for our Chinese language newspapers – Lianhe Zaobao, Lianhe Wanbao and Shin Min Daily News – that focused on content and services for the local readers.

Our Digital Division continued to make strategic investments in the digital space. In March 2016, we made an investment into Brand New Media Singapore (BNMS), a wholly-owned subsidiary of Brand New Media (Australia). This investment combined SPH's network of media assets and customer reach with BNMS's proven ability in video content marketing. By offering advertisers effective video solutions for their integrated marketing campaigns across multiple touch points, they would be able to enjoy a stronger holistic solution for content creation and targeted distribution across print, digital and radio.

In May this year, we invested in GoGoVan, which enables same-day on-demand delivery through a pioneer mobile and web technology. Founded in Hong Kong in 2013, GoGoVan has successfully expanded to 13 cities across Hong Kong, Singapore, Taiwan, China, South Korea and India. With over two million app downloads and a driver network of 150,000, GoGoVan has processed over 20 million orders with an aggregate transaction value in excess of US\$200 million.

To build a stronger investor community, ShareInvestor invested in a social media platform, InvestingNote, to reinforce its effort to reach out to a younger investing community. InvestingNote launched its mobile platforms (both iOS and Android) this year and its subscribers base increased from less than 2000 to 10,000 over the past 12 months.

Radio

In the latest Nielsen survey, which ended in May 2016, Kiss92 and UFM100.3 maintained their positions in overall cumulative listenership standing at fifth and ninth respectively. ONE FM 91.3 moved up one spot from 12th to 11th. It has seen a significant increase in advertisers' interests as compared to its previous format despite having lower ratings currently. The inclusion of Glenn Ong and The Flying Dutchman greatly raised the profile of the station.

Other Businesses

SPH retail properties made good progress. The Seletar Mall, together with SPH REIT – which comprises Paragon and The Clementi Mall – enjoyed 100 per cent tenancy.

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. It also launched the inaugural Singapore Coffee Festival which saw more than 100 exhibitors featuring their products and services.

Sphere Conferences, which was set up to boost its presence in the local and regional MICE business, also made inroads to Vietnam by launching the inaugural Hospitality Investment Conference Vietnam.

SPHMBO, our out-of-home 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. In all, it operates 14 large format digital screens, a network of about 160 indoor screens in Paragon, POSB and Downtown East and about 100 billboards island wide.

Straits Times Press increased its margins by ramping up its contract publishing, with projects such as Ministry of Home Affairs' "Our Guardians: Keeping Singapore Safe And Secure Since 1950s" and the Singapore government's "SG50: A Celebration" book. It also launched popular books by ST journalists, such as "It Changed My Life" by Wong Kim Hoh, "India Rising" by Ravi Velloor and "Singapore In Transition" by Han Fook Kwang.

Forging New Partnerships

We have forged several new partnerships with strategic partners to leverage each other's strengths.

These included a Memorandum of Understanding with StarHub to start a collaboration in areas of advertising sales, creation and carriage of content, data analytics and marketing.

We also worked with Singtel to offer its postpaid mobile users access to The Straits Times All-Digital subscription package, giving them unlimited access to news articles, 7-day news archive and the e-paper version via an upgraded ST app for smartphone, tablet and online users.

In July this year, we sealed a partnership with the National Trades Union Congress (NTUC) to engage the local working population, including Professionals, Managers and Executives (PMEs). We will organise workshops and events such as the STJobs Career & Development Fair to boost the employability and skills training of PMEs.

Lianhe Zaobao partnered the Singapore Business Federation to develop a portal dedicated to the "One Belt, One Road" (OBOR) strategy in March 2016. It aims to drive a deeper understanding of the initiative among Singapore enterprises as well as promote OBOR-related business activities between Singapore, ASEAN and China.

We signed an MOU with the Industrial and Commercial Bank of China (ICBC) to develop South-east Asia's first bilingual B2B e-commerce platform to enhance cross-border trade between China and South-east Asia. Supported by International Enterprise (IE) Singapore, the e-commerce platform provides one-stop B2B services to business enterprises in China, Singapore and other South-east Asian countries.

Corporate Social Responsibility

As a responsible corporate citizen, we have championed a growing 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 seventh consecutive year. SPH and SPH Foundation also received the Patron of the Arts and Friend of the Arts Awards respectively for our long-standing support of local arts.

In an Image Perception survey done in June 2016, 96 per cent of over 1,000 respondents were aware of SPH's active corporate social responsibility efforts. I am extremely heartened by this. We will continue to ensure long term shareholder value by being a good corporate citizen.

For the fifth consecutive year, we have also included a sustainability section in this annual report. 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 in a few years' time.

Tribute and Thanks

On behalf of the SPH Board, I would like to thank Mr Ng Ser Miang, who is retiring from the Board at our Annual General Meeting on 1 December. Mr Ng joined the Board on 1 August 2007 and has served the Board with distinction since his appointment.

I would also like to welcome Mr Ng Yat Chung, who joined the Board on 1 August 2016. I am confident that he will be a valuable member of the team and complement our diverse strengths and expertise.

On behalf of the directors, I would like to thank our management, staff, business associates, unions, investors and all other stakeholders for their continuous belief in, and support to, the Company.

We will remain prudent, adaptable 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 overcome the challenges as we strive for organisational and business excellence.



Lee Boon Yang
Chairman

BOARD OF DIRECTORS



01

Lee Boon Yang

Chairman

Non-Executive and Independent Director

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.



02

Alan Chan Heng Loon

Chief Executive Officer

Executive and Non-Independent Director

Alan joined SPH as its Group President on 1 July 2002, and was appointed Chief Executive Officer on 1 January 2003. He is responsible for managing the group's portfolio of businesses.

Alan is currently on the boards of Singapore Press Holdings Ltd and its subsidiaries including SPH REIT Management Pte Ltd. He is also a Director of Singapore Press Holdings Foundation Limited, MediaCorp TV Holdings Pte Ltd, MediaCorp Press Ltd, Lan Ting Holdings Pte Ltd, Pavilion Energy Pte Ltd and Pavilion Gas Pte Ltd.



03



04

01 Lee Boon Yang

02 Alan Chan Heng Loon

03 Janet Ang Guat Har

04 Bahren Shaari

He is the Chairman of the Land Transport Authority of Singapore, External Review Panel for SAF Safety 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

Non-Executive and Independent Director

Janet was appointed a Director on 17 October 2014. She is Vice-President, Industry Solutions Sales Team, IBM Asia Pacific covering Australia & New Zealand, India, ASEAN and Korea. Janet is also a Member of the IBM Industry Academy.

In her current role, Janet is responsible for leading IBM's industry value creation for its Asia Pacific clients across the key industries - Financial Services, Government & Healthcare, Industrial, Telco & Media, and Distribution - with Industry Solutions that bring together IBM's portfolio of Cognitive Solutions, Cloud Platform Infra-structure and Systems of Engagement solutions as well as eco-system partner offerings. She also leads the charge for helping cities in Asia become smarter, cognitive cities.

Janet was previously the Managing Director of IBM Singapore from July 2011 to May 2015, and earlier from May 2001 to Dec 2003. In such capacity, Janet was responsible for all of IBM's business and operations in Singapore and was the chief IBM representative for all client and government relationships in Singapore.

She has been on four international assignments and has lived and worked in Tokyo for three years with IBM Asia Pacific; and in Beijing for four years with IBM Greater China and four years with Lenovo Group. Janet started her career with IBM Singapore in 1982 as a Systems Engineer.

Janet serves on various committees in the community. She is a board member of the Public Utilities Board, the InfoComm Development Authority and the National Volunteer and Philanthropy Centre. She is Chair of Caritas Singapore, Chair of the NUS Institute of Systems Science (ISS) and President of the International Women's Forum (Singapore). Janet also serves on the National University of Singapore Alumni Advisory Board and on the Council of the Singapore Business Federation. She is a Fellow of the Singapore Computer Society and a member of Business China. Janet previously served on the Medishield Life Review Committee, and was Vice-Chair, SingCham China from 2006 to 2011.

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

Non-Executive and Independent Director

Bahren Shaari was appointed to the Board on 1 April 2012. He is Chief Executive Officer of Bank of Singapore. Prior to that, he was Global Market Head of its Southeast Asian business from 2010 to January 2015. A well-respected banker with more than 25 years of private banking experience, he is also an executive committee member of Singapore's Private Banking Industry Group which shapes the private banking competency standards of the wealth management sector. Previously, he was Managing Director of UBS AG Wealth Management, responsible for growth of the Southeast Asian and Australian markets.

He served on the board of the Maritime Port Authority of Singapore from 2000 to 2012 and is active in public service. Bahren was conferred the Public Service Medal, in 2008 by the President of Singapore.

Bahren graduated with a Bachelor of Accountancy from the National University of Singapore and has completed the Advance Management Program at Wharton Business School and Columbia University.

BOARD OF DIRECTORS



05

Chong Siak Ching

Non-Executive and Independent Director

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.

She is a member of the National Arts Council, NUS Board of Trustees and Yale-NUS College Governing Board. She is also the 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.



06

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.



07

Ng Ser Miang

Non-Executive and Independent Director

Ser Miang joined the SPH Board on 1 August 2007. He is the Chairman of TIBS International Pte Ltd, Rowsley Ltd and a Director of Yanlord Land Group Ltd. He is also the Chairman of the Board of Trustees of Fundacion Valencia Club de Futbol De La C.V., and a Director of Valencia Club de Futbol, S.A.D.



08

05 Chong Siak Ching

06 Ng Ser Miang

07 Ng Yat Chung

08 Quek See Tiat

He was a Director of TIBS Ltd, SMRT Ltd, Biosensors International Group Ltd, International Factors (Singapore) Ltd, Transpac Industrial Holdings Limited and WBL Corporation Ltd. He was the Chairman of NTUC Fairprice Co-operative Limited, NTUC Choice Homes Co-operative Limited and NTUC Fairprice Foundation Ltd.

Ser Miang is Singapore's non-resident Ambassador to the Kingdom of Norway, Chairman of the Singapore Olympic Foundation, a member of the International Olympic Committee (IOC) and Chairman of the IOC Finance Commission. He was a former Nominated Member of Parliament and a former non-resident Ambassador to the Republic of Hungary. He was Chairman of the Inaugural Youth Olympic Games in Singapore in 2010. He was Vice President of IOC from 2009 to 2013.

He was named Outstanding Chief Executive of the Year 1992. In addition to the Public Service Star in 1999, he was conferred the Meritorious Service Medal (Pingat Jasa Gemilang) by the Singapore Government for the National Day Awards in 2010. He was also conferred the Meritorious Award Commander's Cross by the President of Hungary in 2012.

Ser Miang holds a BBA (Honours) from the University of Singapore.

Ng Yat Chung

Non-Executive and Independent Director

Yat Chung was appointed a Director on 1 August 2016. 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).

Quek See Tiat

Non-Executive and Independent Director

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 Deputy 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.

BOARD OF DIRECTORS



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Tan Chin Hwee

Non-Executive and Independent Director

Chin Hwee was appointed a Director on 1 March 2014. He is a Director of Trafigura Pte Ltd and Trafigura Holdings Pte Ltd.

He is a Director of Keppel REIT Management Limited (as manager of Keppel REIT), Lien Aid Limited (Singapore), KKH Health Endowment Fund; and 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 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.

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.



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09 Tan Chin Hwee

10 Tan Yen Yen

11 Lucien Wong Yuen Kuai

Tan Yen Yen**Non-Executive and Independent Director**

Yen Yen joined the Board on 1 April 2012. She is currently the Regional Vice-President and Managing Director of SAS South Asia Pacific, SAS Institute Inc.

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.

Prior to joining SAS, 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 also a member of ASEAN Para Games Organising Steering Committee. 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.

Lucien Wong Yuen Kuai**Non-Executive and Independent Director**

Lucien was appointed a Director on 15 October 2009. He is the Chairman and Senior Partner of the law firm, Allen & Gledhill LLP, and has extensive experience in legal practice, specialising in banking, corporate and financial services work.

He is currently Chairman of the Maritime and Port Authority of Singapore and Singapore International Arbitration Centre. He is a member of the Board of Trustees of Singapore Business Federation, and a Director of Singapore Health Services Pte Ltd and the Singapore International Mediation Centre. He also sits on the boards of Temasek Holdings (Private) Limited, Hap Seng Plantations Holdings Berhad and Broadcom Limited. He was a Director of Singapore Airlines Limited.

Lucien holds a Bachelor of Law (2nd Class Upper) Honours degree from the University of Singapore and was called to the Singapore Bar in 1979.

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:

29 November 2013

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 (1/9/13-31/8/16)

Nil

* 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

- Singapore Press Holdings Foundation Limited (Director)
- SPH REIT Management Pte. Ltd. (as Manager of SPH REIT*) (Director)
- MediaCorp Press Ltd. (Director)
- MediaCorp TV Holdings Pte. Ltd. (Director)
- Land Transport Authority of Singapore (Chairman)

- External Review Panel for SAF Safety (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)
- World Association of Newspapers- IFRA (Director)
- Federation Internationale of Periodics Publishers (Member)
- Singapore Symphony Orchestra Council (Member)
- Centre for Liveable Cities (Member)
- Trailblazer-LHL Fund Sponsorship Committee (Member)

Directorships over the past 3 years (1/9/13-31/8/16)

- Business China (Director)
- Lee Kuan Yew Fund for Bilingualism (Member)
- Singapore Power Ltd. (Director)
- SP PowerAssets Ltd. (Chairman)

* 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:

2 December 2014

Board Committee(s) served on:

- Audit Committee
- Board Risk Committee

Current Directorships/Principal Commitments

- Caritas Singapore (Chairman)
- InfoComm Development Authority of Singapore (Board Member)
- National Volunteer & Philanthropy Centre (Board Member)
- Public Utilities Board (Board Member)
- NUS Institute of Systems Science (ISS) (Chairman)
- International Women's Forum Singapore (President)
- Singapore Business Federation (Council Member)
- Business China (Member)

Directorships over the past 3 years (1/9/13-31/8/16)

- IBM Singapore Pte. Ltd. (Director)

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

Current Directorships/Principal Commitments

- Bank of Singapore Ltd. (Director)

**Directorships over the past 3 years
(1/9/13-31/8/16)**

- 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:

2 December 2014

Board Committee(s) served on:

- Nominating Committee
- Remuneration Committee

Current Directorships/Principal Commitments

- National Gallery Singapore (Chief Executive Officer & Director)
- National University of Singapore (Trustee)
- Yale-NUS College Governing (Board Member)
- National Arts Council (Member)
- Non-Resident Ambassador to Chile

**Directorships over the past 3 years
(1/9/13-31/8/16)**

- Ascendas Pte Ltd (Director)
- Standards, Productivity and Innovation Board (SPRING) (Deputy Chairman)
- Ascendas Funds Management (S) Limited (as Manager of Ascendas Real Estate Investment Trust*) (Deputy Chairman)
- Ascendas Property Fund Trustee Pte. Ltd. (as Trustee-Manager of Ascendas India Trust*) (Director)
- Ascendas Hospitality Fund Management Pte Ltd (as Manager of Ascendas Hospitality Trust*) (Director)
- Ascendas Hospitality Trust Management Pte Ltd (as Trustee-Manager of Ascendas Hospitality Trust*) (Director)
- Singapore Business Federation (Deputy Honorary Treasurer)
- Jurong Health Services Pte. Ltd. (Director)

* *Public-listed company***Ng Ser Miang**

Non-Executive and Independent Director

Date of first appointment as a director:

1 August 2007

Date of last re-election as a director:

1 December 2015

Board Committee(s) served on:

- Nominating Committee (Chairman)

Current Directorships/Principal Commitments

- TIBS International Pte Ltd (Chairman)
- Rowsley Ltd* (Chairman)
- Yanlord Land Group Limited* (Director)
- Singapore Olympic Foundation (Chairman)
- Fundacion Valencia Club de Futbol De La C.V. (Chairman)
- Valencia Club de Futbol, S.A.D. (Director)

**Directorships over the past 3 years
(1/9/13-31/8/16)**

- NTUC Fairprice Co-operative Limited (Chairman)
- NTUC Fairprice Foundation Ltd (Chairman)

* *Public-listed company*

FURTHER INFORMATION ON BOARD OF DIRECTORS

Ng Yat Chung

Non-Executive and Independent Director

Date of first appointment as a director:

1 August 2016

Date of last re-election as a director:

N.A.

Board Committee(s) served on:

- Board Risk Committee[@]

Current Directorships/Principal Commitments

- Singapore Institute of Technology (Chairman, Board of Trustees)
- Neptune Orient Lines Ltd** (Director)

Directorships over the past 3 years (1/9/13-31/8/16)

Nil

[@] Appointed on 1 August 2016

[#] Stepped down on 6 September 2016

^{*} Public-listed company

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

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 (Deputy President)
- Neptune Orient Lines Ltd** (Director)

Directorships over the past 3 years (1/9/13-31/8/16)

- Building and Construction Authority (Chairman)

[#] Stepped down on 6 September 2016

^{*} Public-listed company

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:

2 December 2014

Board Committee(s) served on:

- Audit Committee
- Board Risk Committee

Current Directorships/Principal Commitments

- Trafigura Pte Ltd. (Director)
- Trafigura Holdings Pte Ltd (Director)
- Keppel REIT Management Limited (as manager of Keppel REIT*) (Director)
- Lien Aid Limited (Director)
- KKH Health Endowment Fund (Director)
- Mt Sinai Capital Pte. Ltd. (Director)
- Nanyang Technological University (Trustee)
- Shanghai Advance Institute of Finance (Advisory Board Member)
- Monetary Authority of Singapore (Finance Centre Advisory Panel)

Directorships over the past 3 years (1/9/13-31/8/16)

- 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)

^{*} 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)

**Directorships over the past 3 years
(1/9/13-31/8/16)**

- Singapore Institute of Management International Academic Panel (Member)
- 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***Lucien Wong Yuen Kuai**

Non-Executive and Independent Director

Date of first appointment as a director:

15 October 2009

Date of last re-election as a director:

2 December 2014

Board Committee(s) served on:

- Executive Committee
- Remuneration Committee
- Nominating Committee

Current Directorships/Principal Commitments

- Hap Seng Plantations Holdings Berhad*[@] (Director)
- Broadcom Limited*[^] (Director)
- Maritime and Port Authority of Singapore (Chairman)
- Temasek Holdings (Private) Limited (Director)
- Singapore International Arbitration Centre (Chairman)
- Singapore International Mediation Centre (Director)
- Eastern Development Private Limited (Director)
- Eastern Development Holdings Pte. Ltd. (Director)
- Allen & Gledhill LLP (Chairman and Senior Partner)
- Singapore Health Services Pte. Ltd. (Director)
- Singapore Business Federation (Trustee)

**Directorships over the past 3 years
(1/9/13-31/8/16)**

- Singapore Airlines Limited* (Director)

* *Public-listed company*[@] *Listed on KLSE*[^] *Listed on NASDAQ*

SENIOR MANAGEMENT

01 Patrick Daniel

02 Anthony Tan

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Patrick Daniel
Deputy Chief Executive Officer

Patrick was appointed Deputy Chief Executive Officer on 1 July 2016. He oversees the English/Malay/Tamil Media group as well as SPH's Marketing, Digital, Information Technology, Legal/Secretariat, Corporate Communications & CSR, and Risk Management functions.

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

Patrick chairs three SPH subsidiaries – SPH Radio, Straits Times Press and ShareInvestor.com Holdings Pte Ltd – and is a director of SPH Magazines and Tamil Murasu Ltd. He also serves on the boards of the National University Health System and 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.

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. Apart from continuing to head the Chinese Media Group and the Media Strategy & Analytics Division, he oversees the Production, Circulation, Corporate Development, Finance, Human Resources and Administration divisions.



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03 Tony Mallek

04 Low Huan Ping

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 is currently Chairman of several SPH subsidiaries – SGCM Pte Ltd, Blu Inc Media (HK) Limited and New Beginnings Management Consulting (Shanghai) Co Ltd. He also serves on other SPH subsidiaries and 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.

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 & Production)

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

He has been with the Group since 1987. Huan Ping is also a director of M1 Limited, iFast Corporation Pte Ltd, MediaCorp Press 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.

SENIOR MANAGEMENT



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07 Chua Wee Phong

08 Elsie Chua



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Ginney Lim May Ling

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

Ginney is General Counsel; Executive Vice-President, Corporate Communications & CSR, and Group Company Secretary 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, risk management, 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,

SPH Retail Property Management Services Pte Ltd and SPH REIT Management Pte Ltd, all of which are wholly-owned property subsidiaries of SPH. She is also a director of Waterbrooks Consultants Pte Ltd, an alternate director in MediaCorp Press Limited and 701Search Pte Ltd as well as 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 unit 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.

05 Ginney Lim May Ling
 06 Mable Chan Kam Man



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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 22 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 is Chief Marketing Officer of the Integrated Marketing Division at SPH. She brings to SPH more than 30 years of experience in sales and marketing as well as general management in the fashion, retail and sporting goods business in Singapore, Malaysia and Indonesia.

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 a director and alternate Chairman of online car classifieds subsidiary, sgCarMart.

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, Mandarin Duck, Facconable, 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, International Marketing from Curtin University. She has a Diploma in Marketing from the Chartered Institute of Marketing and a Diploma in Financial Management from the Singapore Institute of Management.

SENIOR MANAGEMENT

Janice Wu Sung Sung

Executive Vice-President, Corporate Development

Janice heads the Corporate Development Division. Prior to her current appointment, she set up and headed the Media Strategy & Analytics Division.

In her last 18 years with SPH, Janice has held various positions across functions, with active involvement in legal advisory work, M&A transactions, joint ventures, property acquisitions, corporate planning and analytics. She also serves as director of SPH subsidiaries including SPH Magazines, sgCarMart, The Seletar Mall 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 legal counsel, she was in private legal practice and legal counsel in the Ministry of Defence.

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. He was promoted to Executive Vice-President in January 2016.

Before this, Julian was the Chief Executive Officer of 701Search Pte Ltd, a regional online classifieds joint venture company between SPH, Norway's Schibsted Classified Media and Telenor. Responsible for the strategic development and growth of the company in Southeast Asia and Greater China, 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.

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.

09 Janice Wu Sung Sung

10 Julian Tan Woon-Ka



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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.



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11 Warren Fernandez

12 Goh Sin Teck

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 and 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 and the Consulting Editor of My Paper (Chinese Section), Singapore's first and only bilingual free-sheet.

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.

SENIOR MANAGEMENT

Susan Leng Mee Yin

Chief Executive Officer, SPH REIT Management Pte Ltd

Susan was appointed CEO of SPH REIT Management Pte Ltd in 2013. She has 19 years of shopping centre management and property development experience 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 high-end premier shopping mall with a prestigious office and medical 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.



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Chua Boon Ping

Chief Executive Officer, SPH Media Fund

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.

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.



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13 Susan Leng Mee Yin

14 Loh Yew Seng

15 Chua Boon Ping

16 Lim Swee Yeow

17 Sim Say Nee

Lim Swee Yeow

Senior Vice-President, Production

Swee Yeow has been with SPH for 16 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 11 years, having joined in October 2005.

Say Nee's 16 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.

CEO'S OVERVIEW OF GROUP OPERATIONS



Chan Heng Loon, Alan
Chief Executive Officer



2016 has been a difficult year for businesses around the world. The global economy has been hit by volatility in financial markets in Europe, and an economic slowdown in China. Terrorist attacks, political upheavals and tensions worldwide have further undermined business confidence across the region.

The media industry has faced considerable challenges in recent years. More readers are consuming content digitally. Consumer sentiment is down, reducing advertising revenues with it. Media companies, including SPH, will continue to innovate and reinvent itself to remain relevant in this challenging environment.

The Group's net profit attributable to shareholders of \$265.3 million was \$56.4 million or 17.5 per cent lower compared to FY2015.

The results for the year included impairment charges of \$28.4 million, which primarily related to the magazine business whose performance was affected by unfavourable market conditions. Similarly, an impairment charge of \$9.1 million was recognised in FY2015. Excluding the impairment charges, net profit would have fallen by a lower \$37.1 million or 11.2 per cent.

At the operating level, group recurring earnings declined \$48.3 million or 13.7 per cent year-on-year ("yoy") to \$305.2 million. Group operating revenue of \$1,124.3 million was \$52.7 million or 4.5 per cent lower than FY2015, as the economic slowdown and structural challenges continued to hurt the Group's core Media business whose revenue slid by \$68.3 million or 7.6 per cent yoy. Against FY2015, advertisement revenue was down \$61.5 million or 9.2 per cent, while circulation revenue saw a dip of \$5.3 million or 3.0 per cent.

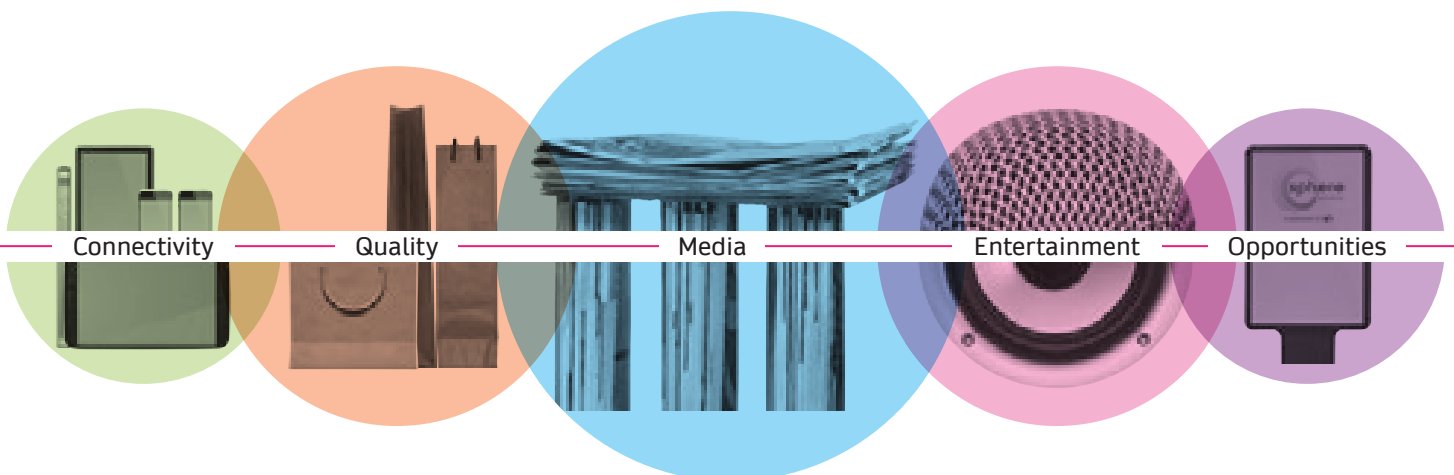
The decline in the Media business was cushioned by contribution from the Property segment, which reported resilient performance despite a sluggish retail environment. Property revenue rose \$10.6 million or 4.6 per cent yoy, bolstered by higher rental and services income from the Group's retail assets including The Seletar Mall which commenced business on 28 November 2014.

Revenue from the Group's other businesses grew \$5.0 million or 11.4 per cent against FY2015, lifted by higher income from the exhibitions and online classifieds businesses.

On the cost front, total costs declined for the third consecutive year despite persistent business cost pressures, a result of the Group's focus on cost discipline and operating efficiency. Excluding impairment charges, operating expenditure fell \$22.6 million or 2.7 per cent yoy. However, this was largely offset by higher impairment charges during the year.



CEO'S OVERVIEW OF GROUP OPERATIONS



Newspapers

The **Straits Times (ST)** held its position as the best-read publication in Singapore, with a combined print and digital readership of 1.26 million, based on the Nielsen Media Index Report released in November 2015. Readership for the paper's digital editions grew by one per cent compared to the same period last year.

As part of the paper's efforts to engage its stakeholders, it launched the askST campaign where readers tapped on the journalists for answers and viewpoints on a range of topics.

For the second year running, ST organised the World Press Photo 2015 exhibition at the National Museum of Singapore. It attracted some 50,000 people, while over 1,000 attended the talks by award-winning photographers and the ST photography team.

Following the success of the ST Run@the Hub in 2015, this year's ST Run in the City was held in May at the F1 Pit Building, with 12,000 participants.

To honour extraordinary acts that made a positive impact on the lives of others, the inaugural ST Singaporean of the Year was launched. The winner, Madam Noriza A Mansor, received her award from Prime Minister Lee Hsien Loong in February 2016.

Other new events initiated included the ST Future Economy roundtables, which looked at future trends, opportunities and challenges facing key sectors of Singapore's economy. The Pioneering the Future series had attendees engaged in dialogues with the pioneer and second generation leaders of Singapore.

IN, ST's weekly publication for secondary school students, sold 1.74 million copies to 57 schools. **Little Red Dot (LRD)**, for primary school pupils, sold 1.52 million copies to 119 schools, compared with 1.49 million copies last year, a two per cent increase.

The RHB – Straits Times National Spelling Championship (The Big Spell) expanded to reach a record 1,805 pupils compared to 1,200 in 2012, and a Malaysian edition was started in November 2015. The Straits Times-MOE National Current Affairs Quiz (The Big Quiz) netted almost 260,000 copies for digital subscription and more than 36,000 in print copies. It also brought The Straits Times brand to thousands of students across Singapore in five decentralised quiz rounds between April and August.


The ST Schools team extended its training offerings beyond applied learning programmes for students, and launched new courses for professional development for teachers, as well as workshops for adult learners.

The **Business Times (BT)** performed steadily with an estimated print-plus-digital circulation of 36,900. The digital edition improved online offerings with clearer and more attractive content display. It garnered 3.5 million page views in July 2016 – its highest monthly page views since 2011.

To mark the paper's 40th anniversary celebrations, BT started two new events – The Business Times Leaders Forum where experts spoke on the next phase of transition for the Singapore economy, and The BT Salute Enterprise Gala Dinner which honoured the accomplishments of SMEs.

BT and ST co-hosted the 11th ChildAid Concert at the Marina Bay Sands Grand Theatre in December 2015 and raised over \$1.98 million for The Straits Times School Pocket Money Fund and The Business Times Budding Artists Fund.

The New Paper (TNP) remained the second most-read paid English daily in Singapore, with an average daily readership of about 300,000. The newspaper also retained its youthful appeal by having the highest proportion of young readers, according to the Nielsen Media Index report.



To commemorate Singapore's 50th Anniversary in December 2015, the TNP Big Walk was organised with People's Association to celebrate the new Jubilee Trail – a heritage trail through the city centre. Prime Minister Lee Hsien Loong led 25,000 participants from the National Museum to Gardens by the Bay.

TNP became the organiser of the Miss Singapore Universe (2016) pageant to complement its long-running TNP New Face competition.

Reaffirming its position as Singapore's number one sports newspaper, TNP partnered Red Sports, a school sports portal, to share print and online content and to jointly organise events. It also entered into a season-long partnership with Singtel and Channel Eleven to give TNP readers their EPL fix.

The New Paper on Sunday launched three new initiatives on health and wellness with partners such as Aibi, Pfizer and PanAsia Surgery; as well as a weekly guide to investment with Singapore Exchange.

TNP's new business ventures, SPH Golf and Think Inc, created fresh revenue streams for the newspaper. SPH Golf oversaw the SPH World Amateur Golfers Championships with the top five winners representing Singapore.

The Group's Malay-language newspaper, **Berita Harian (BH)** saw positive results from its recent initiatives to streamline operations. It received positive feedback from readers and newsmakers about its news coverage on the Malay community.

The newspaper embarked on several initiatives to generate adjacent media businesses such as translation services and promotion of micro businesses. It also celebrated excellence in the community through its BH Achiever of the Year and Inspiring Young Achiever awards.

Tamil Murasu (TM) together with **tabla!** held the fourth annual Singapore International Indian Shopping Festival in September 2015. The 4-day fair attracted over 80,000 visitors. TM also held its annual Most Inspiring Tamil Teachers Awards which recognised Tamil teachers who made a difference in students' lives through the teaching of the language.

The annual Integration Cup golf event was rebranded as the tabla! Cup with UBS as the title sponsor. Aimed at promoting interaction among local and expatriate Indians as well as non-Indians, the event saw a good turnout at Singapore Island Country Club in February 2016.

Another major highlight for TM and tabla! was the South Indian International Movie Awards held on 30 June and 1 July. Also known as the South Indian Oscars, it was held in Singapore for the first time and was graced by top movie stars from South India.

SPH's Chinese-language daily **Lianhe Zaobao (ZB)** unveiled a new look across its print and digital platforms in July 2016. Besides changes to the design and content of the print edition, the digital edition offers videos, animation, mobile-responsive web pages and voice technology that reads out the articles. As part of the revamp, ZB specially commissioned a song and music video titled "Rediscovery" written by local Xinyao pioneer Dr Liang Wern Fook.

Other ZB initiatives included a Chinese New Year 2016 microsite which provided fun and useful Chinese New Year content, and an online Z-shop in partnership with e-commerce provider Qoo10 to sell festive merchandise.

ZB expanded its editorial coverage on milestone events in Singapore and the region. It published a 48-page supplement to mark 25 years of Singapore-China diplomatic relations and developed the "One Belt, One Road" portal to promote business activities between China, Singapore and ASEAN.

CEO'S OVERVIEW OF GROUP OPERATIONS

To deepen engagement with readers and advertisers, ZB organised events such as the Singapore Prestige Brand Awards, the SG50 ZB Fashion Showcase during Digital Fashion Week and the Singapore Budget 2016 Business Forum.

ZB's student publications – **zbComma, Thumbs Up, Thumbs Up Junior, Thumbs Up Little Junior** – revamped their Newspapers in Education (NIE) content to be more relevant to classroom learning. Besides publishing books such as the PSLE Chinese Oral guidebook, they also organised events like the National Schools Xinyao Singing and Song Writing competition and National Chinese Challenge.

Lianhe Wanbao (WB) ran a print and video series through its weekly column “Towkay Refuelling Station” to inform SME owners of the services offered at SPRING Singapore’s SME Centre. Together with the Federation of Merchants’ Associations Singapore, WB honoured 56 heartland enterprises at the second Singapore Heartland Enterprise Star Award for their business excellence.

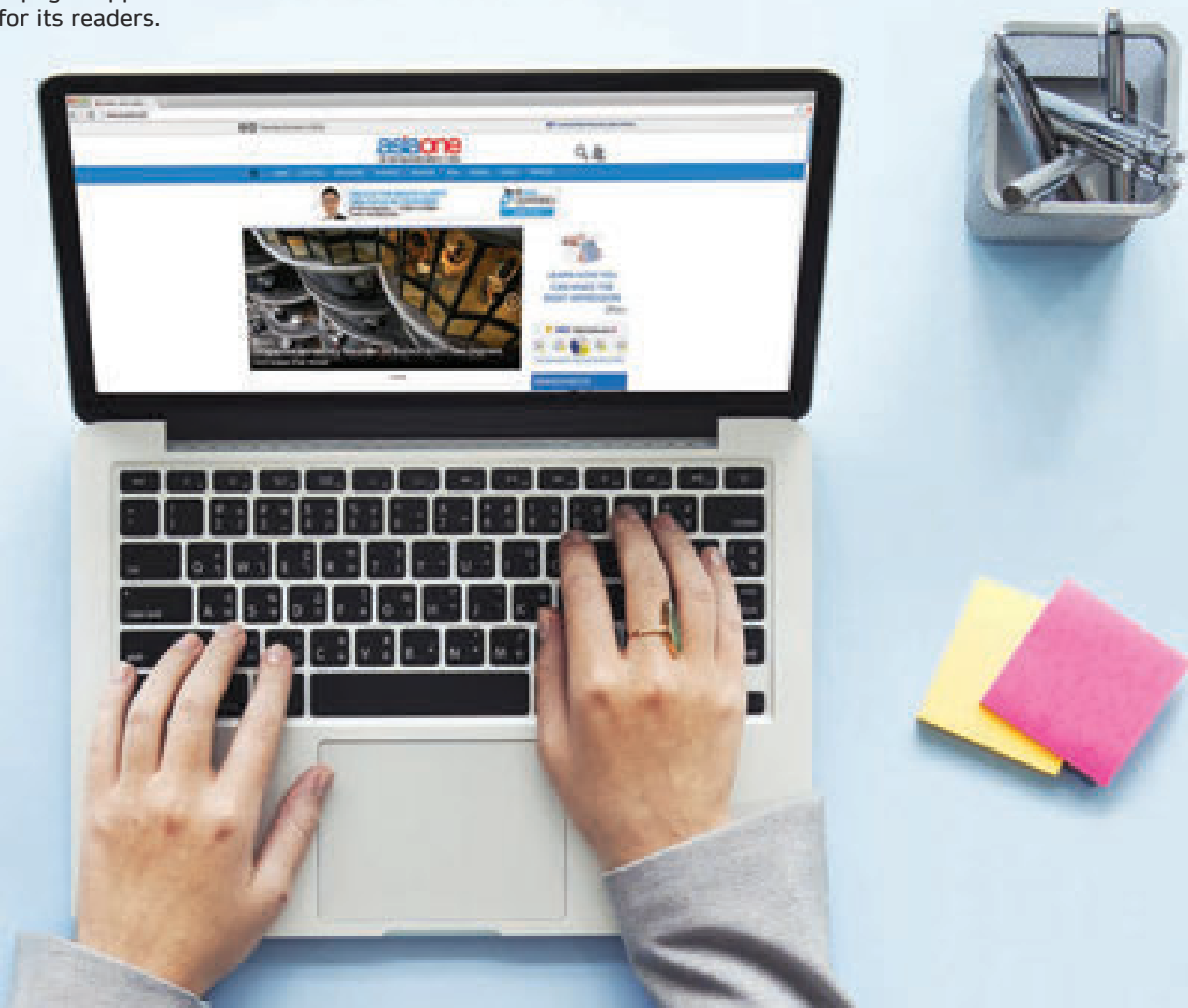
WB's popular Health & Beauty Fair, now into its 12th year, drew large crowds to its recent show at Suntec Singapore Convention and Exhibition Centre. With 100 exhibitors on show, the evening daily also published a 50-page supplement which offered special deals for its readers.

Shin Min Daily News (SM) launched the sixth book in the “Master Hsing Yun – Words of Wisdom” series. It saw brisk sales, bearing testimony to the book series’ enduring popularity. Shin Min Daily News and its Malaysian print partner Sin Chew Daily co-organised a 2-day trip for its readers to explore small towns in the South Johor area.

WB and SM launched new books at the Singapore Book Fair in June 2016 such as “Dinner Time” which is a collection of WB’s best-written columns throughout the years; and “Shin Min’s Q&A” which is a compilation of topics covered in its popular “Q&A Column”.

Both newspapers jointly organised the sixth Shin Min/Wanbao Getai Star Awards in October 2015 to showcase getai talents and preserve the uniquely local culture. It attracted more than 6,000 people and the event was attended by President Tony Tan Keng Yam.

Collectively, the three Chinese dailies and radio station UFM100.3 organised a wide range of events to celebrate the vitality of Chinese culture and promote family and community values. These included the River Hongbao, the Mid-Autumn Festival@Gardens by the Bay and the Singapore Book Fair.



Marketing

Our Marketing Division spearheaded a series of initiatives known as Printnovation to make continuous innovation a key strategy for our print business. One example is the Interactive Newspaper where readers can interact and connect directly with our advertisers when they are reading the newspapers on mobile devices. As the first SPH-developed technology awarded a patent by the Intellectual Property Office of Singapore, it won the Gold award for best advertising solution at the International New Media Association (INMA) Award 2016 in London.

We invested in a special printing technology where each newspaper copy can be customised to carry different advertisements on the same day by the same advertiser. There is also scope to use our newspapers to convey personalised messages during large-scale events. We adopted digital strategies that maximised the value of our premium newspaper positions through online bidding with our media agency partners. This increased the yield of our newspapers and the exposure enjoyed by the advertisers.

To strengthen the effectiveness of our newspapers, we grew our advertising agencies and marketplaces in Classified. Our signature car show – the **Cars@Expo** – is now the most anticipated car-buying event in Singapore. In 2016, the event brought in a total of \$4.2 million, up from \$3.2 million in 2015 and \$0.7 million in 2014.

The Classified team also started “**Wheel Deal**” to help readers sell their cars, through a bidding system

involving a panel of reputable car dealers who are also our advertisers. The successful bidder pays a commission to “Wheel Deal” for every transaction. Since its launch in November 2015, about 800 cars had been successfully sold with total revenue of about \$800,000.

As part of a corporate-wide exercise, the newspaper sales force underwent a transformation to become the next-generation fully integrated sales team tasked to sell across all our media platforms – newspapers, magazines, digital, radio and out-of-home. With this change, the team is well positioned to deliver integrated solutions helping customers achieve maximum returns for their campaigns.

Circulation

The Group’s total newspaper circulation business, inclusive of both print and digital editions, ended FY2016 with 997,300 daily average copies.

The Straits Times and The Sunday Times print and digital editions ended the year at an average of 393,300 daily circulation copies, a year-on-year growth of 3.9 per cent (August 2015 vs August 2016). The Straits Times and The Sunday Times paid digital edition registered an average daily circulation of 116,200 copies or a robust growth of 56.8 per cent year-on-year (August 2015 vs August 2016). Lianhe Zaobao print and digital editions achieved a year-on-year (August 2015 vs August 2016) growth of 15.9 per cent to 188,600 daily average copies, with a growing digital base averaging 45,600 daily copies.



CEO'S OVERVIEW OF GROUP OPERATIONS

The General Elections in September 2015 saw our print offerings garner incremental circulation totalling 90,000 copies. The special editions of The Straits Times and Lianhe Zaobao sold 68,000 copies and 48,000 copies respectively.

Following the cover price increase in March 2016, the daily average for print circulation fell five per cent. Some publications remained resilient despite the increase in cover prices, and we benefitted overall from incremental revenues. A series of subscription drives and newsstand promotions were lined up during the cover price exercise. The response to the promotions was encouraging and it cushioned the impact on newspaper circulation sales brought about by the cover price increases.

Through the **SPH Rewards** website and mobile app, more than 100,000 direct subscribers have immediate access to a wide selection of rewards covering dining, retail, travel and entertainment. Direct subscribers also enjoyed unique privileges through SPH's collaborations with its partners.

SPH Buzz maintained its network size of 70 outlets and secured numerous tie-ups with suppliers. With attractive promotions, consumer spending at the outlets has increased.

Magazines

SPH Magazines has a network of over 102 magazines brands of different genres, across seven countries in the region. This translated to a premium audience in excess of 9.7 million which advertisers could tap into.

Its three key audience networks – **The Women's Network**, **The Men's Network** and **The Luxury Circle Network** – empowered advertisers to scale their campaigns through a single production, multiple deployment approach. SPH Magazines is positioned as a provider of 360-degree, fully integrated marketing solutions spanning multiple consumer touch points on print, digital, web and e-commerce. New features such as universal checkout across e-commerce sites, dynamic interstitials and augmented reality create an immersive reading experience.

Signature events like Men's Health Urbanathlon, Her World Woman of the Year, The Peak G Restaurant Awards and HWM + HardwareZone.com's Tech Awards continued to engage both readers and advertisers.

SPH Magazines will soon introduce the **WiFi Library**, which serves over 7,000 magazines to customers tapping on free Wi-Fi service at lifestyle hubs such as shopping malls and cafés.





Digital Media

The Straits Times digital properties grew steadily following the introduction of the metered paywall in July last year. Total unique browsers of the site grew 16 per cent on average in FY2016 compared to FY2015. User engagement increased with live coverage of events like Joseph Schooling's races at the Rio Olympics 2016.

The Lianhe Zaobao Digital team relaunched its site with an updated design which is more web responsive and has more user-friendly features. Its video news programme, Zaobao Keywords News programme, was aired on Starhub's E City channel.

AsiaOne and **Stomp** pushed out new features and improvements to make the sites more relevant for the readers. Stomp's iPad app won the Best Outstanding New Product at the World Association of Newspapers and News Publishers (WAN-IFRA) Digital Media Awards in November last year.

Set up two years ago, Digital Division's Content Studio, now known as **BrandInsider**, launched 39 full projects in FY2016 and created relevant content for brands on the SPH Digital platforms.

In July 2016, **STJobs** co-organised the 'U Future Leaders Summit' in conjunction with the STJobs Career & Development Fair. SPH also signed a two-year Memorandum of Understanding (MOU) with NTUC to reach out to local Professionals, Managers and Executives (PMEs). The Leaders Summit was the first collaboration to kick start a series of workshops and events to boost the employability of PMEs through upgrading their skills.

FastJobs, a mobile app targeted at non-executive job seekers which debuted in April 2015, garnered more than 400,000 downloads in less than two years. Every month, more than 100,000 job applications are sent through the app.

Property analytics company **StreetSine** launched Sevi, an artificial intelligence (AI) that interacted with property agents on property-related queries in real-time. Topics covered included market valuations to listing availability and plot ratios.

sgCarMart launched a slew of new features and had a double-digit percentage growth in visitorship, which further cemented its number one position in the automotive digital landscape. The introduction of new advertisement products helped push classified listing numbers to a 3-year record high. Forum site **myCarForum.com** launched its mobile site and saw a spike in traffic and participation rates.

STCars.sg recorded double-digit percentage growth in traffic and is the number two car classified site in Singapore, behind sgCarMart.com.

701Search, SPH's joint venture with Norway companies Schibsted and Telenor, continue to dominate the online classifieds marketplace in the region, maintaining top positions in Malaysia and Vietnam. The three parties, together with South African media company Naspers, also operate the leading online classifieds sites in Thailand and Indonesia.

ShareInvestor (SI) organised the 10th edition of its annual flagship event INVEST Fair, which reached out to more than 11,000 investors and included new highlights such as Investing For Women and Overseas Property Pavilion. It also welcomed over 22 REITs and 3,000 investors to its second edition of the REITs Symposium.

CEO'S OVERVIEW OF GROUP OPERATIONS

SI Malaysia delivered healthy growth through its market data and event management business. It set up a new training office in Kuala Lumpur to promote its SI WebPro, SI Station and Bursa Station services. SI Thailand retained its market leadership for online investor relations services with 31 per cent of the local market, and a corporate base of 220 public listed companies.

SI subsidiary **Waterbrooks**, which offers strategic communication services to listed companies, secured five IPO mandates and 23 retainer clients in FY2016.

To build a more engaged investor community, SI invested in social media platform **InvestingNote** to widen its outreach to a younger investing community. InvestingNote launched its mobile platforms on iOS and Android and grew its subscribers base fivefold to 10,000 over the past 12 months.

As **SPH Data Services** enters into the ninth year of its partnership with FTSE Russell (FTSE) and Singapore Exchange (SGX), the collaboration to jointly create, market and license the Straits Times Index (STI) and the FTSE ST Index series have yielded good financial returns.

To ensure that the STI remains the best possible solution for market participants, the index partners undertook an extensive market consultation exercise to improve liquidity in the index. A broad range of market participants were consulted from across the investment community, including asset owners, asset managers and structured product providers. The consultation exercise showed widespread support for a higher liquidity requirement for index stocks.

Segmental changes for the new STI liquidity rule and the FTSE ST Index series were implemented in September 2015.

Book publishing

Straits Times Press (STP) put in a robust performance in FY2016. It took part in the Frankfurt and London book fairs, embarked on direct distribution to bookshops in Singapore and Malaysia, and began the groundwork for forays into the region.

STP improved its margins with contract publishing projects. It secured and produced projects such as Ministry of Home Affairs' "Our Guardians: Keeping Singapore Safe And Secure Since 1950s" and the Singapore government's "SG50: A Celebration" book.

On the first death anniversary of Singapore's founding Prime Minister Lee Kuan Yew in March 2016, STP inked a sponsorship deal with Mapletree Investments and Singapore Power to produce and distribute 200,000 copies of "LKY – Follow That Rainbow, Go Ride It" workbooks to upper primary and secondary students across Singapore.

Among STP's bestsellers this year were Lee Wei Ling's "A Hakka Woman's Singapore Stories", which sold over 18,000 copies and was translated into Chinese and Vietnamese; a set of quotation books "LKY on Governance, Management, Life", which was translated into Chinese, and a children's book, "What's Inside the Red Box?", which sold over 8,000 copies, and was subsequently adopted by the Ministry of Education as classroom reading material for all Primary Two students.

There was strong enthusiasm for books by journalists from The Straits Times such as "It Changed My Life" by Wong Kim Hoh, "India Rising" by Ravi Velloor and "Singapore In Transition" by Han Fook Kwang. ST Press also entered its authors for the Singapore Literature Prize 2016 and took home the joint-top prize for best non-fiction work for former Straits Times journalist Peh Shing Huei's work "When The Party Ends".



Focus Publishing's U-Weekly (UW) was given a fresh look in March 2016. With entertainment and lifestyle coverage from the Asian region and beyond, Korean entertainment news and the latest popular trends are now available on its print and digital platforms.

The quarterly health magazine, **Health No.1**, published its annual bilingual health guide "Face-to-Face with Cancer", which was well-received.

Bilingual luxury lifestyle magazine **ZBBZ** was revamped in April 2016 with a new logo and fresh content. Targeted at affluent Singaporeans and the mainland Chinese population, ZBBZ is also popular with travellers. Singapore Airlines introduced the magazine to its First Class passengers on its Singapore-China routes.

To promote inter-generational family bonding, Focus Publishing launched a colouring book titled "World of Colours – Sweet Memories". The book encouraged the elderly to be more active, and to stay engaged with their grandchildren.

The contract publishing arm of Focus Publishing produced a wide variety of community newsletters such as the "Citizens' Consultative Committee 50th Anniversary 1965-2015" and "Chingay SG50 Edition", both commissioned by the People's Association; and the production of "Living Sacrifice" 《活祭》, the Chinese edition of the biography of Dr Tahir, a world-renowned philanthropist.

Radio

In the latest Nielsen survey which ended in May 2016, **Kiss92** and **UFM100.3** maintained their positions in overall "Cumulative Audience" (CUME) standing at fifth and ninth spots respectively while **ONE FM 91.3** climbed to 11th place.

The re-formatted ONE FM 91.3 saw a significant increase in advertisers' interest when veteran DJs Glenn Ong and The Flying Dutchman joined the station.

UFM100.3, SPH Radio's only Chinese language station, saw significant growth in listenership and "Time Spent Listening" (TSL). It achieved a cumulative listenership of 340,000 in 2016, up from 220,000 in 2012, based on the latest Nielsen's Radio Survey. The station's weekly average TSL grew from 6.44 hour in 2012 to 11.08 hour in 2016. Its evening drive-time belt (4pm to 8pm) topped the TSL ratings amongst all Chinese stations for listeners aged 40-49 years old.

UFM100.3's successful 《U选1000》, or the U1000 Music Countdown, saw more than 6,000 listeners cast their votes and over 2,500 taking part in the countdown finale held at Bugis Junction.

In recognition of its sales and marketing efforts, the SPH Radio's sales team won the Gold Award for Best Commercial Team at The Spark Awards for Media Excellence 2015 South East Asia. The event was held in August last year and is organised by Marketing Magazine to honour the best media companies in the region.



CEO'S OVERVIEW OF GROUP OPERATIONS

Out-of-Home Advertising

SPHMBO, our Out-of-Home media business unit, increased its revenue by 11 per cent year-on-year despite higher operating costs and competition.

The product line expanded to include new large format digital screens in South Beach Development, Tiong Bahru Plaza, VivoCity and Downtown East. SPHMBO now operates 14 large format digital screens, a network of about 160 indoor screens in Paragon, Downtown East and POSB branches and about 100 billboards islandwide.

Digital Investments and MSA

The **SPH Media Fund** made investments in startups in sectors such as digital media, marketing technology and consumer internet. These included Moneysmart, the Singapore-based financial comparison site and Thelorry.com, a logistics startup in Malaysia. Smaato, one of SPH Media Fund's portfolio companies, announced in June 2016 that it was being acquired by Spearhead Integrated Marketing Communication Group, a publicly-traded Chinese marketing and advertising company.

SPH Plug and Play completed its second SPH Plug and Play accelerator program in FY2016. The second batch of eight startups graduated in June 2016. During the program, the startups were given mentorships by senior SPH staff and collaborated with SPH business units. Some of the startups have subsequently raised additional funding from investors to scale up their businesses. The program is a joint venture between SPH, Silicon Valley-based global startup accelerator Plug and Play, and Infocomm Investments, a wholly-owned subsidiary of the Infocomm Development Authority of Singapore (IDA).

The **Media Strategy & Analytics Division (MSA)** worked closely with the various divisions and subsidiaries on projects to grow revenue and enhance operations. Using a combination of data, analytics and strategy, it provided competitive landscape scanning and analyses of emerging industry trends. This strengthened the company's existing subscriber base, yielded more value from customers, optimised advertising performance and enhanced user experience with our products. MSA also forged strategic collaborations and agreements with external partners aimed at keeping SPH at the forefront of the evolving media landscape.

Properties

Despite the challenging retail environment, **Paragon**, **The Clementi Mall** and **The Seletar Mall** maintained 100 per cent tenancy.

One key development of Paragon's Asset Enhancement Initiative (AEI) was the creation of a corridor on Level 3 to connect to the new elevated pedestrian link-bridge from the Cairnhill mixed development. The link-bridge is targeted to open to the public by end 2016 and will provide a sheltered access for Paragon shoppers coming from Bideford Road.

The Clementi Mall's first AEI will commence with the reconfiguration of the Basement 1 kiosks where additional food kiosks will be created. The AEI works will see upgrading of the Basement 1 floor finishes, ceilings and corridor lighting as well as improvement on directional signs.

The Seletar Mall celebrated its first anniversary in May 2016 with a wide range of activities targeting families and children. Complimentary shuttle bus services are offered to working professionals in the neighbouring areas to enjoy the many retail and F&B offerings.



Events, Conferences and Exhibitions

SPH's events subsidiary **Sphere Exhibits (Sphere)** expanded its regional portfolio in Asia and strengthened its foothold in the local MICE scene. Its flagship technology shows **COMEX** and **IT Show** were well-received by market players.

The food and beverage shows – **World Food Fair, Food & Beverage Fair and Yummy Food** – saw an increase in exhibitors. They provided a gastronomic experience for food lovers to sample local fare and international delicacies. In partnership with The Straits Times, the inaugural **Singapore Coffee Festival** was a big hit with coffee aficionados with an extensive showcase of specialty coffees and cafe lifestyle.

Educational and enrichment fair **SmartKids Asia** was introduced in Indonesia this year and was well attended, following successful shows in Singapore and Malaysia.

BuildTech Asia established its foothold as the leading trade show to address the industry challenges in Southeast Asia. The show was replicated in Myanmar, with the third edition of BuildTech Yangon. Plans are underway to introduce a BuildTech event in Myanmar's next largest city, Mandalay.

The second edition of **Manufacturing Solutions Expo**, which unveiled the latest manufacturing technologies to improve productivity, increased exhibitor participation and visitorship by 10 per cent and 34 per cent respectively.

In conjunction with **Office Expo Asia** and **PrintPack+Sign**, the **Singapore Gifts & Premiums Fair** held its largest show with visitorship exceeding 10,000 participants from 38 countries. This year marked the 17th edition of the show.

The **Malaysia International Food & Beverage Fair** hosted its biggest show this year, with the number of booths and exhibitors rising by 40 per cent and 10 per cent respectively. More than 10,000 trade visitors attended the event.

The **Hospitality Investment Conference** series, which started in Myanmar, expanded into Sri Lanka, Philippines, Indonesia and Vietnam. The **Myanmar Banking & Finance Conference** retained its appeal among the leaders and decision-makers in the banking and finance industry.

Business Outlook

SPH is on track to strengthen the organisation with succession planning and restructuring efforts. We are committed to invest in both hardware and our human capital to stay relevant to all our stakeholders.

We look forward to your continued support.

Chan Heng Loon, Alan
Chief Executive Officer



SIGNIFICANT EVENTS

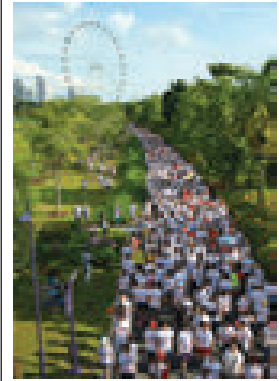
23-Sep-15
Celebrating 50 years of newsprint creativity



24-Oct-15
Her World Fashion Walk takes over Orchard Road



29-Nov-15
The New Paper SG50 Jubilee Big Walk



23-Sep-15
Celebrating 50 years of newsprint creativity

Featuring a collection of significant newspaper advertisements from the last 50 years, a week-long exhibition “For The Love of Newspaper Advertisements – 50 Years of Newsprint Creativity” was held at Paragon. The exhibition showcased a rich selection of iconic and nostalgic newspaper advertisements and different types of innovative creative buys.

21-Oct-15
SPH Plug and Play hosts first Demo Day

The SPH Plug and Play accelerator program showcased eight start-ups at its first Demo Day. The accelerator program is a joint venture between SPH, Silicon Valley’s Plug and Play, and Infocomm Investments, the venture capital subsidiary of Infocomm Development Authority of Singapore (IDA). The second batch of start-ups was unveiled in April 2016.

24-Oct-15
Her World Fashion Walk takes over Orchard Road

Her World wrapped up its year-long 55th anniversary celebrations with its first Fashion Walk along Orchard Road. Spanning from Dhoby Ghaut Green to ION Orchard, participants were entertained with performances, a fashion show and a party.

30-Oct-15
SPH’s Chinese Media Group sets up new digital unit

SPH’s Chinese Media Group (CMG) created a new digital unit, consolidating its digital resources to better meet the needs of readers and advertisers. The new digital unit aimed to create an integrated digital platform for CMG’s Chinese language newspapers – Lianhe Zaobao, Lianhe Wanbao and Shin Min Daily News.

05-Nov-15
SPH launches Wheel Deal to drive growth in car trade

Launched by SPH’s Marketing division, Wheel Deal simplifies the car selling process for private car sellers by mining the market for the best prices on their behalf.

29-Nov-15
The New Paper SG50 Jubilee Big Walk

The New Paper Jubilee Big Walk attracted 25,000 walkers, including Prime Minister Lee Hsien Loong. The 5km mass walk included part of a permanent 8km commemorative trail, known as the Jubilee Walk, which connects more than 20 historic and iconic locations within the Civic District and Marina Bay precinct.

04-Dec-15
ChildAid 2015 raises nearly \$2m for two childrens’ charities

Co-organised by The Straits Times and The Business Times, the 11th edition of ChildAid raised almost \$2 million for two charities – The Straits Times School Pocket Money Fund and The Business Times Budding Artists Fund. The concert featured 19 acts and 123 performers aged seven to 19.

02-Feb-16**The inaugural Straits Times' Singaporean of the Year 2015 award****13-Feb-16****Lianhe Zaobao and Singapore Business Federation sign MOU on "One Belt, One Road" portal****13-Mar-16****ONE FM 91.3 DJs compete in Men's Health Urbanathlon 2016****27-Jan-16****Sphere Conferences launches inaugural Hospitality Investment Conference Philippines 2016**

Sphere Conferences launched the inaugural Hospitality Investment Conference Philippines 2016 in Manila, Philippines. With the support of the Department of Tourism of the Republic of the Philippines, the conference addressed the opportunities and challenges facing the local burgeoning hospitality industry.

02-Feb-16**The inaugural Straits Times' Singaporean of the Year 2015 award**

Madam Noriza A. Mansor was presented with the inaugural Straits Times' Singaporean of the Year 2015 award by Prime Minister Lee Hsien Loong. The award honours extraordinary acts of goodwill, ingenuity or perseverance by Singaporeans who have made a positive impact on the lives of others.

13-Feb-16**Lianhe Zaobao and Singapore Business Federation sign MOU on "One Belt, One Road" portal**

Lianhe Zaobao and Singapore Business Federation signed a Memorandum of Understanding (MOU) to work closely on a broad range of areas, including developing a portal "One Belt, One Road" (OBOR) to drive a deep understanding of OBOR among Singapore enterprises and to offer Chinese readers a Singaporean perspective on OBOR. The portal was unveiled on 8 March 2016.

07-Mar-16**SPH and StarHub sign MOU**

SPH and StarHub signed a MOU to collaborate in areas of advertising sales, creation and carriage of content, data analytics and marketing. One such collaboration was that all existing and new StarHub Mobile Postpaid customers would enjoy free local data access to nine SPH news and radio mobile apps for one year, starting 15 July 2016.

13-Mar-16**ONE FM 91.3 DJs compete in Men's Health Urbanathlon 2016**

Six personalities from ONE FM 91.3 competed in the Men's Health Urbanathlon 2016, Singapore's first original urban obstacle race, alongside 3,500 runners. This year's race featured nine obstacles on a 14km course, including an all-new CrossFit-based obstacle, a first for any run in Singapore.

15-Mar-16**CMG launches "World of Colours – Sweet Memories" colouring book for senior citizens**

Together with People's Association, CMG launched a colouring book "World of Colours – Sweet Memories" to encourage senior citizens to stay actively engaged and improve their cognitive and motor skills through colouring activities.

SIGNIFICANT EVENTS

06-Apr-16
National Schools Xinyao Singing and Song Writing Competition 2016



08-Apr-16
ZBBZ refreshes look and sharpens content



18-Apr-16
Straits Times Press publishes books by veteran journalists



06-Apr-16
National Schools Xinyao Singing and Song Writing Competition 2016

Lianhe Zaobao, together with Jurong Junior College and TCR Music Station, jointly organised the National Schools Xinyao Singing and Song Writing Competition 2016 to discover more local musical talents. The competition was promoted across SPH's multiple media platforms including print, online and radio.

08-Apr-16
ZBBZ refreshes look and sharpens content

ZBBZ, Singapore's only bilingual luxury lifestyle "news-gazine" which combines the journalistic reporting of a newspaper and the lifestyle flavour of a magazine, introduced a fresh look, four new sections and a new logo.

18-Apr-16
Straits Times Press publishes books by veteran journalists

Straits Times Press launched two books by The Straits Times' veteran journalists Ravi Velloor and Han Fook Kwang in April and June respectively. Ravi Velloor's "India Rising" consisted of anecdotes and observations of an India in transition while Han Fook Kwang's "Singapore In Transition" provided provocative commentaries analysing the nation's politics, economy and society.

19-Apr-16
Adtile expands global reach with SPH partnership

SPH partnered Adtile Technologies, creators of the award-winning Motion Ads for smartphones and tablets, to offer advertisers the use of Adtile's Motion Ads in their mobile ad campaigns. SPH would also adopt Adtile's cloud-based creative platform, the Motion Store, to create high quality sensor-enabled mobile experiences.

22-Apr-16
SPHMBO increases out-of-home presence with largest billboard in Orchard Road

SPHMBO, the out-of-home media arm of SPH, collaborated with Paragon to increase its presence in the heart of Orchard Road with the largest billboard. Located prominently on the side facade of Paragon, the billboard's display area measures 266 square metres.

12-May-16
SPH introduces SPH Variable Print

Taking personalised marketing to a whole new level, SPH introduced the SPH Variable Print, a first in Southeast Asia. With this new technology, advertisers can now engage their audiences with interactive and multiple messages.

13-May-16
Kiss92 gives \$50,000 to lucky fan

As part of the Maddy, Jason and Arnold's \$50,000 Triple Play contest, Kiss92 gave away \$50,000 cash to a lucky Kiss92 fan. The listener was the ninth caller after hearing and successfully identifying three songs played back-to-back on air.

22-Apr-16
SPHMBO increases out-of-home presence with largest billboard in Orchard Road



4-Jun-16
Singapore Book Fair 2016 refreshed with new content and activities



19-Jun-16
Straits Times Press releases new book on local café culture



28-May-16
The Seletar Mall celebrates first anniversary

The Seletar Mall celebrated its first birthday with an array of activities and treats for shoppers. They also stood a chance to win up to \$18,000 worth of prizes in its first anniversary lucky draw.

31-May-16
The Business Times celebrates 40th anniversary

The Business Times (BT) marked its 40th anniversary with a series of events throughout the year – The Business Times Leaders Forum in May, The BT Salute Enterprise Gala Dinner in July and a commemorative concert in September, titled “Jazzy Business” featuring veteran musicians Jeremy Monteiro and Frances Yip. BT Weekend, the weekend edition of the paper, also underwent a revamp for an easier read.

01-Jun-16
Berita Harian embarks on talent search for creative writers

In partnership with the National Arts Council, Berita Harian embarked on a talent search for creative writers through its six-month programme, Mencari Kristal. The programme featured a series of workshops led by award-winning writers in the Malay literary scene and culminated in a short-story writing competition.

4-Jun-16
Singapore Book Fair 2016 refreshed with new content and activities

Organised by CMG, Singapore’s longest running book fair, Singapore Book Fair, returned for its 31st edition with new content and activities for visitors. Highlights included a brand new creative & lifestyle zone with lifestyle workshops and the launch of five new books by CMG.

07-Jun-16
SPHMBO expands outdoor digital advertising media with VivoCity

SPHMBO expanded its out-of-home advertising reach through a collaboration with VivoCity. New digital advertising screens were set up in VivoCity – the Mega Screen in the atrium, three other sizeable similar video walls on link bridges on the first level and a long video wall strategically located at Basement 2 of the entrance of the mall, which connects to the HarbourFront MRT station.

19-Jun-16
Straits Times Press releases new book on local café culture

Straits Times Press published a new book for café lovers, “café|sg: A Café Lover’s Guide to Singapore.” The book, which profiled 50 cafes across Singapore, was written by coffee-loving journalists from The Straits Times and edited by Fiona Chan, the newspaper’s Managing Editor.

12-Jul-16
Sphere Conferences launches inaugural Hospitality Investment Conference Vietnam 2016

Sphere Conferences launched the inaugural Hospitality Investment Conference Vietnam 2016 in Ho Chi Minh City, Vietnam. The discussion topics at the two-day event included Vietnam’s economic climate, development outlook as well as hospitality issues.

SIGNIFICANT EVENTS

30-Jul-16
ShareInvestor marks 10 years of INVEST Fair



24-Aug-16
Her World celebrates 25th anniversary of its iconic Woman of the Year award



30-Aug-16
Berita Harian celebrates inspiring Malay/Muslim individuals at annual awards



18-Jul-16
The New Paper a new partner of Miss Universe Singapore

For the first time, The New Paper co-organised Miss Universe Singapore alongside its partner Miss Universe Singapore Organisation. It was also the official media partner.

20-Jul-16
A new Lianhe Zaobao greets readers across multiple media platforms

The 93-year-old Lianhe Zaobao (ZB) unveiled a new look in both print and digital formats, offering a multi-platform experience to inform and engage readers. In conjunction with the revamp, ZB also introduced a specially commissioned song and held a mass readers' party in September.

21-Jul-16
SPH launches inaugural Singapore Food Masters 2016

SPH newspapers partnered Lam Soon Group and Union Gas to present the inaugural Singapore Food Masters 2016. Readers chose their favourite signature dishes whipped up by 124 dedicated hawkers and restaurant chefs from the North, Central, East and West zones of Singapore.

30-Jul-16
ShareInvestor marks 10 years of INVEST Fair

ShareInvestor celebrated its 10th anniversary of INVEST Fair with 10 exciting highlights at the two-day event. The fair included prominent experts who spoke on various investment topics and a walk-through gallery which looked back at the event's milestones.

04-Aug-16
The Straits Times partners Singtel to launch new Straits Times All-Digital subscription package with free local data access

Singtel's postpaid mobile users can now access The Straits Times (ST) All-Digital subscription package without having to incur local data charges through the Singtel Newsstand service. The package provides Singtel postpaid mobile customers unlimited access to news articles, 7-day news archives and the e-paper version via an upgraded ST app for smartphone, tablet and online users.

19-Aug-16
SPH Razor celebrates eighth birthday with enhanced website

SPH Razor, SPH's premium video network, celebrated its eighth birthday with a revamped website. Viewers to the enhanced SPH Razor website can watch the latest original content from Razor as well as those produced by The Straits Times, The Business Times, The New Paper, AsiaOne, Stomp and other content partners. With this, SPH Razor is primed as the top one-stop destination for news, lifestyle, entertainment and viral videos in Singapore.

23-Aug-16
SPH and SPH Foundation donate \$350,000 to Community Chest

SPH and SPH Foundation donated a total of \$350,000 to Community Chest in support of its beneficiaries at the annual charity cheque presentation. The donation aids 20 charities serving the elderly, disadvantaged families, underprivileged children and the disabled, and the Special Education Financial Assistance Scheme which serves more than 1,000 disabled and special needs students from low income families.

01-Sep-16
Nuyou celebrates
40th anniversary



03-Sep-16
Tamil Murasu honours
inspiring Tamil teachers



04-Sep-16
SPH's Chinese Media Group raises
\$203,000 for President's Challenge 2016



24-Aug-16
CMG launches "Gamsia365"
campaign

CMG kickstarted a corporate social responsibility initiative as part of the revamped zaobao.sg. Known as "Gamsia365", it aims to embrace the spirit of showing appreciation to people who make one's day through small gestures.

24-Aug-16
Her World celebrates 25th
anniversary of its Iconic Woman of
the Year award

Her World, the first local magazine to pioneer an award for inspiring women, celebrated the 25th anniversary of its Her World Woman of the Year award. One of the magazine's signature annual events, Her World has presented the Her World Woman of the Year award and Her World Young Woman Achiever award since 1991 and 1999 respectively.

26-Aug-16
SPH acquires Pacom Media to
grow SPH Golf

SPH acquired the business assets of Pacom Media Pte Ltd, a Singapore-based media company with a niche focus on golf, which is now part of SPH's wholly-owned subsidiary, SPH Pacom Pte Ltd. With the acquisition, SPH Pacom owns the Golf Vacations magazine and franchises for the magazine in countries including China, Hong Kong, Malaysia and Thailand. Besides publishing, SPH Pacom is one of the leading golf events organisers in Singapore.

30-Aug-16
Berita Harian celebrates inspiring
Malay/Muslim individuals at
annual awards

The Berita Harian Achiever of the Year award was presented to Malay Heritage Foundation Chairperson and Senior Assistant Commissioner of Police Madam Zuraidah Abdullah, while the Berita Harian Young Achiever Award winner was Mr Sheik Farhan Sheik Alau'ddin, the 18-year-old silat world champion who won Singapore's only gold medal in the Pencak Silat World Championships in Phuket.

01-Sep-16
Nuyou celebrates 40th anniversary

Nuyou, the number one women's Chinese fashion & beauty magazine, celebrated its 40th birthday with a variety of treats for readers, including a limited edition jewellery collection in collaboration with RISIS and a 40 per cent discount for print or digital subscriptions.

03-Sep-16
Tamil Murasu honours inspiring
Tamil teachers

Tamil Murasu's Most Inspiring Tamil Teachers Awards gave out three awards to retired teachers, two awards to outstanding trainee teachers and six awards to inspirational teachers in the primary and secondary school categories.

04-Sep-16
CMG raises \$203,000 for
President's Challenge 2016

CMG raised \$203,000 for President's Challenge 2016 from donations made by donors and from a fund-raising event titled "A Colourful Evening @ Gardens by the Bay". SPH also supported the President's Challenge with sponsorship of print and digital advertisements.

AWARDS & ACCOLADES

Corporate Awards

16th SIAS Investors' Choice Awards 2015

- Most Transparent Company Award 2015 (Services) – Runner-Up (SPH)
- Most Transparent Company Award 2015 (New Issues) – Runner-Up (SPH REIT)
- Financial Journalist of The Year Award – Mr Cai Haoxiang (The Business Times)
- Financial Story of The Year Award – Ms Anita Gabriel (The Business Times)
- Investor Education Journalist of The Year Award – Ms Rachael Boon (The Straits Times)
- Investor Education Journalist of The Year Award – Ms Shen Yue (Lianhe Zaobao)

Singapore Corporate Awards 2016

- Best CFO for large-cap companies (Market Cap of \$1bn and above) – Mr Tony Mallek

May Day Awards by National Trades Union Congress (NTUC)

- Medal of Commendation – Ms Mable Chan
- Comrade of Labour – Mr Latiff Bin Mohideen Ghani

Corporate LiveWire's 2016 Innovation & Excellence Awards by Fenice Media Ltd

- Most Outstanding Media Organisation (Singapore) – SPH

2016 Businesses of Distinction by Acquisition International

- Singapore Press Holdings

Community Chest Awards 2016

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

Patron of the Arts Award 2016 by National Arts Council

- Singapore Press Holdings – Patron of the Arts award
- Singapore Press Holdings Foundation Ltd – Friend of the Arts award
- UFM100.3, SPH Radio – Friend of the Arts award
- Omy.sg – Friend of the Arts award

Patron of Heritage Awards 2016 by National Heritage Board

- Partner category – SPH

Patron's Award by Singapore Lyric Opera

- Singapore Press Holdings



Singapore Corporate Awards 2016



May Day Awards by National Trades Union Congress (NTUC)

Editorial / Printing / Creative Achievements

2016 Asian Media Awards by WAN-IFRA

- Best in Print (Circulation over 150,000 copies) – Gold (The Straits Times)
- Best in Print (Circulation below 150,000 copies) – Gold (Lianhe Zaobao)
- Best in Print (Circulation below 150,000 copies) – Bronze (Berita Harian)

WAN-IFRA Asian Media Awards 2016

- Best in Design (Newspaper Overall Design) – Gold (The Straits Times)
- Best in Photojournalism (Sports Photography) – Silver (The Straits Times, ‘8th ASEAN Para Games’ by Lim Sin Thai)
- Best in Photojournalism (Feature Photography) – Bronze (The Straits Times, ‘Black Knight’ by Alphonsus Chern)
- Best in Community Service – Silver (Lianhe Zaobao and Lianhe Wanbao, Reading Newspapers With The Elderly’ (陪你看报纸))
- Best in Design (Magazine Overall Design) – Bronze (SPH Magazines, The Peak Selections: Gourmet & Travel, Issue 15)

37th Best of Newspaper Design by Society for News Design 2016

- Redesigns Overall Newspaper – Award of Excellence – The Sunday Times (issue on 1 Jul 2015)
- Redesigns Newspaper Section – Award of Excellence – The Straits Times, Life! section (issue on 22 Jul 2015)
- Redesigns Newspaper Section – Award of Excellence – The Sunday Times, Life! section (issue on 23 Aug 2015)
- Illustration Opinion/Color – Award of Excellence – The Straits Times, “Say Sorry One Final Time and Be Done with It” by Miel Prudencio Rosales Jr.
- Photography (Single Photos) Features – Award of Excellence – The Straits Times, “Gathering place for the Karen. Reverend Timothy Aye, a visiting pastor from Yangon” by Desmond Lim
- Editorial Cartoons – Award of Excellence – The Business Times, “A silent vigil for Charlie Hebdo” by Simon Ang

PANPA 2016 Advertising & Marketing Awards

- Best Print Single Advertisement for Client category – (Swarovski Christmas)
- Best Print Campaign for a Client – Highly commended (SPH Scholarship ‘Question’ campaign)
- Creative Services Professional of the Year under the Executive Excellence – Mr Tommy Lim (Head of SPH Marketing’s CreativeLab)

Media Publishers Association Singapore (MPAS) Awards 2016

- Women’s Media of the Year – Her World (July 2016 and August 2016)
- Chinese Media of the Year – ICON (September 2015 and April 2016)
- Food Media of the Year – The Peak Selections: Gourmet & Travel Issues 16 & 17
- Video Media of the Year (Online) – The Peak Selections: Gourmet & Travel for “A Day In The Life Of Kenjiro Hashida”
- Front Cover of the Year (Licensed) – Harper’s BAZAAR Singapore (June 2016)



WAN-IFRA Asian Media Awards 2016



PANPA 2016 Advertising & Marketing Awards

AWARDS & ACCOLADES

World Digital Media Awards 2015 by WAN-IFRA

- Best Use of Online Video – Winner (The Straits Times for “It Changed my Life”)

Mob-Ex Awards 2016

- Best App Owner – The Business Times

The Spark Awards 2016 by Marketing Magazine

- Best App by a Media Owner – Gold (SPH’s FastJobs app)
- Best Media Solution – Print – Silver (A Sparkling Christmas with Swarovski in The Sunday Times)
- Best Subscription Strategy – Silver (The Business Times All-in-One Package Campaign)
- Best Media Solution – Out of Home – Bronze (SPHMBO, “Peel Off and Take Off to Darwin with SilkAir” campaign)

Asian Digital Media Awards 2015

- Best Online Video – Gold (The Straits Times, “It Changed My Life”)
- Best News Website – Gold (straitstimes.com)
- Best in Digital Advertising Campaign – Silver (The Straits Times, Capitaland BuildSG2065)
- Best Data Visualisation Project – Gold & Silver (The Straits Times, “Ocean’s Fury” and “Who’s Who of Orchard Road”)
- Best Mobile Service – Silver (ST Mobile Apps)
- Best Lifestyle Mobile Service – Gold (The Straits Times, The Life E-book Series)
- Best in Tablet Publishing – Bronze (The Straits Times STAR E-books App)
- Best in Reader Engagement – Silver (The Straits Times, LKY Tribute Wall)
- Best New Product – Silver and Bronze (ST170: A Journey Together To Celebrate and The Straits Times on Apple Watch)
- Best New Product – Gold (Stomp, iPad App)

International Creative Media Award 2015

- Magazines, Photography – Award of Excellence (Harper’s BAZAAR Singapore, September 2015)
- Front Pages – Award of Excellence (Harper’s BAZAAR Singapore, April 2015, Page 1)
- Photography, Atmosphere – Award of Excellence (Harper’s BAZAAR Singapore, October 2014, Pg 238-247)
- iPad and Tablet Apps – Silver (SilverKris)
- Photography & Layout, Customer Magazines Business to Client (B2C) – Award of Excellence (The Johnnie Walker House Edit Vol. 2 and Vol. 3)
- Cover and Cover Story – Silver (The Peak, July 2015)
- Illustration – Bronze (The Peak, August 2015, Pg 64-71)
- Cover and Cover Story – Award of Excellence (The Peak Selections: Gourmet & Travel, August 2015, Top 50 eats)
- Photography in General – Gold (The Peak Selections: Gourmet & Travel August 2015, Pg 96-105)
- Photo-Report – Award of Excellence (The Peak Selections: Gourmet & Travel May 2015, Pg 140-149)



World Digital Media Awards 2015 by WAN-IFRA



The Spark Awards 2016 by Marketing Magazine

INMA Global Media Awards

- Best New Concept to Incubate Products or Ideas – 1st place (The Straits Times' Innovation Lab)
- Best Execution of Print Advertising for “The Interactive Newspapers” – 1st place (The Straits Times)
- Best Use of Mobile – 3rd place (AsiaOne)

W³ Awards 2015

- Online Video, Documentary – Silver (SPH Razor, Tribute to Lee Kuan Yew)

AsBAA Awards 2015 by Asian Business Aviation Association

- Best Media – JET Asia-Pacific (Blu Inc Media Hong Kong)

Pearl Awards 2015

- Best Print Magazine (Editorial) – B2C – Apex Award (SilverKris, June 2015)
- Best Print Magazine (Design) – B2C – Gold (The Johnnie Walker House Edit Vol. 3)

S. League Awards 2015

- Mikasa Picture of the Year – Gavin Foo (The New Paper)
- Yeo's Story of the Year – Sazali Abdul Aziz (The New Paper)

Singapore Civil Defence Force (SCDF) Public Spiritedness Award

- Stomp

APEX Awards 2016

- Magazines, Journals & Tabloids – Design & Illustration category – Grand Award (SilverKris, August 2015)
- Magazines, Journals & Tabloids – Design & Layout category – Award of Excellence (The Johnnie Walker House Edit Vol. 3)

Tabbie Awards 2016

- Feature Design – Silver (Singapore Nautilus, Issue 31)
- Front Cover, Illustration – Honorable Mention (Singapore Nautilus, Issue 31)
- Feature Article: Top 25 Entries – 25th place (Ascent, Issue 3, 2015)
- Best Single Issue: Top 25 Issues – 10th place (Ascent, Issue 2, 2015)

Property Accolades

- Orchard Road Business Association's Best Dressed Building Contest 2015 – Merit Award (Paragon)
- Singapore Retailers Association Shopping Centre Awards 2015 – Outstanding Efforts in Centre Management – Paragon

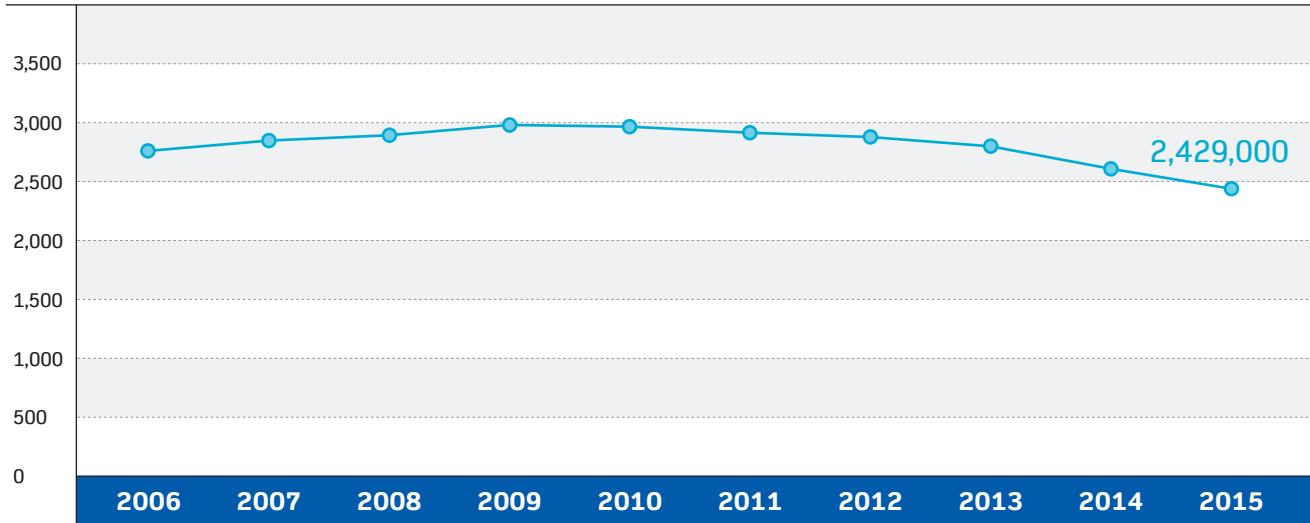


INMA Global Media Awards

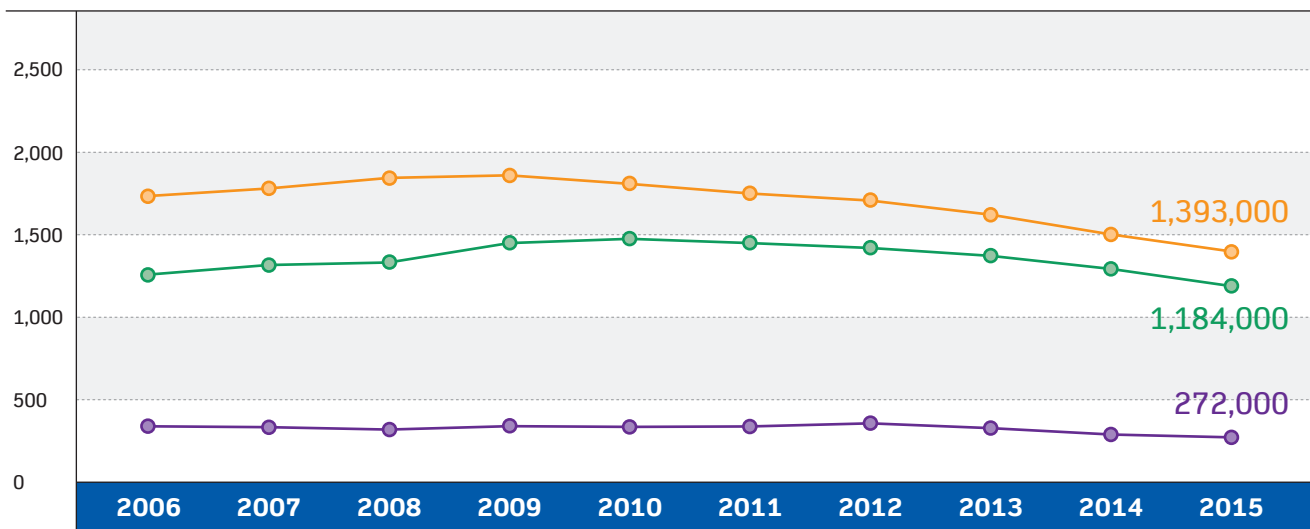
16th SIAS Investors' Choice Awards 2015

SPH NEWSPAPERS READERSHIP TRENDS

SPH Newspapers Net Readership Trends ('000)



SPH Newspapers 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 (2006-2015)

DAILY AVERAGE NEWSPAPERS CIRCULATION

August 2016

Daily Average Newspapers Circulation ¹	August 2016	August 2015
The Straits Times / The Sunday Times		
(Print + Digital)	393,300	378,400
(Print)	277,100	304,300
(Digital)	116,200	74,100
The Business Times		
(Print + Digital)	36,900	36,400
(Print)	28,100	29,200
(Digital)	8,800	7,200
Berita Harian / Berita Minggu		
(Print + Digital)	39,300	45,600
(Print)	37,700	44,600
(Digital)	1,600	1,000
The New Paper / The New Paper Sunday		
(Print + Digital)	113,300	110,000
(Print)	61,700	70,200
(Digital)	51,600	39,800
Lianhe Zaobao		
(Print + Digital)	188,600	162,700
(Print)	143,000	148,600
(Digital)	45,600	14,100
Lianhe Wanbao		
(Print + Digital)	102,000	90,200
(Print)	70,800	82,500
(Digital)	31,200	7,700
Shin Min Daily News		
(Print + Digital)	100,300	120,200
(Print)	100,100	120,200
(Digital)	200	0
Tamil Murasu / Tamil Murasu Sunday	11,300	12,800
zbCOMMA²	40,400	52,800
Thumbs Up²	21,200	22,400
Thumbs Up Junior²	11,600	12,700
Thumbs Up Little Junior²	37,100	36,800

Notes:

1. With effect from 1 March 2016, all subscriptions to our All-in-One packages are counted as the sale of one print copy and one digital copy. Prior to 1 March 2016, such subscriptions were counted as the sale of one print copy and three digital copies, in line with Audit Bureau of Circulation's (ABC) rules. With the implementation of new cover prices of our newspapers and All-in-One packages on 1 March 2016, we have had to change the basis of our circulation count and have obtained ABC's endorsement for the new method. For comparative purposes, copy sales for Aug-15 had been restated accordingly.

2. Figures are reported on a per issue basis.

FINANCIAL REVIEW

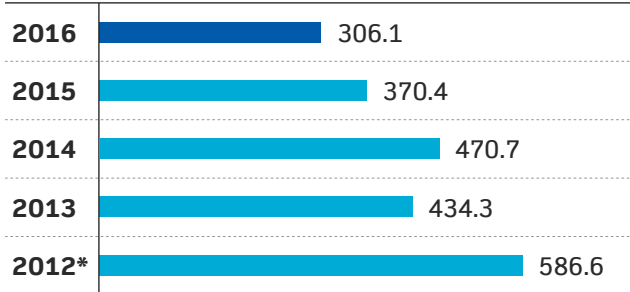
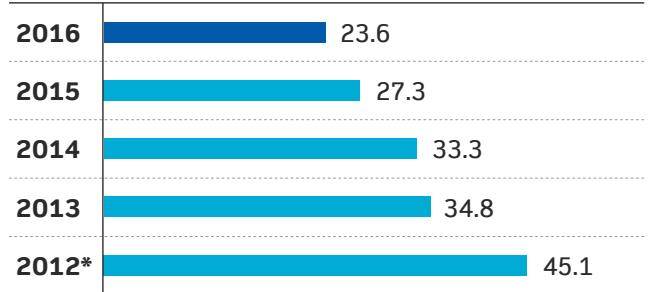
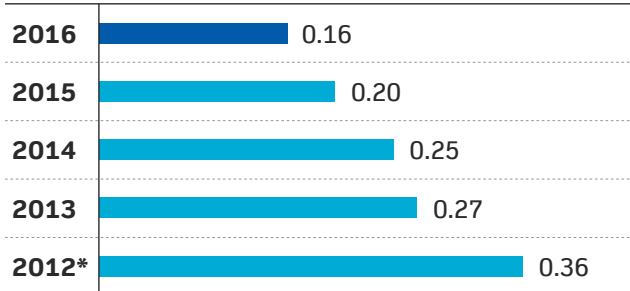
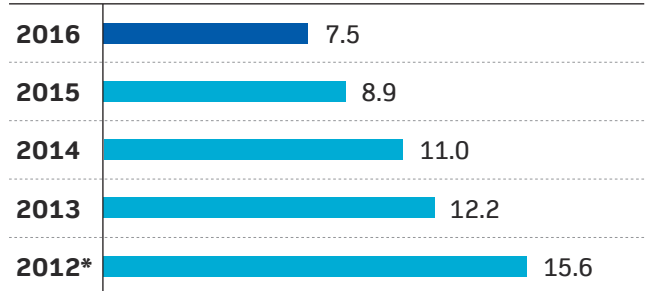
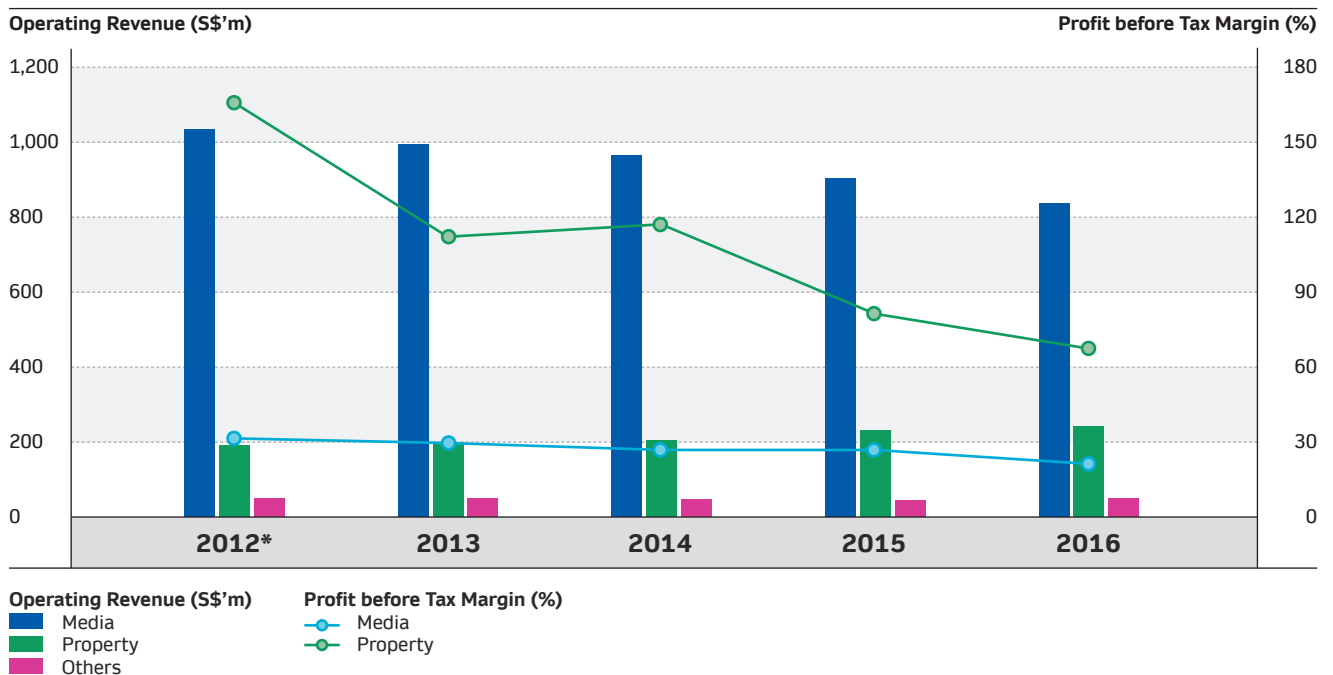
Group Simplified Financial Position

	2016 S\$'000	2015 S\$'000	2014 S\$'000	2013 S\$'000	2012* S\$'000
Assets					
Property, plant and equipment	219,523	249,976	285,562	331,778	362,548
Investment properties	3,963,000	3,940,951	3,860,451	3,672,565	3,517,147
Investments	1,134,961	1,184,114	1,716,333	1,557,332	884,741
Intangible assets	149,312	188,595	173,152	171,357	133,900
Cash and cash equivalents	312,894	292,246	442,937	465,398	372,459
Trade and other receivables	142,684	196,580	148,115	150,761	186,889
Inventories	21,225	12,477	23,947	23,890	27,079
Other assets	289	5,103	899	273	596
Total	5,943,888	6,070,042	6,651,396	6,373,354	5,485,359
Shareholders' interests					
Capital and reserves	3,517,326	3,618,813	3,687,095	3,536,480	3,680,160
Non-controlling interests	724,078	727,837	709,088	679,226	73,016
Liabilities					
Borrowings					
Non-current	1,197,399	947,271	879,107	1,738,222	1,280,322
Current	99,954	336,681	926,369	2,721	3,293
Trade and other payables					
Non-current	43,444	48,199	34,875	34,026	32,953
Current	245,665	271,171	298,046	268,969	278,683
Taxation					
Deferred	47,372	50,658	46,901	41,318	47,227
Current	56,271	62,331	60,502	69,613	81,856
Other liabilities	12,379	7,081	9,413	2,779	7,849
Total	5,943,888	6,070,042	6,651,396	6,373,354	5,485,359

* With effect from FY2013, the Group changed its accounting policy for investment properties from cost to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements for FY2012 were restated.

Group Quarterly Results

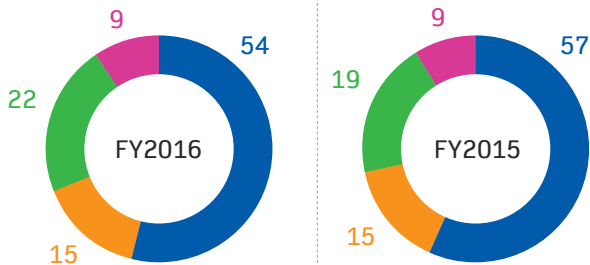
	2016					2015				
	1st Qtr S\$'000	2nd Qtr S\$'000	3rd Qtr S\$'000	4th Qtr S\$'000	Full Year S\$'000	1st Qtr S\$'000	2nd Qtr S\$'000	3rd Qtr S\$'000	4th Qtr S\$'000	Full Year S\$'000
Operating revenue	296,206	259,297	291,579	277,267	1,124,349	307,057	270,294	306,789	292,940	1,177,080
Operating profit	98,984	68,123	60,770	77,292	305,169	102,344	67,993	105,192	77,971	353,500
Profit before taxation	107,508	74,636	77,916	100,981	361,041	95,990	91,993	125,406	116,856	430,245
Profit attributable to shareholders	81,324	54,131	52,656	77,182	265,293	69,350	69,622	98,214	84,515	321,701
Earnings per share (S\$)	0.05	0.03	0.03	0.05	0.16	0.04	0.04	0.06	0.06	0.20

Profit after Taxation (S\$'m)**Return on Operating Revenue (%)****Earnings Per Share (S\$)****Return on Equity (%)****Segmental Operating Revenue and Profit Margin**

* With effect from FY2013, the Group changed its accounting policy for investment properties from cost to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements for FY2012 were restated.

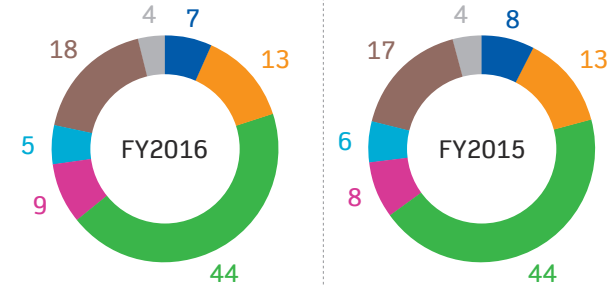
FINANCIAL REVIEW

Operating Revenue Composition (%)



- Advertisements (Media)
- Circulation
- Rental & Services
- Other Revenue

Operating Expenditure Composition* (%)



- Newsprint
- Other Materials, Production & Distribution Costs
- Staff Costs
- Premises Costs
- Depreciation
- Other Operating Expenses
- Finance Costs

* Excluded impairment charges on goodwill and intangibles

Group operating revenue of S\$1,124.3 million was S\$52.7 million (4.5%) lower compared to FY2015. Revenue for the Media business declined S\$68.3 million (7.6%) to S\$834.2 million, as advertisement and circulation revenue fell S\$61.5 million (9.2%) and S\$5.3 million (3%) respectively.

Revenue for the Property segment rose S\$10.6 million (4.6%) to S\$241.3 million on higher rental and services revenue from the retail assets of the Group, including The Seletar Mall which commenced business on November 28, 2014.

Revenue from the Group's other businesses grew S\$5 million (11.4%) to S\$48.8 million with contributions from the exhibitions and online classifieds businesses.

Total costs of S\$847.9 million was S\$3.3 million (0.4%) lower compared to FY2015.

Materials, production and distribution costs fell S\$10.5 million (6%) in line with lower revenue.

Staff costs decreased by S\$9.1 million (2.4%) due to bonus provision.

Impairment charges of S\$28.4 million recognised during the year primarily related to the magazine business whose performance was affected by unfavourable market conditions. Impairment charges of S\$9.1 million were recognised in FY2015.

Operating profit of S\$305.2 million was S\$48.3 million (13.7%) lower compared to FY2015.

Fair value gain on investment properties of S\$11.8 million relates mainly to the increase in valuation of the retail assets of the Group. The fair value gain recognised last year amounted to S\$36.3 million.

Investment income of S\$51.8 million was flat year-on-year. Lower gains from sale of investments and dividend income were offset by foreign exchange differences on hedges for portfolio investments.

The share of results of associates and joint ventures improved by S\$3.5 million (31.3%) due to reduced losses from the regional online classifieds business.

Net profit attributable to shareholders of S\$265.3 million was S\$56.4 million (17.5%) lower compared to FY2015. Excluding impairment charges, net profit would have fallen by S\$37.1 million (11.2%).

VALUE ADDED STATEMENT

for the financial year ended August 31, 2016

	2016 S\$'000	2015 S\$'000
Sale of goods and services	1,124,349	1,177,080
Purchase of materials and services	(302,863)	(312,238)
Value added from operations	821,486	864,842
Non-production income and expenses:		
Net income from investments	51,753	51,707
Share of results of associates and joint ventures	(7,704)	(11,220)
Allowance for impairment of trade receivables	(598)	(370)
Bad debts recovery	167	251
Net loss on disposal of property, plant and equipment	(374)	(150)
Impairment of intangible assets (including goodwill)	(28,358)	(9,069)
Gain/(loss) on divestment of associates and joint venture	113	(459)
Write-back of allowance for impairment of an associate	259	-
Net foreign exchange differences from operations	1,392	(657)
Total value added	838,136	894,875
Distribution:		
Employees' wages, provident fund contributions and other benefits	372,738	379,950
Corporate and other taxes	81,250	82,093
Finance costs	31,271	33,620
Donation and sponsorship	1,156	2,895
Directors' fees	1,596	1,529
Net dividends to shareholders	322,818	339,348
Total distributed	810,829	839,435
Retained in the business:		
Fair value change on investment properties	(11,823)	(36,258)
Depreciation and amortisation	55,809	60,624
Non-controlling interests	40,846	48,721
Retained earnings	(57,525)	(17,647)
	838,136	894,875
Productivity ratios:		
	S\$	S\$
Value added		
Per employee	193,792	201,877
Per \$ employment costs	2.20	2.28
Per \$ investment in property, plant and equipment (before depreciation)	0.82	0.87
Per \$ operating revenue	0.73	0.73

INVESTOR RELATIONS

Investor Relations

It is our belief that our commitment to a high standard of corporate governance practices, together with a demonstrated performance track record, are instrumental to creating sustained value for stakeholders. Guided by the principles of transparency and accountability, our Investor Relations (IR) practices are designed and developed to facilitate engagement with stakeholders and to safeguard their interests, by maintaining regular, effective and fair communication through clear, consistent and timely updates.

With the above in mind, our IR programme comprises a full suite of IR activities every year to reinforce long-term relationship with stakeholders. Feedback and insights garnered are regularly reported to the Board of Directors, alongside updates on shareholder statistics and views from investors and analysts.

Our IR effort to promote transparency and help investors in making informed decisions was once again recognised by the investing community, with SPH being named runner up for the “Most Transparent Company” award at the Securities Investors Association (Singapore) [“SIAS”] Investors’ Choice Awards 2015. With this, SPH has won the award 15 times including runner up position on three other occasions, which attests to the importance SPH placed on corporate governance and transparency. We are humbled by the trust accorded by the investing community and will strive to build on the rapport which we enjoy with investors.

Engaging the investing community

SPH’s senior management plays an active role in engaging the investing community, given the emphasis on the long-term strategic relationship with our investors. The company utilises multiple platforms to engage investors and provide them with an in-depth understanding of the group’s business performance, prospects and challenges.

As part of the outreach programme for institutional investors, our senior management participates in major investor conferences and events, which include the Credit Suisse Asian Investment Conference in Hong Kong and Morgan Stanley Asia Pacific Summit in Singapore. In addition, senior management and IR team also address institutional investors on a regular basis via quarterly post-results investor meetings, face-to-face meetings and conference calls.

Retail investors constitute an equally important facet of the investing community. We collaborate closely with external partners such as SIAS to address the collective need of retail investors. This includes participation in various public forums such as SIAS Corporate Connect Seminar and the annual Invest Fair organised by Shareinvestor. In addition, the IR team also addresses the concerns of retail investors through email and telephone enquiries.

For latest updates, shareholders are encouraged to access our corporate website at www.sph.com.sg. Queries can also be posted via our Investor Relations email address, sphir@sph.com.sg

Investor Relations Calendar

1st Quarter 2016 (September – November 15)

- 2015 Full Year Financial Results Announcement and Media Conference & Analysts' Briefing with audio webcast
- Full Year Results Investor Meeting
- ▶ Morgan Stanley Asia Pacific Summit 2015 (Singapore)
- Release of Annual Report 2015

3rd Quarter 2016 (March – May 16)

- ▶ Credit Suisse Asian Investment Conference (Hong Kong)
- Announcement of 2Q/HY FY2016 Results and Analysts' Briefing with audio webcast
- Post 2Q Results Investor Meeting
- ▶ SIAS Corporate Connect Seminar

2nd Quarter 2016 (December 15 – February 16)

- Annual General Meeting
- Payment of 2015 Final Dividends
- Announcement of 1Q FY2016 results
- Post 1Q Results Investor Meeting

4th Quarter 2016 (June – August 16)

- Announcement of 3Q FY2016 Results
- Post 3Q Results Investor Meeting
- ▶ Invest Fair 2016

▶ *Investor conferences and events attended*

Financial Calendar

2016

- 14 October**
Announcement of FY2016 Results
- 9 December**
Record Date for Dividend Entitlement
- 23 December**
Proposed Payment of 2016 Final Dividends

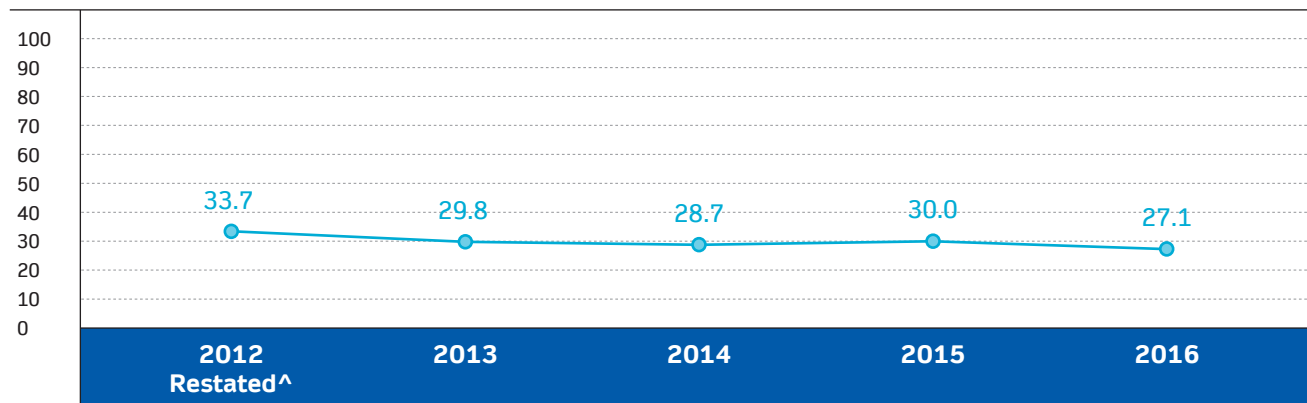
2017*

- 13 January**
Announcement of 1Q FY2017 Results
- 12 April**
Announcement of 2Q/HY FY2017 Results
- 14 July**
Announcement of 3Q FY2017 Results
- 11 October**
Announcement of FY2017 Results

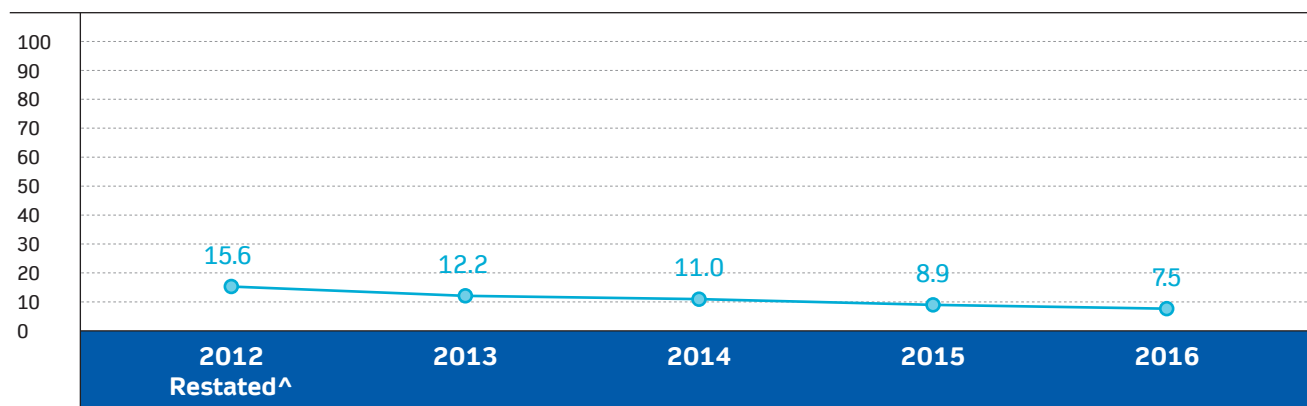
* *The dates are indicative and subject to change. Please refer to SPH website, www.sph.com.sg, for the latest updates.*

INVESTOR REFERENCE

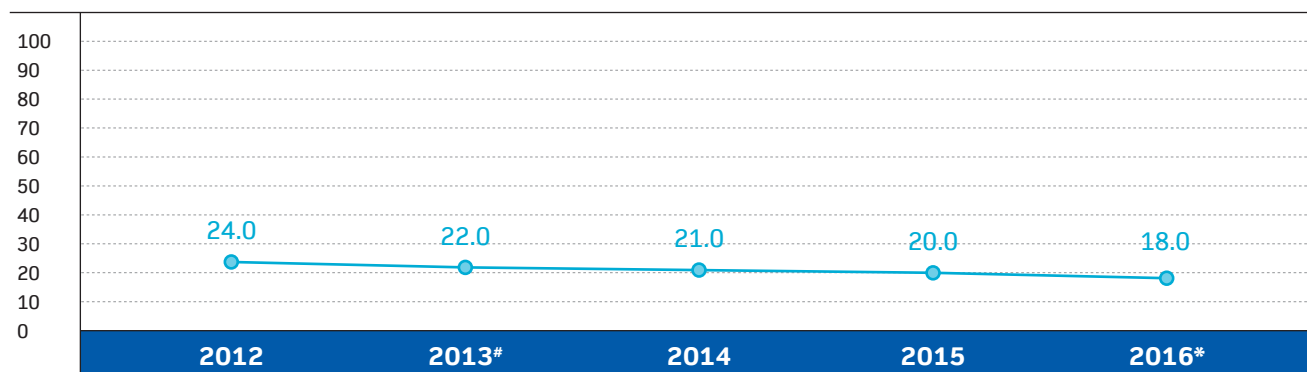
Operating Margin⁺ (%)



Return on Shareholders' Funds (%)



Dividend per Share (cents)



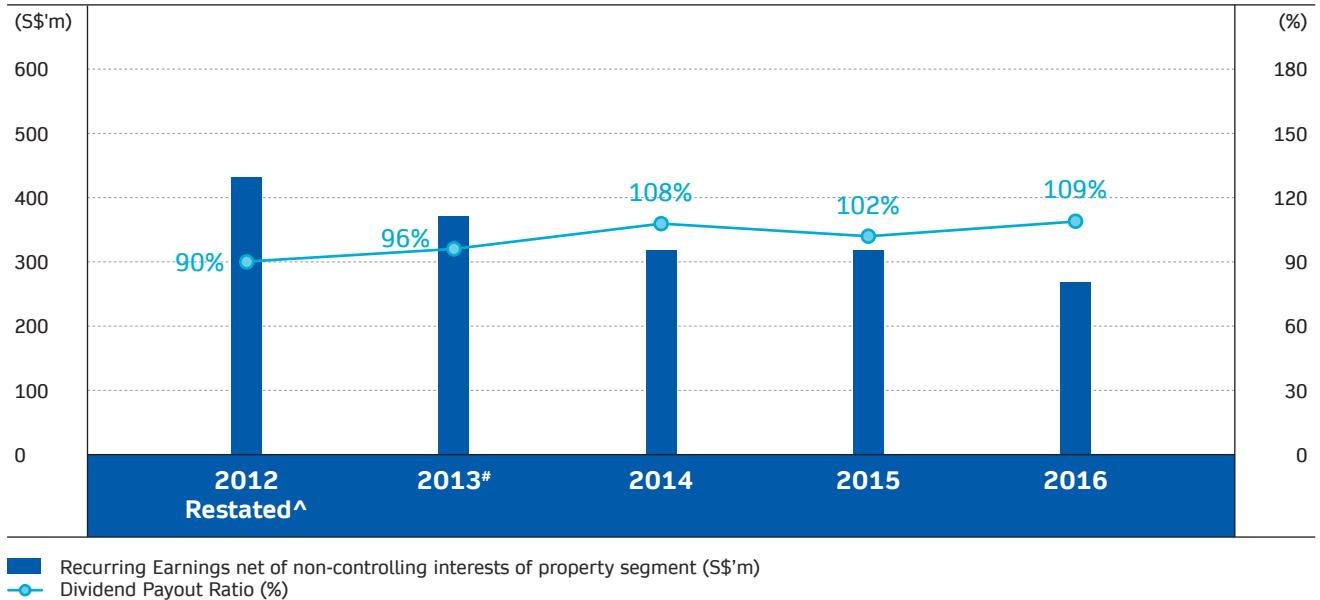
⁺ Computed based on Group recurring earnings.

[^] With effect from FY2013, the Group changed its accounting policy for investment properties from cost to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements for FY2012 were restated.

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

^{*} Included interim dividend of 7 cents per share, and proposed final dividend of 11 cents per share comprising a normal dividend of 8 cents per share and a special dividend of 3 cents per share. The proposed dividend is subject to approval by shareholders at the Annual General Meeting on December 1, 2016.

Recurring Earnings[@] and Dividend Payout Ratio⁺



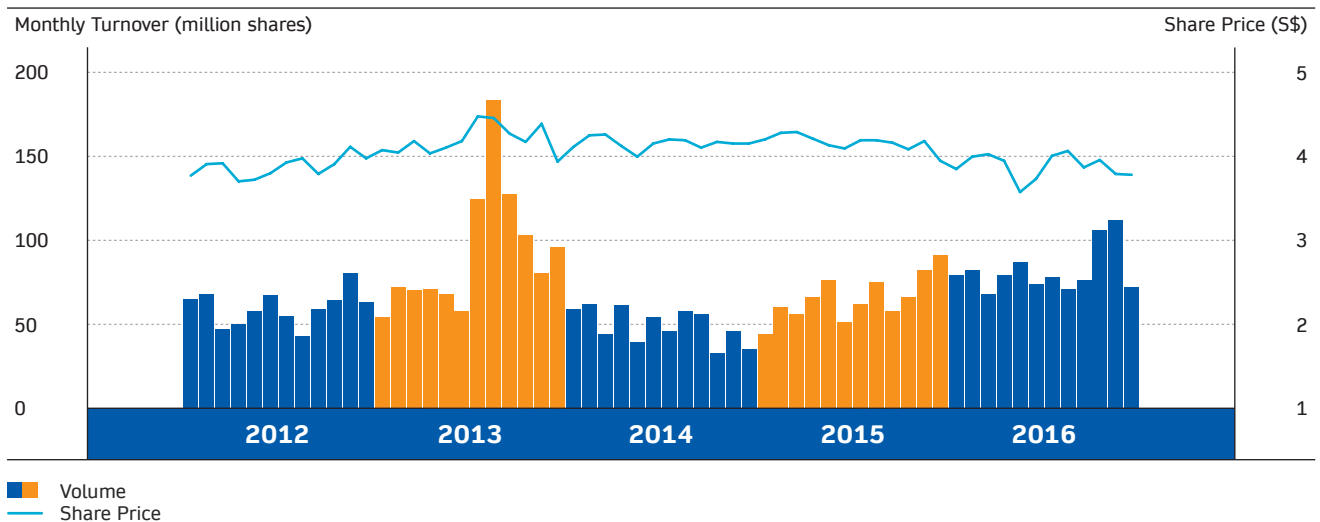
[@] This represents the recurring earnings of the media, property and other businesses.

⁺ Computed based on Group recurring earnings net of non-controlling interests of property segment.

[^] With effect from FY2013, the Group changed its accounting policy for investment properties from cost to fair value model. The change was applied retrospectively and accordingly, the comparative financial statements for FY2012 were restated.

[#] Computation excluded special dividend of 18 cents paid pursuant to the establishment of SPH REIT.

Share Price and Volume



	2012 S\$	2013 S\$	2014 S\$	2015 S\$	2016 S\$
Highest closing price	4.12	4.65	4.29	4.34	4.15
Lowest closing price	3.61	3.91	3.93	3.88	3.50
August 31 closing price	3.97	3.93	4.15	3.94	3.77
Price/Earnings Ratio based on August 31 closing price	11.03	14.56	16.60	19.70	23.56

Source : Bloomberg

CORPORATE INFORMATION

EXECUTIVE COMMITTEE

Lee Boon Yang (Chairman)
Bahren Shaari
Quek See Tiat
Lucien Wong Yuen Kuai
Chan Heng Loon Alan

AUDIT COMMITTEE

Bahren Shaari (Chairman)
Janet Ang Guat Har
Quek See Tiat
Tan Chin Hwee

BOARD RISK COMMITTEE

Quek See Tiat (Chairman)
Janet Ang Guat Har
Ng Yat Chung
Tan Chin Hwee
Tan Yen Yen

NOMINATING COMMITTEE

Ng Ser Miang (Chairman)
Lee Boon Yang
Chong Siak Ching
Lucien Wong Yuen Kuai

REMUNERATION COMMITTEE

Lee Boon Yang (Chairman)
Chong Siak Ching
Tan Yen Yen
Lucien Wong Yuen Kuai

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

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Co.Reg.No. 198402868E

SHARE REGISTRATION OFFICE

Tricor Barbinder Share
Registration Services
80 Robinson Road, #02-00
Singapore 068898
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SUSTAINABILITY REPORT

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SUSTAINABILITY REPORT

THIS REPORT FOCUSES ON THE SUSTAINABILITY PRACTICES AND STRATEGY OF SPH AND ITS SUBSIDIARIES (THE GROUP). IT COVERS THE GROUP'S APPROACH AND MEASURES IN MANAGING THE SOCIAL, GOVERNANCE, ECONOMIC AND ENVIRONMENTAL ASPECTS OF OUR BUSINESS OPERATIONS.

THIS IS THE GROUP'S FIFTH REPORT SINCE 2012.

To drive SPH's sustainability strategy, a sustainability reporting committee was formed, comprising representatives from different divisions and business units.

With the endorsement of senior management and coordinated by the Corporate Communications & CSR Division, the committee undertook a stakeholder and materiality analysis across divisions and businesses. This allowed the committee to assess the key issues and ensure that all social, governance, economic and environmental considerations are taken into account in its sustainability efforts.

In January 2016, SPH took part in, and gave its feedback on the Singapore Exchange Limited's (SGX) public consultation exercise on the introduction of sustainability reporting on a "comply or explain" basis to all listed companies.

In anticipation of SGX making sustainability reporting mandatory from 2018, SPH appointed KPMG as its consultant to guide the Group in its sustainability reporting journey.

SPH will work progressively towards enhancing the Group's disclosure processes, performance targets and data-collation systems for a more robust Sustainability Report in the years to come.

Key Material Factors

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

SPH is Asia's leading media organisation, engaging minds and enriching lives across multiple languages and platforms. It also has other businesses like Events and Exhibitions, Book Publishing, Out-of-Home Advertising and Properties.

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

Behind every satisfied customer is a dedicated SPH 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 support a diverse spectrum of social and environmental projects that contribute to the well-being and development of the community. Both have won numerous accolades and touched many lives as part of their many corporate social responsibility efforts.

Stakeholder Engagement

SPH is committed to building lasting and mutually beneficial relationships with its stakeholders.

It maintains active engagement with them through open communication channels, thereby earning their trust and understanding over time.

It employs both formal and informal means to understand its stakeholders' concerns, secure their buy-in and manage their expectations promptly.

SPH believes that the unstinting support of its stakeholders is the key to its continued success. The table below shows the various stakeholders of the Group.

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	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.	SPH has open communication channels with the unions and engages them on both official and non-official occasions.
Customers	To provide on-time delivery of newspapers and up-to-date, reliable news and content, anytime and anywhere.	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.
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.</p> <p>Implemented Procurement-to-Payment System in February 2016, 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-made its advertising and promotions efforts to reach out to the various segments of shoppers.</p>
Business partners	To engage in collaborative partnerships to grow the business.	By reaching out to suitable partners to pursue mutually beneficial business objectives to achieve growth and profitability.

SUSTAINABILITY REPORT

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 and sponsoring environmental projects such as the Amazon Flooded Forest at the River Safari.</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>By 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 impacts, and supporting charitable causes.

Trade membership

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

- AdAsia
- Adbase Users Group
- Advertising Standards Authority of Singapore
- ASEAN Newspaper Printers
- Association of Media Owners (Singapore)
- Audit Bureau of Circulations
- 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
- Institute of Advertising Singapore
- Institute of Internal Auditors
- Institute of Policy Studies
- Institute of Public Relations Singapore
- Institute of Technical Education
- International Classified Media Association
- International News Media Association
- Interactive Advertising Bureau SEA (Singapore Chapter)
- Internet and Mobile Marketing Association of the Philippines
- Investor Relations Professionals Association (Singapore)
- Media Publishers Association Singapore
- Malaysia Digital Association
- Marketing Institute of Singapore
- Master Printing System Club
- 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 International Chamber of Commerce
- Singapore Institute of Directors
- 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
- The Society of Publishers in Asia
- Workplace Safety and Health Council
- World Association of Newspapers and News Publishers

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.

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 is chaired by Dr Lee Boon Yang, and comprises Mr Lucien Wong, Mr Bahren Shaari, Mr Quek See Tiat and Mr Chan Heng Loon Alan.

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).

CORPORATE GOVERNANCE REPORT

Board Attendance

The Board meets on a quarterly basis and as warranted by particular circumstances. The Board met six times in the financial year ended 31 August 2016 ("FY2016"), of which four were the regular quarterly meetings and two 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 95. 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 responsibilities.

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 briefed on the Company's corporate governance practices, 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.

Directors are informed and encouraged to attend relevant training programmes conducted by the Singapore Institute of Directors, Singapore Exchange Limited, and business and financial institutions and consultants.

For FY2016, Directors were provided with training in the areas of audit committee duties and sustainability reporting, in addition to updates on internal controls and regulatory requirements such as the Singapore Exchange Securities Trading Limited ("SGX") Listing Manual, Companies (Amendment) Act 2014 and the Personal Data Protection 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

Currently, the Board comprises 11 Directors, all of whom, except for the Chief Executive Officer (“CEO”), are non-executive and independent Directors. Each Director has been appointed on the strength of his/her calibre and experience. As a group, the Directors possess core competencies such as accounting, finance, legal, business or management experience, industry knowledge and strategic planning experience. The Directors have decided that as a guide, the Board should have a maximum of 12 Directors, given that the optimum size of a Board for effective deliberation and decision making is between 10 and 12.

SPH ranked second in a recent report by the Diversity Action Committee on “Women on Boards: Tackling the Issue”, with 30% of female Directors on its Board, as at end June 2016.

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 10 out of 11 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 Lucien Wong and Ms Janet Ang.

In relation to Mr Lucien Wong, the NC has determined that as Mr Wong did not have 10% or more share in the law firm, Allen & Gledhill, of which he is a partner, and that as the total fees and disbursements received by the law firm from the Group in FY2016 did not constitute a significant proportion of the firm's total legal fees even though they exceeded S\$200,000, his independence had not been compromised.

In addition, the NC determined that although IBM had transactions with SPH of more than S\$200,000 in FY2016, the independence of Ms Janet Ang who is employed as Vice-President of Systems of Engagement & Smarter Cities, IBM Asia Pacific, had not been compromised. This was because Ms Ang did not own 10% or more stake in IBM, and further IBM's business with SPH comprised less than 0.5% of IBM's total revenue.

For the above reasons, the NC has determined Mr Wong 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 26 to 29 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.

Non-executive Directors meet regularly without the presence of Management.

CORPORATE GOVERNANCE REPORT

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 is chaired by Mr Ng Ser Miang and comprises Dr Lee Boon Yang, Ms Chong Siak Ching and Mr Lucien Wong.

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.

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.

CORPORATE GOVERNANCE REPORT

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 FY2016, 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 111 of the Company's Constitution requires one-third of the Directors, or 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 and the CEO to ensure the progressive and orderly renewal of the Board.

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, taking into account 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 the Management.

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), Mr Lucien Wong, 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 (“Share Plan”) and, until its expiry on 16 December 2015, the Singapore Press Holdings Group (1999) Share Option Scheme (“1999 Scheme”). The RC also reviews the remuneration framework (covering all aspects of remuneration including but not limited to Directors’ fees, salaries, allowances, bonuses, options, 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 FY2016.

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. Carrots Consulting Pte Ltd, the consultant engaged to advise on staff remuneration matters in FY2016, does not have such relationship with the Company. The other consultant, Mercer (Singapore) Pte Ltd, renders other consulting services to the Company, but the RC is of the view that such relationship will not affect the independence and objectivity of the consultant.

Level and Mix of Remuneration

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

The level and mix of remuneration for Directors and key Management is set out under Principle 9. 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.

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.

The Directors' fee structure for service on the Board and Board Committees 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 FY 2016 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)	–	29.92%	35.03%	1.27%	33.78%	2,914,000

* Based on the fair values of performance shares granted in FY2016.

Independent Directors Below S\$250,000						
Lee Boon Yang (Chairman)	210,000	–	–	–	–	210,000
Janet Ang	112,000	–	–	–	–	112,000
Bahren Shaari	141,500	–	–	–	–	141,500
Chong Siak Ching	96,000	–	–	–	–	96,000
Ng Ser Miang	94,500	–	–	–	–	94,500
Ng Yat Chung*	6,042	–	–	–	–	6,042
Quek See Tiat	153,000	–	–	–	–	153,000
Tan Chin Hwee	112,000	–	–	–	–	112,000
Tan Yen Yen	100,000	–	–	–	–	100,000
Lucien Wong Yuen Kuai	130,000	–	–	–	–	130,000

Note:

* Mr Ng Yat Chung was appointed as a Director on 1 August 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. Taking note of the competitive pressures in the talent market, the Board has, on review, decided not to disclose the names of the Company's top five executives. The remuneration of the CEO is set out above. The remuneration of the top five executives of the Company in each remuneration band for this financial year are set out below.

Remuneration Bands	No. of Executives	Base/Fixed Salary (%)	Variable or Bonuses (%)	Benefits in Kind (%)	Share-based* (%)	Total (S\$)
Between \$1,500,000 to \$1,749,999	1	37.17%	32.13%	0.03%	30.67%	100%
Between \$1,000,000 to \$1,249,999	1	40.52%	28.26%	0.05%	31.17%	100%
Between \$750,000 to \$999,999	3	46.57%	31.32%	4.11%	18.00%	100%

Note:

* Based on the fair value of performance shares granted in FY2016.

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 FY2016 is S\$5,329,000.

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.

Long Term Incentive Plan

The above remuneration bands include performance shares granted to staff under the Share Plan. The Share Plan was approved by shareholders at an Extraordinary General Meeting held on December 5, 2006 and 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 conditions include Absolute Total Shareholder Return versus cost of equity and Relative Total Shareholder Return against ST All-Share Index. Non-market conditions include Media Business EBITDA, 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-priced 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 an Economic-Value-Added or EVA-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. Key senior executives in the Group have been on this EVA-driven performance bonus scheme since the mid-2000s.

Further details on the 1999 Scheme and 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 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.

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 is made up of five non-executive and independent Directors, namely, Mr Quek See Tiat (Chairman), Mr Tan Chin Hwee, Ms Tan Yen Yen, Ms Janet Ang and Mr Ng Yat Chung. Mr Quek, 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 Risk Management Department implements the Group's risk management policies and processes, and develops the framework to assist the operating units in identifying, monitoring and managing the risks within the Group. The 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 Risk Management Department also oversees the SPH Sustainability Reporting Framework by monitoring environment, social and governance issues that impact the Company's performance and the long term sustainability of its business.

The Risk Management Report is found on page 96.

The Internal Audit Division ("IAD") has an annual audit plan, which complements that of the external auditors. IAD's plan 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 2016 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 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.

CORPORATE GOVERNANCE REPORT

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 four members, all of whom are independent non-executive Directors. The Chairman of the AC is Mr Bahren Shaari and its members are Mr Quek See Tiat, Mr Tan Chin Hwee and Ms Janet Ang.

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;
- (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.

CORPORATE GOVERNANCE REPORT

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 FY2016, and a breakdown of the fees paid in total for audit and non-audit services respectively, can be found on page 182.

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.

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. Under the multiple proxies regime introduced pursuant to the Companies (Amendment) Act 2014, 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.

CORPORATE GOVERNANCE REPORT

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 pages 66 and 67. 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.

All shareholders of the Company receive the summary report, and, on request, the full annual report, and notice of AGM, which is held within four months after the close of the financial year. The notice is also advertised in the newspapers. The summary report and the annual report are also available on the Company's corporate website, www.sph.com.sg.

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 AGMs

The Company is in full support of shareholder participation at AGMs. The AGM 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.

Resolutions are, as far as possible, structured separately and may be voted on independently. All voting is by electronic poll and conducted in the presence of independent scrutineers for greater transparency and efficiency in the voting process. The results of the electronic poll voting are published instantaneously at the meeting and announced through SGXNET after the AGM.

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.

Directors' attendance at Board and Board Committee Meetings (for the financial year ended 31 August 2016)

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

Note:

* Mr Ng Yat Chung was appointed as a Director and a Board Risk Committee member on 1 August 2016 and there were no Board and Board Risk Committee meetings in August 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 manage its risks across the organisation. The ERM is implemented by the operating units and support functions (Business Units) as part of their day-to-day operations.

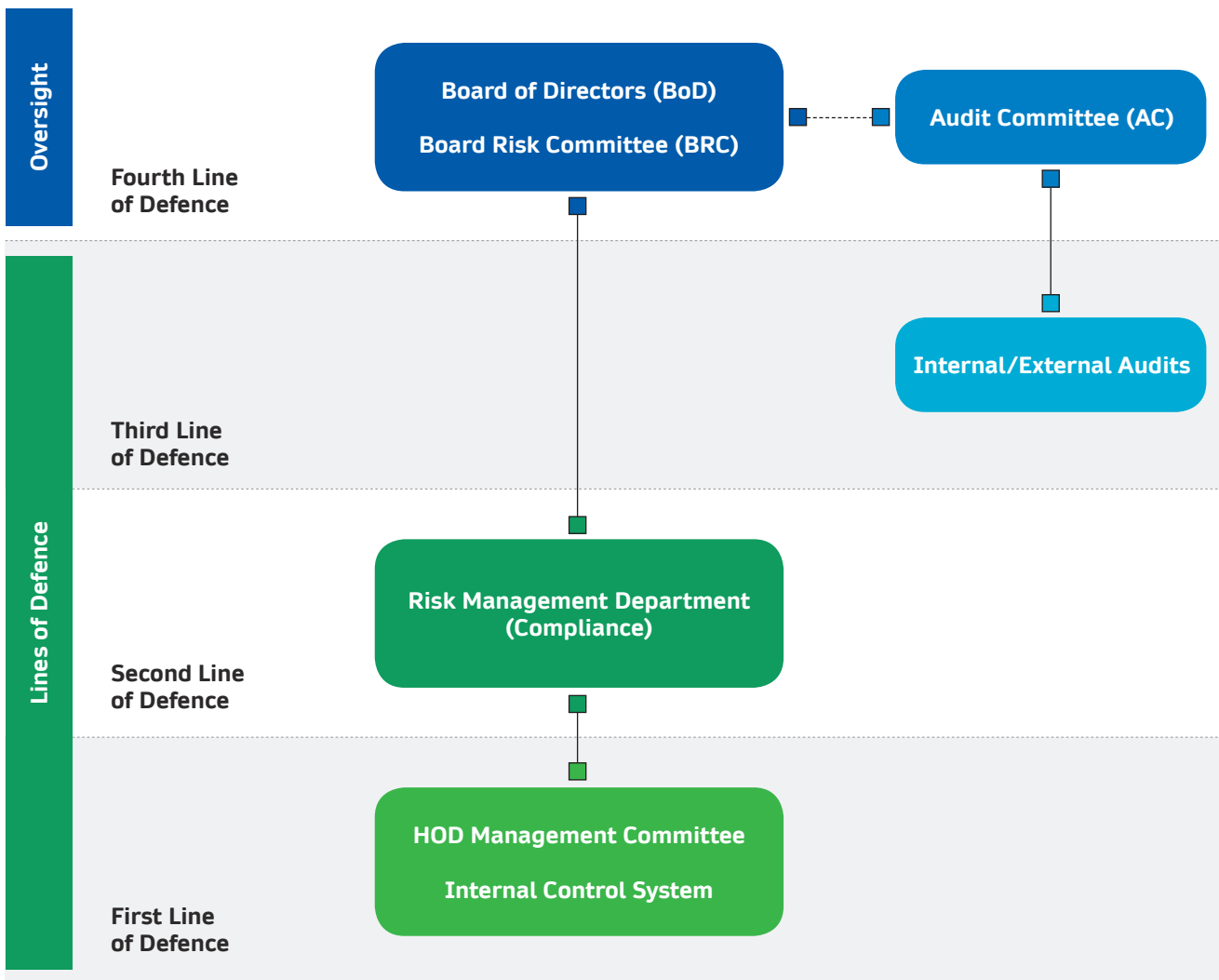
The SPH ERM framework was modelled largely on the ISO 31000:2009 Risk Management – Principles and Guidelines. Business Units carry out a risk review on a regular basis to ensure that risk registers are up-to-date and risk controls are enhanced and kept current.

The Board, through the Board Risk Committee, is overall responsible for the governance of risk and ensures that Management maintains a sound 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 Risk Management Department (RMD) oversees the SPH ERM framework and reports to the Board Risk Committee on the company’s risks under the categories of operational, financial, compliance and information technology management. 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 we 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.

Overview of SPH’s ERM Governance Structure



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 Board Risk Committee 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

As a large organisation with many functions and processes, SPH faces the risk of business operations failing due to human error.

SPH's system of internal controls is designed and operated to support the identification, evaluation and management of risks affecting the group at all operational levels. This system of internal controls focuses on the financial reporting process and the preparation of consolidated accounts and extends across all areas of operations. Operational risk management is integrated into the daily operations of all Business Units. These Business Units are provided with guidance by RMD in the identification, assessment, mitigation and monitoring of risks in their operations.

Technology & Cyber Risks

In order to sustain the Group's competitive edge in the media industry amidst rapid technology changes, SPH's Information Technology Division plays a vital role by facilitating a thorough understanding of evolving risks in technology and cyber security. It also implements tight controls within the corporate systems to address the threats. In this respect, 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. 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. Cybersecurity awareness education for staff is also implemented to strengthen the corporate defence behaviour towards potential hacking and other cyber crimes.

RISK MANAGEMENT

Regulatory/Compliance Risks

SPH's newspaper business is subject to 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 are also subject to the Broadcasting Act and its relevant Codes of Practice. Failure on its part to comply with the relevant Acts may subject SPH to significant liabilities, such as fines, suspension, or the revocation of the licence. In addition, SPH is also obligated to comply with other statutory and regulatory requirements such as the Singapore Exchange Listing Manual requirements, the Companies Act, the Securities & Futures Act, the Competition Act, and market practice codes prescribed by the Media Development Authority of Singapore.

In response to such statutory and regulatory requirements, SPH has also 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 to all office, warehouses, business and public services. In accordance with the new Energy Conservation Act, SPH will put in place controls at the main printing plant, to reduce energy consumption over the next five years using the energy consumption for 2013 as a base-line.

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 use, collection and distribution 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 recognizes 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 June and July 2016 which included simulation training for the newsroom and major Business Units like Marketing and Finance were conducted successfully. Following this Exercise, we proceeded to update and improve the Emergency Operations Plan. 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. A WhistleBlower Policy is published on the local network and internet (<http://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 IS COMMITTED TO BE A GOOD CORPORATE CITIZEN THAT CARES FOR THE ENVIRONMENT. WHILE ACHIEVING BUSINESS EXCELLENCE, IT ALSO SEEKS TO PROMOTE RESPONSIBLE AND SUSTAINABLE GROWTH ACROSS THE GROUP.

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.

SPH established a Green Steering Committee to review environmental objectives across the Group. It continually seeks out best practices to adopt and be more conducive to the environment.

Energy

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

Further energy efficiency works carried out at the Print Centre plant in 2014 and 2015 yielded energy reduction of 12.8 per cent and 24.1 per cent respectively. This reduction is well above the requirements under the NEA Energy Conservation Act. It maintained the same level of energy usage in 2016, as it did in 2015.

The SPH Production Division has submitted its third Energy Annual Report to NEA as required by the NEA Energy Conservation Act. Moving forward, it will explore further energy conservation opportunities within the Print Centre premises through the use of renewable energy sources or the upgrading of its old centrifugal chiller.

At News Centre and Media Centre, SPH conducted regular energy audit works and implemented environmental-friendly practices to promote energy conservation.

The following energy-saving measures are in the process of being implemented:

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

As part of the initiatives to meet the Green Mark Building's requirements, Paragon has been proactive in supporting environmental sustainability. The chiller decanting and replacement of new air-handling and fan coil units helped the mall achieve energy savings. The decommissioning of these older equipment opened up more mall space to be let out to prospective tenants.

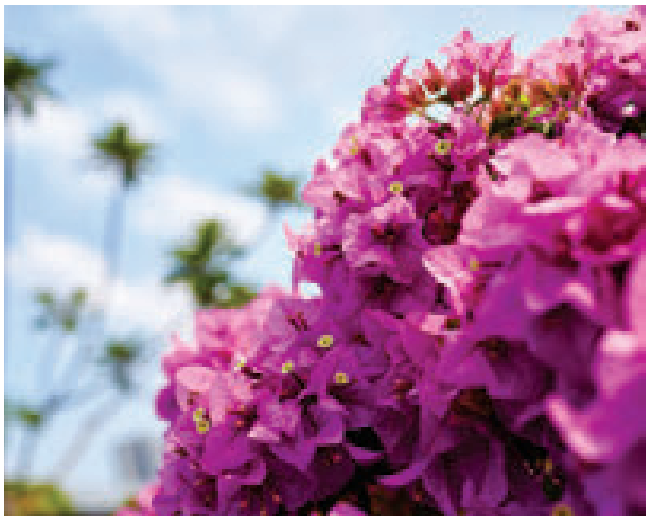
Lightings at The Clementi Mall have been changed to energy-saving LED ones which reduced the consumption of electricity.

The Seletar Mall will complete its energy audit by October 2016. As part of its pledge to be more green, the building facade lights and non-essential lighting were switched off in support of Earth Hour 2016.

A certified Green Mark Gold building, The Seletar Mall has a large clerestory skylight perched above the atrium which allows natural light to enter the mall. Roof gardens outside the food court and the Cineplex offer an outdoor experience with views of lush landscape and greenery.

All three malls have energy-efficient mechanical systems in place that reduce wasteful energy use. The car park areas have a mechanical ventilation system fitted with carbon dioxide (CO) sensors. The three malls are equipped with an energy-efficient air conditioning system. All malls have installed presence detection system in their toilets and staircases that automatically turn off lightings, and variable speed escalators that reduce speed automatically when there is no usage.

ENVIRONMENTAL RESPONSIBILITY



The SPH Data Centre consumed 14 per cent less energy (measured in kilowatt-hour or kWh) as compared to a year ago, even as the server computing power has increased significantly over the past years.

The reduction was achieved due to the following energy conservation initiatives:

- Server consolidation and virtualisation efforts which maximised server utilisation and reduced the number of physical servers needed. This resulted in lower energy consumption for computing power and cooling needs.
- A new DC UPS (or Uninterruptible Power Supply) system with a higher energy-efficiency rating was implemented.

Throughout the year, the Information Technology Division progressively deployed energy-efficient personal computers (PCs) to all SPH staff. New PCs purchased in FY2016 have a low power rating of 65 watts, which is the same as that of the 14-inch notebook, replacing the older PCs with a power rating of 210 watts.

Water

The SPH Production Division proactively monitors and reviews its water usage through regular checks and maintenance of the water supply network. It has conducted periodic upgrading of its piping network to prevent water leakages. To ensure efficient water usage, it also installed sensor taps and automatic flush urinals, dual-flush systems for toilets and thimbles in taps.

It upgraded its water consumption monitoring system to an online monitoring system. Replacing its positive displacement water meters with automatic meter-reading or AMR technology, the consumption and status data from water meters are transferred to a central database that facilitates billing, troubleshooting and analysis.

The water storage tanks are cleaned annually and stringent security measures are in place to prevent tampering, in accordance with the PUB water supply regulations. SPH Production Division continues with its rainwater harvesting efforts for non-potable uses.

In line with requirements by PUB, the SPH Production Division submitted its second Water Efficiency Management Plan report and appointed a Water Efficiency Manager.

At News Centre and Media Centre, water-efficient fittings and PUB-recommended flow rates for flushing systems are in place to reduce water consumption. Duty property officers also conduct regular maintenance checks on water supply installations such as cooling towers and water tanks to ensure that there is no water wastage caused by faulty pipe fittings, equipment or pumps. There are also daily checks to turn off under-utilised lighting within the two buildings, monitoring of room temperature settings and operating hours of air-conditioning units for optimal operating efficiency.

To save on water usage, the toilets in Paragon have water fittings that meet PUB's water-efficient guidelines and the mall is certified as a Water Efficient Building (Basic).

The Seletar Mall uses water-efficient fittings with a minimum of three ticks certification, under the Water Efficiency Labelling Scheme. The mall installed private meters to monitor the major water usage system, allowing for better control of water utilisation as well as assessing possible locations of leakage. A rainwater harvesting tank is used to collect rainwater for landscape irrigation. The use of the cooling tower water treatment system also reduces water consumption. Currently, piping works are being carried out to cater to the use of NEWater in the mall.



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 requirements spelt out by NEA and PUB. The remaining sludge is then collected and disposed of by a licensed disposal company approved by NEA.
- Non-Treatable Waste – All non-treatable waste is collected and disposed of by a licensed disposal company approved by NEA.
- Recyclable Waste – These include newsprint, aluminum printing plates, carton boxes, metal drums and plastic containers etc which are collected and sold for recycling purposes.

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 operating premises.
- Lush plants grown on News Centre's Roof Top Garden reduce heat and save air-conditioning costs.
- Auto dispensers for hand towels installed in all toilets help to reduce wastage and costs.
- Auto soap foam dispensers installed in all toilets help to reduce wastage and costs.

- Installation of landscape irrigation systems at the roof top gardens of News Centre and Media 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 building facades.

Reuse and Recycle

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

- Collection of furniture still in good condition for reuse in other divisions and subsidiaries.
- Collection and sale of disposed items such as PCs, furniture and electrical items.
- Collection and sale of empty drink cans.
- 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. Those that have no recyclable value will be disposed of. Items of recyclable value are packed, bundled and weighed before collection by the scrap contractor.
- Collection and sale of old carton boxes.
- A consolidated fleet of environmentally-friendly printers located group-wide which have print-on-demand and double-sided printing features. This helps to reduce carbon emissions and paper wastage.

EMPLOYEE RESPONSIBILITY

Workplace Safety and Health

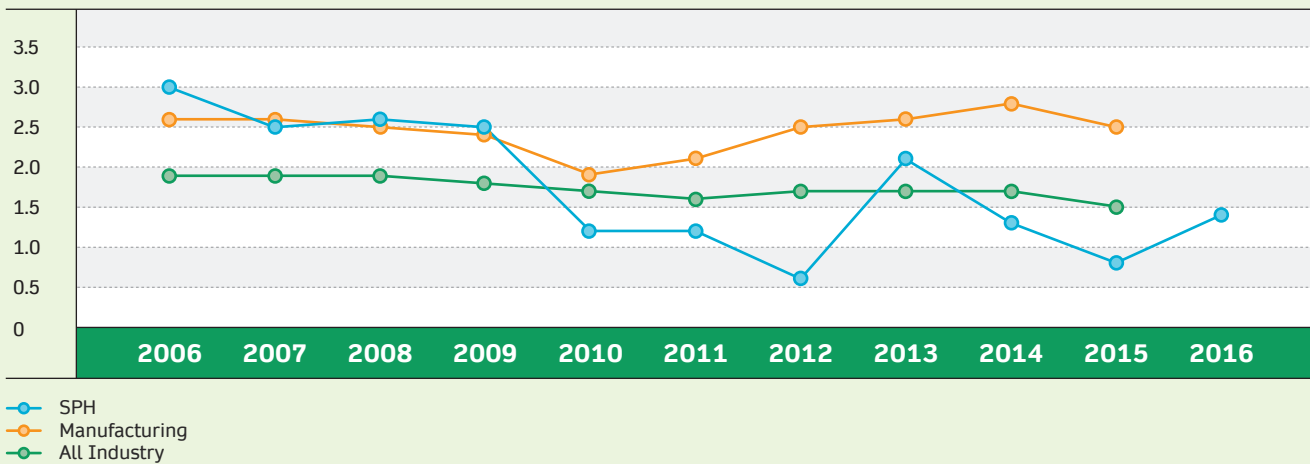
bizSAFE Certification

In August 2015, SPH embarked on its bizSAFE journey to reaffirm the Group's commitment to Workplace Safety and Health (WSH). In February 2016, SPH achieved bizSAFE 2 certification. An audit of SPH risk management implementation plan was conducted in the fourth quarter of 2016 to support the Group's application for bizSAFE 3 certification. The bizSAFE certification is an important WSH milestone for SPH and places the company in a leading position when competing for contracts and tenders.

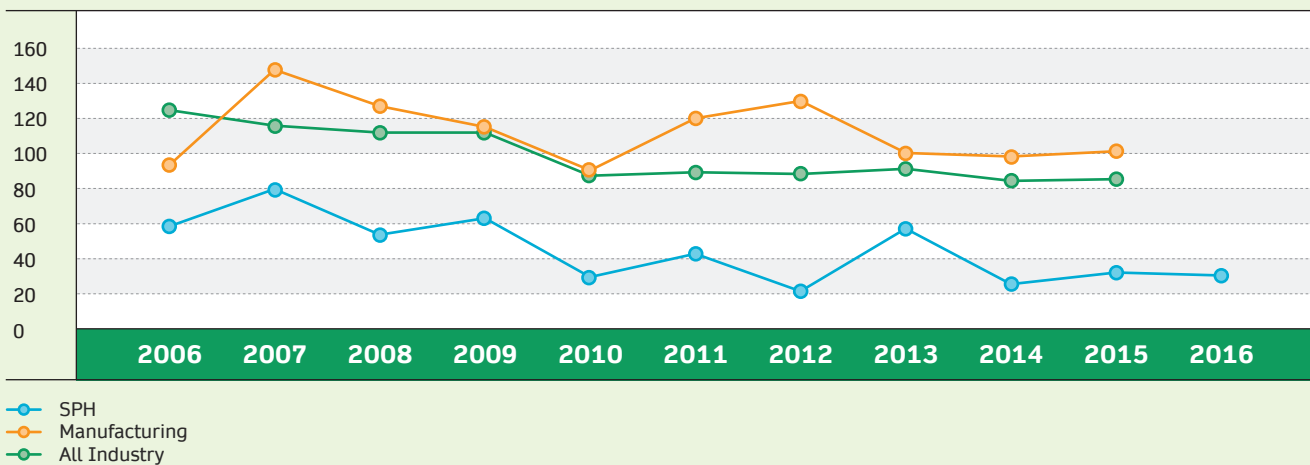
Providing a Safe Workplace

SPH is committed to provide a safe and healthy workplace for all staff. The safety team conducted its annual WSH review in January 2016 where WSH programmes such as safety promotion, safety inspection and accident investigation were assessed. This year, SPH achieved low Accident Frequency Rate (AFR) and Accident Severity Rate (ASR) scores, and out-performed the National Manufacturing Accident rates in both categories.

SPH Accident Frequency Rate (AFR)



SPH Accident Severity Rate (ASR)



* 2016 data is computed from 1st January 2016 to 31st August 2016 only.



Strengthening Emergency Response

SPH continued to enhance capabilities of its Company Emergency Response Teams (CERTs). It introduced a dedicated first-aid team into the present CERT structure. A new CERT room was also set up in News Centre which served as a storage of the CERT equipment and used for the training of the CERT staff.

In the first quarter of FY2016, in consultation with SCDF, the Emergency Response Plans for the three centres were revised. The revised response plans consolidated crisis response procedures for the various emergency scenarios into a single document, providing greater clarity and effectiveness during the execution phase.

In FY2016, the public announcement systems for News Centre and Media Centre were upgraded to enhance the quality of emergency announcements. The upgrading works of Print Centre's public announcement system is currently in progress.

SPH did well for the CERT audits for Print Centre and Media Centre. The CERTs from the two premises successfully renewed their annual certification awarded by SCDF.

Product Excellence

To meet the discerning needs of all stakeholders, SPH is consistently looking at product innovations and enhancements.

For example, SPH's Marketing Division started a series of initiatives known as Printnovation. It introduced the Interactive Newspaper where readers can interact and connect directly with advertisers when they are reading the newspapers on mobile devices. It also invested in a special printing technology where each newspaper copy can be customised to carry different advertisements on the same day by the same advertiser.

SPH's Production Division was recognised with three "Best in Print" awards at the Asian Media Awards held in India in September 2016. The awards were given out for the high standards that SPH adheres to in colour printing and production.

SPH's editorial newsrooms also garnered awards from regional and international competitions in areas such as best in overall newspaper design, photography, illustrations and online video.

FY2016 has also been a year of revamps for the Digital Division. The two Zaobao websites, Berita Harian, Shin Min Daily News, ZBBZ, Stomp, SPH Razor, AsiaOne and FastJobs were optimised to make them more user-friendly on mobile web browsers. The smartphone and tablet apps for sites such as The Straits Times and The Business Times were also made more intuitive for users.

EMPLOYEE RESPONSIBILITY



Employee Responsibility - Valuing human capital Our People

SPH is committed to nurturing 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 – **Excellence, Customer Focus, Integrity, Teamwork and Embracing Change (EXCITE)** – serve as an important guide for employees to embrace a corporate culture that is aligned to SPH's business aspirations.

Remuneration

SPH's compensation policy aims to attract, retain and develop employees through a flexible performance-based wage system that is responsive to changes in a volatile economic and business environment. This serves to motivate employees to achieve individual, division, and business targets. To ensure relevancy and competitiveness, SPH participates in yearly compensation surveys to benchmark the Group's pay structure and employees' pay to the market.

The Group reviews its total benefits package such as medical and dental coverage, health screenings, health and wellness programmes, group term insurance coverage, various types of leave and staff loans. This ensures that the package remains relevant and up-to-date.

As a family-friendly employer, the Group provides parent-care leave, extended paternity leave and childcare leave, on top of staff's current leave entitlement so that they can better meet family commitments.

Performance Management

SPH's online electronic performance management system puts employees through an annual performance review where there is an open discussion between the supervisor and the individual on work contributions for the year, areas for improvement, targets setting and developmental needs for the future. Besides providing transparency in assessing work performance and improvement in communication between the supervisor and the employee, the system also provides a platform to assist employees in their development through continuous learning and training opportunities.

This year, the performance management system was further enhanced to integrate the performance review process with the compensation and rewards process. This resulted in a seamless online system that provided easy access and retrieval of employee details.

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



Training and Development

Investment in staff training and development gives SPH the competitive edge for future growth and success. Through the training programs offered, employees can acquire relevant skills and expertise and professional qualifications. It is the Group's strong belief that training and development contributes to improvement in performance and productivity.

SPH's comprehensive training and development plan is reviewed annually to ensure that training requirements of its employees are met and changing business needs are addressed. The training development programmes include areas like on-boarding and induction, soft skills, functional skills, journalism and leadership development. Functional skills are designed to address the critical skills needed to drive the Group's business forward. Staff 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 to upgrade their skills and qualifications. A 360-degree feedback programme was also implemented to allow employees to solicit feedback from their colleagues. Specific intervention programmes as a follow-up from the 360-degree feedback review help employees work on their strengths and weaknesses.

Health and Sustainability

SPH believes that a physically and mentally healthy workforce results in happier and more productive employees. The Group has invested in a comprehensive healthcare and wellness support system, adopting a total healthcare approach by providing employees with medical and dental benefits, complemented with health and wellness programmes. SPH is a Gold Award recipient of the Singapore Health Awards given by the Health Promotion Board bi-annually, in recognition of its efforts to promote workplace health.

Staff can attend a wide variety of activities organised by the Sports and Leisure Club, ranging from regular health screenings, talks in financial management, stress management and understanding medical conditions. There are also regular exercise classes such as yoga, kettle bell training, piloxing, and muay thai. A Free Salad Day was also organised to encourage staff to pick up healthy eating habits.

To further encourage employees to participate in sports and facilitate camaraderie in the company, SPH Inter-Division tournaments are organised for a wide range of games throughout the year. These include Badminton, Basketball, Bowling, Cross-Country Running, Futsal, Pool, Table Tennis and Volleyball. This culminates in the presentation of the SPH Championship trophy to the division that scores the most points on SPH Games Day.

EMPLOYEE RESPONSIBILITY



SPH has a Chronic Disease Management Programme (CDMP) that assists employees with chronic diseases and obesity to follow up regularly with the Group's in-house doctors to monitor, improve, and reduce health risks.

Social and recreational activities are organised regularly. Monthly gatherings such as "Up On The Roof" allow employees to relax and mingle with fellow colleagues in an informal setting over food, drinks and games. At the annual SPH Family Day in August 2016, close to 2,000 employees and their family members participated in a fun-filled day at the Orto Park at Yishun. Monthly shuttle bus services are also arranged for staff to shop and dine at The Seletar Mall.

Popular with staff across the three centres, the annual Health Bazaar hosted over 20 vendors selling a wide range of products from organic food, sports equipment, sports drinks, apparel and other health and fitness-related products.

In August 2016, SPH took part in the ActiveSG Corporate Challenge organised by Sports Singapore, which pitted companies against each other in teams of five staff each, in various games and activities.

The Sports and Leisure Club is in the midst of rebranding itself to drive a greater sense of bonding among staff. Renamed Club Zest, there will be a new logo as well as enhancement works to the Club's equipment and facilities and the introduction of new activities.

Work Life Harmony

SPH provides employees with flexible work arrangements and a family-friendly working environment. These work arrangements include flexible working hours, part-time work and tele-commuting. The extension of no-pay leave, special arrangements for young parents and provision of nursing rooms for new mothers are examples of such family-friendly initiatives. These policies and practices help retain employees who may otherwise leave the company due to family commitments. In 2016, about one per cent of employees are on flexible work arrangements.

Grooming Future Talent

Identifying high potential talent to fill key management positions is an on-going process to build up the leadership pipeline of SPH. Development opportunities are provided for these future leaders to undergo a robust career development plan. This includes job rotation across different business functions and taking part in a coaching and mentoring programme. There is also a succession planning process which identifies employees with potential to prepare them for future leadership positions.

Besides developing current employees, SPH has a Management Associate programme in place to groom future leaders for SPH.

SPH also offers the SPH Journalism Scholarships, which are given out to successful applicants who wish to pursue a career in journalism for studies in top foreign and local universities.



In addition, SPH gives bond-free scholarships to children of staff and newspaper vendors. These awards are SPH's way of recognising the contributions of its staff and news vendors who have been instrumental to the Group's success.

The SPH Foundation Lim Kim San Memorial Scholarships are bond-free scholarships established in 2006 and aimed at students from modest backgrounds pursuing undergraduate studies in languages, linguistics and humanities at the local universities.

This year, a total of 38 scholarships were given out by SPH and the SPH Foundation.

Employee Communication and Engagement

Employee townhall sessions are conducted regularly by the CEO and the senior management team to communicate to employees on the latest company news and policy changes. Such sessions are also webcasted live to the other centres. Other communication channels include regular division and department meetings, staff broadcasts and the monthly in-house newsletter "Presslines", which is produced by the Corporate Communications & CSR Division.

Employee Turnover

SPH recognises the importance of managing employee turnover in its manpower-intensive industry. It has adopted various strategies to attract and retain valued employees. Besides ensuring that the remuneration package remains competitive, investments are made in training and development to equip employees with the necessary skills and prepare them for more challenging appointments. Staff welfare programmes and bonding events are also organised to keep employees engaged.

Employee turnover in SPH as of FY2016 was 11 per cent.

HR Statistics for SPH Group in FY2016

Employee Profile	Total	%
Permanent	3,586	94.4
Part Timers	50	1.3
Temp	164	4.3
Grand Total	3,800	100.0

By Gender	Total	%
Female	1,989	52.3
Male	1,811	47.7
Grand Total	3,800	100.0

By Age Group	Total	%
<30 yrs	692	18.2
30 - 40 yrs	1,036	27.3
41 - 50 yrs	970	25.5
>50 yrs	1,102	29.0
Grand Total	3,800	100.0

By Ethnicity	Total	%
Chinese	2,889	76.0
Indian	331	8.7
Malay	457	12.0
Others	123	3.2
Grand Total	3,800	100.0

By Nationalities	Total	%
Singaporean	3,241	85.3
Malaysian	271	7.1
Others	288	7.6
Grand Total	3,800	100.0

No. of Leavers versus Headcount	Total
No. of Leavers 1.9.2015 to 31.08.2016	388
No. of Employees as at 1.9.2015	3,635
Percentage of Leavers	10.7%

CORPORATE SOCIAL RESPONSIBILITY

AS A SOCIALLY RESPONSIBLE CORPORATE CITIZEN, SPH STRIVES TO GIVE BACK TO SOCIETY BY ACTIVELY ENGAGING ALL SEGMENTS OF THE COMMUNITY. ACCORDING TO THE 2016 SPH IMAGE PERCEPTION SURVEY, OVER 96 PER CENT OF THE RESPONDENTS SURVEYED ARE AWARE OF SPH'S CORPORATE SOCIAL RESPONSIBILITY EFFORTS ACROSS THE FIVE PILLARS OF ARTS & CULTURE, CHARITY & COMMUNITY, EDUCATION, NATURE & CONSERVATION AND SPORTS.

Incorporated with a seed funding of \$20 million from SPH in 2003, SPH Foundation, registered charity and Institution of Public Character, is likewise committed to building a community that embraces language enrichment, creativity, diversity, healthy living and sports.

The growing diversity of programmes and initiatives championed by SPH and SPH Foundation highlight its continued commitment towards corporate citizenry, in engaging minds and enriching lives through various activities and platforms.

Arts & Culture

The annual SPH Gift of Music series brings music to the masses through a series of free community concerts held at various locations around Singapore. Paying tribute to Singapore's musical talents, the SPH Gift of Music series provided a platform for local music groups to share their music with the community. From the Esplanade to the heartlands, parks and shopping malls, the concerts covered a range of music genres ranging from classical pop, jazz to opera.



The SPH Foundation Arts Fund, launched in 2011, has supported many local arts productions, giving the underprivileged the opportunity to enjoy and appreciate the arts. Tickets to these productions are purchased by SPH Foundation for beneficiaries from voluntary welfare organisations such as Chen Su Lan Methodist Children's Home, Down Syndrome Association and Geylang East Home for the Aged.

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

As part of SPH and SPH Foundation's annual charity cheque presentation, \$350,000 was donated to Community Chest in support of its underprivileged, elderly and disabled beneficiaries. SPH donated \$100,000 to charities recommended by the National Council of Social Service, such as Lions Befrienders, Thye Hua Kwan Care Provider, Shan You Counselling and Casework, SINDA Family Service Centre and South Central Community Family Service Centre. SPH Foundation donated \$250,000, of which \$150,000 was donated to the Special Education

Financial Assistance Scheme in aid of more than 1,000 disabled and special needs students from low income families. Other charities which benefitted from the donation included AWWA Community Integration Service, The Salvation Army's Kids in Play, Singapore Association for the Deaf and Cerebral Palsy Alliance Singapore.

Besides monetary donations, both SPH and SPH Foundation have given in-kind donations to different charitable causes and organisations over the year.

To encourage active volunteerism amongst staff and to enhance its public image as a good corporate citizen, the SPH Staff Volunteers Club was launched in 2010. Comprising members from various departments in SPH, the Club organised charity activities such as hosting a unique cat therapy session for 30 patients at Ang Mo Kio – Thye Hua Kwan Hospital in November 2015, distributing festive bags to 120 elderly one-room flat dwellers in Toa Payoh in January 2016 as part of the SPH Bags of Love initiative, and taking 40 elderly citizens on a charity outing to The Seletar Mall in September 2016. The Club organised other annual activities like the SPH Charity Carnival, Lunching in the Dark and SPH Food for Furry Friends.



CORPORATE SOCIAL RESPONSIBILITY

The SPH Red Apple Day, held in partnership with Singapore Red Cross Society, encourages SPH staff and members of the public to donate blood. Into its 16th year, the blood donation drive became a biannual event in 2011 to encourage more blood donations during festive periods when blood supplies are usually low.

SPH is a long-time supporter of the Boys' Brigade Share-A-Gift programme. SPH staff fulfilled more than 300 wishes and gave close to \$20,000 worth of contributions to three charitable organisations serving children beneficiaries. A year-end party was also held at the SPH News Centre for about 200 beneficiaries from Children-At-Risk-Empowerment Association (CARE Singapore).

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). As a founding member of the programme, SPH is recognised as a trailblazer in giving back to the community, championing and driving corporate giving in Singapore.

Besides giving as a Group, SPH's various products and business groups are also actively involved in community and charity projects to help those in need. 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 \$54 million in support of about 145,000 cases of needy children and youths.

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. Stepping into its new decade, the 11th edition of ChildAid raised almost \$2 million last year for the beneficiaries of The Straits Times School Pocket Money Fund and The Business Times Budding Artists Fund. Held at Marina Bay Sands in December 2015, the audience were treated to a jazzy concert.



The Chinese Media Group (CMG) has been organising fund raising events in support of the President's Challenge since 2002. This year, CMG raised \$203,000 through donations from donors and a fund-raising event called "A Colourful Evening @ Gardens by the Bay" in September 2016. The colouring event, which promoted family bonding, was graced by President Tony Tan Keng Yam and net proceeds from the registration fees were donated to beneficiaries under President's Challenge 2016.

Education

As part of its efforts to build up its human capital, SPH awarded the SPH Journalism Scholarships to seven outstanding individuals in 2016. SPH also gave out 16 scholarships to the children of SPH staff and newspaper vendors, in recognition of the staff's contributions to the company.

SPH Foundation gave out Lim Kim San Memorial Scholarships to 15 deserving students from modest backgrounds to fund their studies at local universities this year. Since its inauguration in 2006, the scholarships have been awarded to about 90 students studying languages, linguistics and humanities programmes.

For the fifth consecutive year, SPH Foundation was the Presenting Sponsor of "The Straits Times – Ministry of Education National Current Affairs Quiz 2016". The quiz encourages pre-university students to develop the habit of reading news publications and to pique their interest and raise awareness of current affairs.

SPH Foundation actively promotes the Chinese language through the sponsorships of Chinese journalism workshops such as the Young Reporters Camp for primary school students. Organised by Thumbs Up, a student publication under CMG, the camp provided primary school students (Primary 3 to Primary 6) with an understanding of Chinese journalism and equipped them with basic reporting skills. A three-day Chinese Language Media Workshop organised by NTU Wee Kim Wee School of Communication and Information, also introduced junior college students to Chinese language journalism across multiple platforms of print, broadcast and new media.



CORPORATE SOCIAL RESPONSIBILITY



Nature & Conservation

The SPH Flea Market, a collaboration between SPH and The Salvation Army, encourages staff to recycle usable items while raising funds for the charity at the same time. The bi-annual drive has raised more than \$15,000 for the beneficiaries of The Salvation Army to date.

SPH is the first corporate sponsor of the Garden City Fund's Plant-A-Coral programme, which is a community outreach initiative of the National Parks Board. SPH has sponsored 10 coral nubbins at the Sisters' Islands Marine Park and the donation is the first from the SPH Green Fund, which aims to support worthy conservation and environmental projects by schools, charities and local community groups.



As part of its conservation efforts, 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.

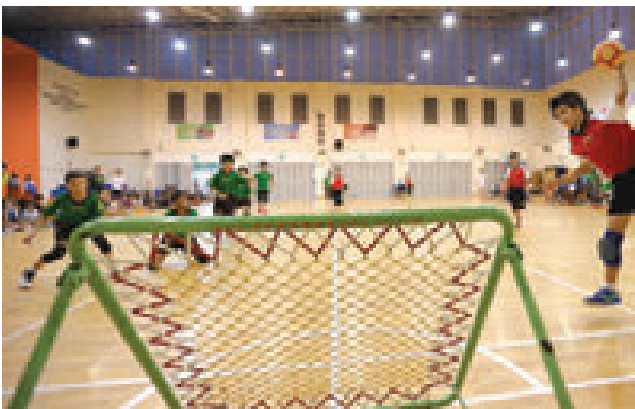
SPH Foundation is also the pioneer sponsor of the Special Projects to Understand Nature (SUN) Club, a partnership with the National Parks Board (NParks) that brings tailor-made nature appreciation projects to students with special needs.

Sports

SPH aims to promote lifelong values such as character building, discipline, teamwork and sportsmanship through its support of various sports events.

Partnering the Singapore Athletic Association, SPH hosted the SPH Schools Relays Championships at Bukit Batok Stadium in March 2016 which saw 37 schools taking part.

To promote a healthy lifestyle and inculcate values of sportsmanship and discipline among primary school students, SPH Foundation has been sponsoring the SPH Foundation National Primary Schools Tchoukball Championships since 2012.



SPH Foundation partnered the Singapore Disability Sports Council (SDSC) to host the sixth edition of the National Para-Swimming Championships, which saw more than 100 para-athletes from special schools, associations and clubs competing. The annual event is aimed at creating opportunities for persons with disabilities to swim at a competitive level.

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DIRECTORS' STATEMENT

for the financial year ended August 31, 2016

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, 2016 and the statement of financial position of Singapore Press Holdings Limited (the "Company") as at August 31, 2016.

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 121 to 206, 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, 2016, 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
Chan Heng Loon Alan
Janet Ang Guat Har
Bahren Shaari
Chong Siak Ching
Ng Ser Miang
Ng Yat Chung (appointed on August 1, 2016)
Quek See Tiat
Tan Chin Hwee
Tan Yen Yen
Lucien Wong Yuen Kuai

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 'Share Options in the Company' and 'Performance Shares in the Company' in this statement.

DIRECTORS' STATEMENT

for the financial year ended August 31, 2016

DIRECTORS' INTERESTS IN SHARES

3. The Directors holding office as at August 31, 2016 had interests in shares, and options 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, 2015*	Aug 31, 2016	Sept 21, 2016	Sept 1, 2015*	Aug 31, 2016	Sept 21, 2016
Singapore Press Holdings Limited						
<u>Management Shares</u>						
Lee Boon Yang	4	4	4	-	-	-
Chan Heng Loon Alan	12	8	8	-	-	-
Janet Ang Guat Har	4	4	4	-	-	-
Bahren Shaari	4	4	4	-	-	-
Chong Siak Ching	4	4	4	-	-	-
Ng Ser Miang	4	4	4	-	-	-
Ng Yat Chung	4	4	4	-	-	-
Quek See Tiat	4	4	4	-	-	-
Tan Chin Hwee	4	4	4	-	-	-
Tan Yen Yen	4	4	4	-	-	-
Lucien Wong Yuen Kuai	4	4	4	-	-	-
<u>Ordinary Shares</u>						
Chan Heng Loon Alan	1,114,650	1,165,950	1,165,950	-	-	-
Janet Ang Guat Har	-	-	-	4,250	4,250	4,250
Quek See Tiat	-	-	-	47,000	47,000	47,000
Lucien Wong Yuen Kuai	-	-	-	20,000	-	-
<u>Options for Ordinary Shares[@]</u>						
Chan Heng Loon Alan	537,500	-	-	-	-	-
<u>Conditional Awards of Performance Shares^{**}</u>						
Chan Heng Loon Alan						
80,000 [#] shares to be vested in January 2016	Up to 78,400 ^{##}	Up to - ^{^^}	Up to - ^{^^}	-	-	-
200,000 [#] shares to be vested in January 2016	Up to 300,000 ^{##}	Up to - ^{^^}	Up to - ^{^^}	-	-	-
106,667 [#] shares to be vested in January 2017	Up to 92,801 ^{##}	Up to 118,101 ^{##}	Up to 118,101 ^{##}	-	-	-
200,000 [#] shares to be vested in January 2017	Up to 300,000 ^{##}	Up to 300,000 ^{##}	Up to 300,000 ^{##}	-	-	-
80,000 [#] shares to be vested in January 2018	Up to 76,800 ^{##}	Up to 102,201 ^{##}	Up to 102,201 ^{##}	-	-	-
200,000 [#] shares to be vested in January 2018	Up to 300,000 ^{##}	Up to 300,000 ^{##}	Up to 300,000 ^{##}	-	-	-
53,332 [#] shares to be vested in January 2019	Up to 38,399 ^{##}	Up to 76,798 ^{##}	Up to 76,798 ^{##}	-	-	-
200,000 [#] shares to be vested in January 2019	-	Up to 300,000 ^{##}	Up to 300,000 ^{##}	-	-	-

DIRECTORS' STATEMENT

for the financial year ended August 31, 2016

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Direct Interests			Deemed Interests		
	Sept 1, 2015*	Aug 31, 2016	Sept 21, 2016	Sept 1, 2015*	Aug 31, 2016	Sept 21, 2016
Singapore News and Publications Limited						
<u>Management Shares</u>						
Chan Heng Loon Alan	1 [^]	1 [^]	1 [^]	-	-	-
The Straits Times Press (1975) Limited						
<u>Management Shares</u>						
Chan Heng Loon Alan	1 [^]	1 [^]	1 [^]	-	-	-
SPH REIT						
<u>Units</u>						
Lee Boon Yang	300,000	300,000	300,000	-	-	-
Chan Heng Loon Alan	-	-	-	200,000	200,000	200,000

* Or date of appointment, if later.

@ Expired on December 16, 2015.

** Represents performance shares granted from financial year 2012 to financial year 2016.

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, 251,300 shares were vested and awarded to Mr Chan Heng Loon Alan.

^ Held as nominee for Singapore Press Holdings Limited.

SHARE OPTIONS IN THE COMPANY

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

4. (a) The 1999 Scheme was approved by shareholders at an Extraordinary General Meeting held on July 16, 1999 and is administered by the Remuneration Committee ("the Committee"). At another Extraordinary General Meeting held on December 5, 2006, the shareholders approved the adoption of the SPH Performance Share Plan and the 1999 Scheme was terminated with regard to the grant of further options. All options granted and outstanding under the 1999 Scheme expired on December 16, 2015. With that, the 1999 Scheme has fully terminated.
- (b) Details of options granted previously have been disclosed in the Directors' Reports for the respective years.
- (c) No ordinary shares were issued during the financial year pursuant to the exercise of options granted under the 1999 Scheme.
- (d) The aggregate number of options granted since the commencement of the 1999 Scheme on July 16, 1999 to December 5, 2006 is 103,090,950.
- (e) The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

DIRECTORS' STATEMENT

for the financial year ended August 31, 2016

PERFORMANCE SHARES IN THE COMPANY

SPH Performance Share Plan ("the Share Plan")

5. (a) The Share Plan was approved by shareholders at an Extraordinary General Meeting held on December 5, 2006 and is administered by the Committee.
- (b) Persons eligible to participate in the Share Plan are selected Group Employees of such rank and service period as the Committee may determine, and other participants selected by the Committee.
- (c) Awards initially granted under the Share Plan 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. Market conditions include Absolute Total Shareholder Return versus cost of equity and Relative Total Shareholder Return against ST All-Share Index. Non-market conditions include Media Business EBITDA, distributable income of SPH REIT, market competitiveness, quality of returns including sales, efficiency, productivity and profit, and business and productivity growth.
- (d) 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.
- (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.
6. (a) During the financial year, 1,771,925 performance shares were granted subject to the terms and conditions of the Share Plan as follows:

Category	No. of Persons	No. of Performance Shares Granted
Executive Director	1	280,000 ¹
Employee	157	1,491,925 ²
	158	1,771,925

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

² 984,025 granted with non-market conditions, and 507,900 granted with both market and non-market conditions.

The aggregate number of performance shares granted since the commencement of the Share Plan on December 5, 2006 to August 31, 2016 is 20,722,675 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.

- (b) 1,597,252 ordinary shares were delivered during the financial year pursuant to the vesting of awards granted under the Share Plan.

The aggregate number of performance shares comprised in awards which are outstanding as at August 31, 2016 is 5,073,039 performance shares.

DIRECTORS' STATEMENT

for the financial year ended August 31, 2016

OTHER INFORMATION ON OPTIONS AND AWARDS

7. Details of the options and awards granted to a Director under the 1999 Scheme and the Share Plan are as follows:

1999 Scheme

Name of Director	Aggregate options outstanding as at 1.9.15	Aggregate options granted and accepted since commencement of 1999 Scheme on 16.7.99 to 31.8.16	Aggregate options exercised since commencement of 1999 Scheme on 16.7.99 to 31.8.16	Aggregate options outstanding as at 31.8.16
Chan Heng Loon Alan	537,500	2,125,000	950,000	–

Share Plan

Name of Director	Aggregate awards outstanding as at 1.9.15	Aggregate awards granted since commencement of Share Plan on 5.12.06 to 31.8.16	Aggregate awards released during the financial year under review	Aggregate awards outstanding as at 31.8.16
Chan Heng Loon Alan	Up to 1,186,400	Up to 3,690,900	251,300 [#]	Up to 1,197,100

[#] 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 1999 Scheme and the Share Plan:

- The 1999 Scheme has been terminated with regard to the grant of further options on December 5, 2006. No ordinary shares were issued pursuant to the exercise of options granted under the 1999 Scheme during the financial year.
- The Rules of the 1999 Scheme did not allow for options to be granted at a discount.
- Details of the ordinary shares delivered pursuant to awards granted under the Share Plan are set out in the notes to the financial statements. The prices at which the ordinary shares were purchased have been previously announced.
- No options or awards under the 1999 Scheme and the Share Plan have been granted to controlling shareholders of the Company or their associates.
- No participant has received in aggregate 5% or more of (a) the total number of new ordinary shares available under the Share Plan and 1999 Scheme collectively, and (b) the total number of existing ordinary shares delivered pursuant to awards released under the Share Plan and options exercised under the 1999 Scheme.

DIRECTORS' STATEMENT

for the financial year ended August 31, 2016

AUDIT COMMITTEE

8. 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.

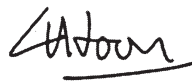
AUDITORS

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

On behalf of the Directors



Lee Boon Yang
Chairman



Chan Heng Loon Alan
Director

Singapore,
October 14, 2016

INDEPENDENT AUDITORS' REPORT

to the members of Singapore Press Holdings Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Singapore Press Holdings Limited (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at August 31, 2016, the income statement, statement of comprehensive income, statement of changes in total equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 121 to 206.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at August 31, 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

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.



KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
October 14, 2016

STATEMENTS OF FINANCIAL POSITION

as at August 31, 2016

	Note	Group		Company	
		Aug 31, 2016 S\$'000	Aug 31, 2015 S\$'000	Aug 31, 2016 S\$'000	Aug 31, 2015 S\$'000
CAPITAL EMPLOYED					
Share capital	4	522,809	522,809	522,809	522,809
Treasury shares	4	(8,683)	(13,408)	(8,683)	(13,408)
Reserves	5	430,447	482,704	45,351	50,167
Retained profits		2,572,753	2,626,708	1,043,768	792,423
Shareholders' interests		3,517,326	3,618,813	1,603,245	1,351,991
Non-controlling interests	6	724,078	727,837	-	-
Total equity		4,241,404	4,346,650	1,603,245	1,351,991
EMPLOYMENT OF CAPITAL					
Non-current assets					
Property, plant and equipment	7	219,523	249,976	117,731	139,641
Investment properties	8	3,963,000	3,940,951	-	-
Subsidiaries	9	-	-	419,250	419,250
Associates	10	78,153	75,874	31,160	31,160
Joint ventures	11	12,417	16,295	-	-
Investments	12(a)	628,860	617,312	38,105	38,001
Intangible assets	13	149,312	188,595	30,278	32,211
Trade and other receivables	14(a)	5,731	4,442	4,457	3,675
Derivatives	15	200	4,631	-	-
		5,057,196	5,098,076	640,981	663,938
Current assets					
Inventories	16	21,225	12,477	19,112	10,785
Trade and other receivables	14(b)	136,953	192,138	1,788,257	1,455,812
Investments	12(b)	406,700	474,633	-	32,055
Asset held for sale	12(c)	8,831	-	-	-
Derivatives	15	89	472	-	-
Cash and cash equivalents	17	312,894	292,246	162,764	152,929
		886,692	971,966	1,970,133	1,651,581
Total assets		5,943,888	6,070,042	2,611,114	2,315,519
Non-current liabilities					
Trade and other payables	18(a)	43,444	48,199	4,103	5,471
Deferred tax liabilities	19(a)	47,372	50,658	20,571	23,208
Borrowings	20	1,197,399	947,271	-	-
Derivatives	15	10,983	-	-	-
		1,299,198	1,046,128	24,674	28,679
Current liabilities					
Trade and other payables	18(b)	245,665	271,171	871,065	818,445
Current tax liabilities		56,271	62,331	27,130	31,404
Borrowings	20	99,954	336,681	85,000	85,000
Derivatives	15	1,396	7,081	-	-
		403,286	677,264	983,195	934,849
Total liabilities		1,702,484	1,723,392	1,007,869	963,528
Net assets		4,241,404	4,346,650	1,603,245	1,351,991

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

CONSOLIDATED INCOME STATEMENT

for the financial year ended August 31, 2016

		Group	
	Note	2016 S\$'000	2015 S\$'000
Operating revenue	22		
Media		834,221	902,506
Property		241,310	230,751
Others		48,818	43,823
		1,124,349	1,177,080
Other operating income		28,759	27,636
		1,153,108	1,204,716
Materials, production and distribution costs		(165,630)	(176,128)
Staff costs	23	(362,551)	(371,610)
Premises costs		(69,740)	(67,952)
Depreciation	7	(44,699)	(49,582)
Other operating expenses	24	(145,690)	(143,255)
Impairment of goodwill and intangibles	13	(28,358)	(9,069)
Finance costs	25	(31,271)	(33,620)
Operating profit [#]		305,169	353,500
Fair value change on investment properties	8	11,823	36,258
Net income from investments	26	51,753	51,707
Share of results of associates and joint ventures		(7,704)	(11,220)
Profit before taxation		361,041	430,245
Taxation	19(b)	(54,902)	(59,823)
Profit after taxation		306,139	370,422
Attributable to:			
Shareholders of the Company		265,293	321,701
Non-controlling interests	6	40,846	48,721
		306,139	370,422
Earnings per share (S\$)	28		
Basic		0.16	0.20
Diluted		0.16	0.20

[#] 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, 2016

	Note	Group 2016 S\$'000	2015 S\$'000
Profit after taxation		306,139	370,422
Other comprehensive income, net of tax			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Capital reserve			
- share of capital reserves of associates		(11)	190
Cash flow hedges			
- net fair value changes		(19,565)	7,970
- transferred to income statement		3,888	5,919
Net fair value changes on available-for-sale financial assets			
- net fair value changes		(23,458)	(12,605)
- transferred to income statement		(10,483)	(35,330)
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures		(2,261)	(115)
		(51,890)	(33,971)
Total comprehensive income		254,249	336,451
Attributable to:			
Shareholders of the Company		218,063	284,049
Non-controlling interests	6	36,186	52,402
		254,249	336,451

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, 2016

	Note	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000
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)
Balance as at September 1, 2014		522,809	(3,046)	(10,675)
Total comprehensive income for the year		-	-	190
Transactions with owners, recognised directly in equity				
<u>Contributions by and distributions to owners</u>				
Share-based compensation		-	-	-
Treasury shares re-issued	4	-	7,617	-
Share buy-back – held as treasury shares	4	-	(17,979)	-
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 interests in subsidiaries		-	-	-
Dilution of interests in subsidiaries		-	-	27
<u>Changes in ownership interests in subsidiaries</u>				
Acquisition of subsidiaries with non-controlling interests		-	-	(1,072)
Balance as at August 31, 2015		522,809	(13,408)	(11,530)

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
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
19,144	(6,386)	525,824	(1,498)	2,640,923	3,687,095	709,088	4,396,183
-	9,798	(47,935)	295	321,701	284,049	52,402	336,451
5,967	-	-	-	-	5,967	-	5,967
(5,786)	-	-	-	(1,543)	288	-	288
-	-	-	-	-	(17,979)	-	(17,979)
(5,201)	-	-	-	5,201	-	-	-
-	-	-	-	(339,348)	(339,348)	(41,277)	(380,625)
-	-	-	-	-	-	882	882
-	-	-	-	(509)	(509)	509	-
-	12	-	-	283	322	3,690	4,012
-	-	-	-	-	(1,072)	2,543	1,471
14,124	3,424	477,889	(1,203)	2,626,708	3,618,813	727,837	4,346,650

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended August 31, 2016

	Note	Group 2016 S\$'000	2015 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		361,041	430,245
Adjustments for:			
Depreciation		44,699	49,582
Net loss on disposal of property, plant and equipment		374	150
Fair value change on investment properties		(11,823)	(36,258)
Share of results of associates and joint ventures		7,704	11,220
Gain on divestment of associates		(28)	(100)
Gain on dilution of interest in an associate		(85)	(1,943)
Loss on divestment of a joint venture		-	459
Write-back of allowance for impairment of an associate		(259)	-
Net income from investments		(51,753)	(51,707)
Amortisation of intangible assets		11,110	11,042
Impairment of goodwill		26,775	8,768
Impairment of intangible assets		1,583	301
Finance costs		31,271	33,620
Share-based compensation expense		4,885	5,940
Other non-cash items		1,894	2,106
Operating cash flow before working capital changes		427,388	463,425
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:			
Inventories		(8,748)	11,470
Trade and other receivables, current		9,609	5,078
Trade and other payables, current		(7,442)	(13,574)
Trade and other receivables, non-current		(1,289)	(770)
Trade and other payables, non-current		(4,755)	13,324
Others		(956)	(143)
Income tax paid		413,807	478,810
Dividends paid		(63,464)	(58,332)
Dividends paid (net) by subsidiaries to non-controlling interests		(322,818)	(339,348)
		(41,340)	(41,277)
Net cash (used in)/from operating activities		(13,815)	39,853

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended August 31, 2016

		Group	
	Note	2016 S\$'000	2015 S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(15,239)	(13,552)
Additions to intangible assets		-	(155)
Proceeds from disposal of property, plant and equipment		72	95
Additions to investment properties		(14,075)	(46,763)
Acquisition of business by a subsidiary	17(a)	(1,000)	-
Acquisition of subsidiaries (net of cash acquired)	17(b)	-	(29,561)
Acquisition of interests in associates		(6,800)	(271)
Acquisition of interests in joint ventures		(4,473)	(24,839)
Proceeds from partial divestment of interest in a subsidiary		143	4,011
Dividends received from associates		2,691	6,951
Proceeds from divestment of associates		349	-
(Increase)/Decrease in amounts owing by associates/joint ventures		(294)	168
Decrease in amounts owing to joint ventures		(14,236)	(7,738)
Purchase of investments, non-current		(53,145)	(83,127)
Purchase of investments, current		(137,045)	(137,230)
Proceeds from capital distribution/disposal of investments, non-current		3,103	4,111
Proceeds from redemption/disposal of investments, current		263,791	702,015
Dividends received		26,400	30,413
Interest received		4,858	6,338
Other investment income		272	(19,687)
Net cash from investing activities		55,372	391,179
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank loans (net of transaction costs)		33,622	500,900
Repayment of bank loans		(22,327)	(441,252)
Repayment of loans from non-controlling interests		-	(225)
Interest paid		(30,444)	(39,967)
Repayment of fixed rate notes		-	(600,000)
Share buy-back		(1,760)	(17,979)
Loan from a non-controlling interest		-	16,800
Net cash used in financing activities		(20,909)	(581,723)
Net increase/(decrease) in cash and cash equivalents		20,648	(150,691)
Cash and cash equivalents at beginning of financial year		292,246	442,937
Cash and cash equivalents at end of financial year	17	312,894	292,246

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

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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, and
- (l) developing applications and operating a financial portal.

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 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, 2016

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.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting (cont'd)

(i) Subsidiaries (cont'd)

- 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.

- 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.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting (cont'd)

(ii) Associates/Joint ventures (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Currency translation (cont'd)

(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 on or after September 1, 2005 are treated as assets and liabilities of the foreign entity and translated at the closing rates at the reporting date. For acquisitions prior to September 1, 2005, the exchange rates at the dates of acquisition are used.

(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.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Impairment of non-financial assets (cont'd)

(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.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement.

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.

(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	30-50 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.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, plant and equipment (cont'd)

(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.

(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)].

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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 12 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 12 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 12 months after the reporting date. Available-for-sale financial assets comprise debt and equity securities.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(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.

(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 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.

Interest income on available-for-sale financial assets, calculated using the effective interest method, is recognised in the income statement. Dividends on available-for-sale equity securities are recognised in the income statement when the Group's right to receive payment is established. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in the fair value reserve within equity are included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(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, 2016

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.

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates. The fair values of cross currency swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest and forward exchange rates.

(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 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 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.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Derivatives and hedging activities (cont'd)

(ii) Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivatives that do not qualify for hedge accounting are recognised immediately in the income statement.

(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 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.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 12 months after the reporting date, in which case they are presented as non-current liabilities.

(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.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Employee benefits (cont'd)

(iii) Share-based compensation

- Share options

The share option scheme allows selected employees of the Company and/or its subsidiaries, including the Executive Director of the Company, and other selected participants, to subscribe for ordinary shares in the Company at an agreed exercise price.

The fair value of the options 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 fair value is measured at grant date and recognised over the vesting period during which the employees become unconditionally entitled to the options.

When the options are exercised, the proceeds received (net of any directly attributable transaction costs) and the balance previously recognised in the share-based compensation reserve are credited to share capital when new ordinary shares are issued, or to the treasury share account within equity when treasury shares purchased are re-issued to the employees.

- Performance shares

Persons eligible to participate in the SPH Performance Share Plan ("the Share Plan") are selected Group Employees of such rank and service period as the Remuneration Committee ("the Committee") may determine, and other participants selected by the Committee.

The Share Plan 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 Share Plan 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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, 2016

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, 2016

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).

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, 2016

4. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2016		2015	
	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
Treasury shares	1,617,011 (2,209)	522,809 (8,683)	1,617,011 (3,306)	522,809 (13,408)
	1,614,802	514,126	1,613,705	509,401

Movements during the financial year:

Beginning of financial year	1,613,705	509,401	1,616,246	519,763
Purchase of treasury shares	(500)	(1,760)	(4,385)	(17,979)
Treasury shares re-issued for the fulfilment of share awards vested under SPH Performance Share Plan	1,597	6,485	1,844	7,617
End of financial year	1,614,802	514,126	1,613,705	509,401

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 500,000 (2015: 4,385,600) of its own shares through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was S\$1.8 million (2015: S\$18 million). The shares, held as treasury shares, were included as deduction against shareholders' equity.

The Company re-issued 1,597,252 (2015: 1,844,252) 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\$6.5 million (2015: S\$7.6 million).

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

4. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(b) Share options

At the Extraordinary General Meeting held on December 5, 2006, the shareholders approved the adoption of the SPH Performance Share Plan ("the Share Plan") and the Singapore Press Holdings Group (1999) Share Option Scheme ("1999 Scheme") was terminated with regard to the grant of further options. All options granted and outstanding under the 1999 Scheme expired on December 16, 2015. With that, the 1999 Scheme has fully terminated.

Movements in the number of the unissued shares of the Company under option during the financial year and their exercise prices are as follows:

2016

Grant Date	Expiry Date	Exercise Price (S\$)	Balance 01.09.15	Options Lapsed	Balance 31.08.16
16.12.05	16.12.15	4.30	8,574,350	(8,574,350)	-

2015

Grant Date	Expiry Date	Exercise Price (S\$)	Balance 01.09.14	Options Lapsed	Balance 31.08.15
21.12.04	21.12.14	4.54	9,872,300	(9,872,300)	-
16.12.05	16.12.15	4.30	9,245,425	(671,075)	8,574,350
			19,117,725	(10,543,375)	8,574,350

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

4. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(c) Performance shares

During the financial year, 1,771,925 (2015: 1,824,955) performance shares were granted subject to the terms and conditions of the Share Plan.

Movements in the number of performance shares outstanding during the financial year are summarised below:

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

2015

Grant Date	Outstanding as at 01.09.14 '000	Adjusted* '000	Granted '000	Vested '000	Lapsed '000	Outstanding as at 31.08.15 '000
12.01.11	473	-	-	(458)	(15)	-
12.01.12	1,470	43	-	(1,155)	(32)	326
11.01.13	1,957	(426)	-	(231)	(47)	1,253
13.01.14	1,913	4	-	-	(47)	1,870
13.01.15	-	-	1,825	-	(11)	1,814

* 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, 2016

4. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(c) 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\$
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
2015									
13.01.15 ^(a)	13.01.17	364	3.66	12.36	N.A.	6.00	0.67	N.A.	4.11
13.01.15 ^(a)	13.01.18	364	3.45	12.36	N.A.	6.00	0.89	N.A.	4.11
13.01.15 ^(b)	13.01.18	734	3.43	12.36	9.98	6.00	0.89	0.62	4.11
13.01.15 ^(a)	13.01.19	363	3.25	12.36	N.A.	6.00	1.21	N.A.	4.11

* 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\$4.9 million (2015: S\$5.9 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, 2016

5. RESERVES

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Capital reserve	(11,645)	(11,530)	-	-
Share-based compensation reserve	9,201	14,124	9,201	14,124
Hedging reserve	(7,587)	3,424	-	-
Fair value reserve	443,948	477,889	36,150	36,043
Currency translation reserve	(3,470)	(1,203)	-	-
	430,447	482,704	45,351	50,167

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.

As at August 31, 2015, the share-based compensation reserve also included the fair value of share options 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, 2016

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.

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, 2016

6. NON-CONTROLLING INTERESTS (CONT'D)

2015

	SPH REIT S\$'000	Other subsidiaries S\$'000	Total S\$'000
Revenue	205,113		
Profit	153,531		
Other comprehensive income	13,072		
Total comprehensive income	166,603		
Attributable to non-controlling interests:			
Profit	45,832	2,889	48,721
Other comprehensive income	3,921	(240)	3,681
Total comprehensive income	49,753	2,649	52,402
Non-current assets	3,226,893		
Current assets	82,728		
Non-current liabilities	(632,250)		
Current liabilities	(279,561)		
Net assets	2,397,810		
Net assets attributable to non-controlling interests	713,616	14,221	727,837
Cash flows from operating activities	158,375		
Cash flows used in investing activities	(14,837)		
Cash flows used in financing activities*	(156,841)		
Net decrease in cash and cash equivalents	(13,303)		

* Included S\$41.1 million dividends paid to non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

7. PROPERTY, PLANT AND EQUIPMENT

(a) 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(a)]	-	11	-	-	11
Transfer in 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 losses					
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 out 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, 2016

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Group

2015

	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	236,832	740,018	21,039	2,092	999,981
Additions	118	3,079	517	–	3,714
Acquisition of subsidiaries [Note 17(b)]	–	82	85	–	167
Transfer in from capital work-in-progress	–	7,826	83	–	7,909
Disposals/Write-offs	–	(15,547)	(616)	(45)	(16,208)
Currency translation differences	627	(145)	(71)	(15)	396
End of financial year	237,577	735,313	21,037	2,032	995,959
Accumulated depreciation and impairment losses					
Beginning of financial year	132,530	566,781	16,995	1,526	717,832
Depreciation	6,923	40,882	1,409	368	49,582
Disposals/Write-offs	–	(15,320)	(598)	(45)	(15,963)
Currency translation differences	46	(103)	(60)	(9)	(126)
End of financial year	139,499	592,240	17,746	1,840	751,325
Carrying amount					
End of financial year	98,078	143,073	3,291	192	244,634
Capital work-in-progress	–	5,298	44	–	5,342
Total	98,078	148,371	3,335	192	249,976
Capital work-in-progress					
Beginning of financial year	–	3,377	36	–	3,413
Additions	–	9,747	91	–	9,838
Transfer out to property, plant and equipment	–	(7,826)	(83)	–	(7,909)
End of financial year	–	5,298	44	–	5,342

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) 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 in 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 losses				
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 out 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, 2016

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) Company

2015

	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Cost				
Beginning of financial year	636,603	13,446	1,621	651,670
Additions	558	48	–	606
Transfer in from capital work-in-progress	7,106	5	–	7,111
Disposals/Write-offs	(11,445)	(456)	(45)	(11,946)
End of financial year	632,822	13,043	1,576	647,441
Accumulated depreciation and impairment losses				
Beginning of financial year	474,859	11,896	1,249	488,004
Depreciation	35,870	286	227	36,383
Disposals/Write-offs	(11,281)	(451)	(45)	(11,777)
End of financial year	499,448	11,731	1,431	512,610
Carrying amount				
End of financial year	133,374	1,312	145	134,831
Capital work-in-progress	4,810	–	–	4,810
Total	138,184	1,312	145	139,641
Capital work-in-progress				
Beginning of financial year	2,652	–	–	2,652
Additions	9,264	5	–	9,269
Transfer out to property, plant and equipment	(7,106)	(5)	–	(7,111)
End of financial year	4,810	–	–	4,810

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

8. INVESTMENT PROPERTIES

	Group	
	2016 S\$'000	2015 S\$'000
Investment properties		
Beginning of financial year	3,940,951	3,393,451
Additions	10,226	18,128
Transfer from investment property under development	-	493,114
Fair value change	11,823	36,258
End of financial year	3,963,000	3,940,951
Investment property under development		
Beginning of financial year	-	467,000
Additions	-	26,114
Transfer to investment properties	-	(493,114)
End of financial year	-	-
Total carrying amount	3,963,000	3,940,951
Carrying amount of		
- Freehold investment properties	2,865,500	2,845,151
- Leasehold investment properties	1,097,500	1,095,800
	3,963,000	3,940,951

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\$2,778 million (2015: S\$2,756 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\$495 million (2015: 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	
	2016 S\$'000	2015 S\$'000
Rental income	238,458	229,620
Direct operating expenses arising from investment properties that generated rental income	(54,904)	(53,766)

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

9. SUBSIDIARIES

	Company	
	2016 S\$'000	2015 S\$'000
Equity investments at cost	452,304	452,304
Allowance for impairment	(33,054)	(33,054)
	419,250	419,250

In the previous financial year, an allowance for impairment loss of S\$32.6 million was recognised in respect of the Company's investment in a subsidiary following a review of the subsidiary's business. The recoverable amount was determined based on fair value less cost to sell. Fair value less cost to sell was represented by the net assets of the subsidiary 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 207 and 208 of the annual report.

10. ASSOCIATES

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Investments in associates	78,153	75,874	31,160	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:

	MediaCorp Press Ltd ("MCPL")	MediaCorp TV Holdings Pte Ltd ("MCTV")	MindChamps Preschool (Worldwide) Pte Limited ("MindChamps")
Nature of relationship with the Group	Related media business	Related media business	Business adjacency
Principal place of business/ Country of incorporation	Singapore	Singapore	Singapore
Ownership interest/Voting rights held	40% (2015: 40%)	20% (2015: 20%)	22% (2015: 22%)

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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, 2016

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:

2015

	MCPL S\$'000	MCTV S\$'000	MindChamps S\$'000
Revenue	64,543	290,549	11,126
Profit after tax	5,435	2,618	3,384
Other comprehensive income	342	(580)	37
Total comprehensive income	5,777	2,038	3,421
Attributable to:			
- Non-controlling interests	-	(58)	198
- Associate's shareholders	5,777	2,096	3,223
Non-current assets	15,570	26,969	1,091
Current assets	31,713	141,785	8,348
Non-current liabilities	(310)	(3,301)	(195)
Current liabilities	(11,110)	(56,824)	(4,897)
Net assets	35,863	108,629	4,347
Attributable to:			
- Non-controlling interests	-	410	141
- Associate's shareholders	35,863	108,219	4,206

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:

2015

	MCPL S\$'000	MCTV S\$'000	MindChamps S\$'000	Other associates S\$'000	Total S\$'000
Beginning of financial year	33,683	21,224	12,000	11,446	78,353
Group's share of:					
Profit/(Loss) after tax	2,174	535	701	(734)	2,676
Other comprehensive income	137	(115)	8	32	62
Total comprehensive income	2,311	420	709	(702)	2,738
Dividends received	(6,566)	-	-	(385)	(6,951)
Gain on dilution of interest	-	-	-	1,943	1,943
Divestment	-	-	-	(480)	(480)
Group's contribution	-	-	-	271	271
End of financial year	29,428*	21,644	12,709*	12,093	75,874

* The carrying amount of interests in MCPL and MindChamps includes goodwill on acquisition of S\$15.1 million and S\$11.8 million respectively.

A list of operating associates of the Group can be found on page 209 of the annual report.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

11. JOINT VENTURES

	Group	
	2016 S\$'000	2015 S\$'000
Investments in joint ventures	12,417	16,295

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	
	2016 S\$'000	2015 S\$'000
Beginning of financial year	16,295	6,688
Group's share of:		
Loss after tax	(8,493)	(13,896)
Other comprehensive income	142	(769)
Total comprehensive income	(8,351)	(14,665)
Group's contribution	4,473	24,839
Divestment	-	(567)
End of financial year	12,417	16,295

A list of operating joint ventures of the Group can be found on page 209 of the annual report.

12. INVESTMENTS

(a) Non-current

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Available-for-sale financial assets				
- Equity securities	506,482	509,316	38,105	38,001
- Bonds	8,454	8,452	-	-
- Investment funds	108,248	98,687	-	-
	623,184	616,455	38,105	38,001
Financial assets at fair value through profit or loss				
Designated at fair value on initial recognition				
- Bonds and notes	5,676	857	-	-
	628,860	617,312	38,105	38,001

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

12. INVESTMENTS (CONT'D)

(b) Current

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Available-for-sale financial assets				
- Equity securities	995	859	-	-
- Bonds	38,586	61,434	-	29,988
- Investment funds	319,337	360,228	-	2,067
	358,918	422,521	-	32,055
Financial assets at fair value through profit or loss				
Designated at fair value on initial recognition				
- Bonds and notes	23,368	41,608	-	-
- Preference shares	10,464	10,504	-	-
Held for trading				
- Investment funds	13,950	-	-	-
	47,782	52,112	-	-
	406,700	474,633	-	32,055

During the financial year, the Group recognised an impairment loss of S\$0.8 million (2015: S\$1.4 million) on certain available-for-sale financial assets within "Net income from investments" due to prolonged decline in value.

(c) Asset held for sale

On August 2, 2016, the Group entered into an agreement to divest its interest in an investment. As the completion of the sale is in progress, the investment was classified as asset held for sale. The investment was measured at its fair value, resulting in a cumulative fair value gain of S\$2.8 million.

The investment is presented as part of segment assets under "Others" segment.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

13. INTANGIBLE ASSETS

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Arising from business combinations				
- Goodwill [Note 13(a)]	60,562	87,853	-	-
- Technology, trademarks, licences, mastheads and others [Note 13(b)]	88,494	100,459	-	-
Acquired separately				
- Technology, trademarks and licences [Note 13(c)]	256	283	30,278	32,211
	149,312	188,595	30,278	32,211

(a) Arising from business combinations - Goodwill

	Group	
	2016 S\$'000	2015 S\$'000
Cost		
Beginning of financial year	111,087	83,597
Acquisition of business by a subsidiary [Note 17(a)]	151	-
Acquisition of subsidiaries [Note 17(b)]	-	27,430
Currency translation differences	(660)	60
End of financial year	110,578	111,087
Accumulated impairment		
Beginning of financial year	23,234	14,473
Impairment charge	26,775	8,768
Currency translation differences	7	(7)
End of financial year	50,016	23,234
Net book value	60,562	87,853

During the financial year, the Group recognised an impairment charge of S\$26.8 million (2015: S\$8.8 million) mainly for the magazine business due to unfavourable market conditions.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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⁾	
	2016 S\$'000	2015 S\$'000	2016 %	2015 %	2016 %	2015 %

Carrying value of goodwill in:

Singapore						
- Magazine	1,879	20,029	9.5	9.5	1.2	2.3
- Online	48,376	53,376	13.5	13.5	1.2	2.3
- Exhibition	9,190	9,190	11.0	11.0	1.2	2.0
Malaysia						
- Magazine	-	3,574	13.5	13.5	1.6	2.0
Multiple units with insignificant goodwill	1,117	1,684				
	60,562	87,853				

⁽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. Capital expenditure is also assumed to be insignificant.

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, 2016

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			
2016			
Cost			
Beginning of financial year	14,076	138,273	152,349
Acquisition of business by a subsidiary [Note 17(a)]	-	775	775
Currency translation differences	-	(341)	(341)
End of financial year	14,076	138,707	152,783
Accumulated amortisation and impairment losses			
Beginning of financial year	6,150	45,740	51,890
Amortisation charge [Note 24]	2,608	8,475	11,083
Impairment charge	-	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
2015			
Cost			
Beginning of financial year	6,686	137,750	144,436
Acquisition of subsidiaries [Note 17(b)]	7,390	750	8,140
Currency translation differences	-	(227)	(227)
End of financial year	14,076	138,273	152,349
Accumulated amortisation and impairment losses			
Beginning of financial year	3,829	36,739	40,568
Amortisation charge [Note 24]	2,321	8,700	11,021
Impairment charge	-	301	301
End of financial year	6,150	45,740	51,890
Net book value	7,926	92,533	100,459

During the financial year, the Group recognised an impairment charge of S\$1.6 million mainly for the magazine business due to 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, 2016

13. INTANGIBLE ASSETS (CONT'D)

(c) Acquired separately

- Technology, trademarks and licences

	Group	
	2016 S\$'000	2015 S\$'000
Cost		
Beginning of financial year	348	204
Additions	-	155
Currency translation differences	-	(11)
End of financial year	348	348
Accumulated amortisation		
Beginning of financial year	65	44
Amortisation charge [Note 24]	27	21
End of financial year	92	65
Net book value	256	283

	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 charge	35	1,898	1,933
End of financial year	178	6,611	6,789
Net book value	-	30,278	30,278

NOTES TO THE FINANCIAL STATEMENTS

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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			
2015			
Cost			
Beginning and end of financial year	178	36,889	37,067
Accumulated amortisation			
Beginning of financial year	84	2,764	2,848
Amortisation charge	59	1,949	2,008
End of financial year	143	4,713	4,856
Net book value	35	32,176	32,211

14. TRADE AND OTHER RECEIVABLES

(a) Non-current

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Staff loans	4,338	3,612	4,276	3,524
Sundry debtors	1,393	830	181	151
	5,731	4,442	4,457	3,675

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August 31, 2016

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Current

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Trade receivables				
- Non-related parties	116,677	125,860	79,513	88,274
- Less: Allowance for impairment - non-related parties	(7,948)	(9,193)	(5,958)	(6,693)
	108,729	116,667	73,555	81,581
Amounts owing by				
- Subsidiaries [Note 14(b)(i)]	-	-	1,330,976	1,036,986
- Associates [Note 14(b)(ii)]	9	40	-	-
- Joint ventures [Note 14(b)(ii)]	435	129	422	117
	444	169	1,331,398	1,037,103
Loans to subsidiaries [Note 14(b)(iii)]	-	-	377,156	329,911
Accrued interest	774	885	67	70
Sundry debtors [Note 14(b)(iv)]	19,655	66,567	819	1,554
Prepayments	5,659	6,527	3,799	4,343
Staff loans	1,692	1,323	1,463	1,250
	136,953	192,138	1,788,257	1,455,812

- (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\$1.2 million (2015: S\$1.2 million).
- (ii) The amounts owing by associates and joint ventures are non-trade, unsecured, interest-free and repayable on demand.
- (iii) The loans to subsidiaries are unsecured, interest-free and repayable on demand. The loans included an allowance for impairment of S\$73.7 million (2015: S\$65.5 million). During the financial year, an allowance for impairment loss of S\$8.2 million (2015: S\$20.8 million) was recognised in respect of loans to subsidiaries following a review of the subsidiaries' business.
- (iv) The amounts owing by sundry debtors included proceeds of S\$5.8 million (2015: S\$52 million) from the redemption of short-term investments due after financial year-end.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

15. DERIVATIVES

	Contract Notional Amount S\$'000	Fair Value	
		Assets S\$'000	Liabilities S\$'000
Group			
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
2015			
Non-current			
Cash flow hedge			
- Interest rate swaps [Note 20(e)]	550,000	4,631	-
Current			
Cash flow hedge			
- Interest rate swaps [Note 20(e)]	120,000	366	-
Derivatives that do not qualify as hedges			
- Currency forwards	236,617	106	7,081
		<u>472</u>	<u>7,081</u>

16. INVENTORIES

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Raw materials and consumable stores	22,304	13,138	20,112	11,400
Allowance for write-down of inventories	(1,079)	(661)	(1,000)	(615)
	<u>21,225</u>	<u>12,477</u>	<u>19,112</u>	<u>10,785</u>

The cost of inventories recognised as an expense and included in materials, production and distribution costs in the income statement amounted to S\$68.9 million (2015: S\$75.7 million).

During the financial year, the Group made an allowance for stock obsolescence amounting to S\$0.4 million (2015: An allowance of S\$1.6 million was written back as those stocks were utilised).

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Cash held as fixed bank deposits	231,802	185,075	131,011	100,681
Cash and bank balances	81,092	107,171	31,753	52,248
	312,894	292,246	162,764	152,929

(a) Acquisition of business by a subsidiary

	Group At fair values 2016 S\$'000
Identifiable assets and liabilities	
Property, plant and equipment [Note 7(a)]	11
Intangible assets (excluding goodwill) [Note 13(b)]	775
Current assets	63
Identifiable net assets acquired	849
Goodwill on acquisition [Note 13(a)]	151
Total purchase consideration	1,000

(i) 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 has recognised intangible assets of S\$0.9 million (including goodwill), subject to completion of the purchase price allocation exercise.

There is 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, 2016

17. CASH AND CASH EQUIVALENTS (CONT'D)

(b) Acquisition of subsidiaries

	Group At fair values 2015 S\$'000
Identifiable assets and liabilities	
Property, plant and equipment [Note 7(b)]	167
Intangible assets (excluding goodwill) [Note 13(b)]	8,140
Current assets (including cash)	2,983
Deferred tax liabilities [Note 19(a)(i)]	(1,171)
Current liabilities	(2,936)
Identifiable net assets acquired	7,183
Less: Non-controlling interests at fair value	(2,543)
Less: Amount previously accounted for as an associated company	(580)
Goodwill on acquisition [Note 13(a)]	27,430
Total purchase consideration	31,490
Less: Cash and cash equivalents in subsidiary acquired	(1,929)
Net cash outflow on acquisition of subsidiaries	29,561

(i) Waterbrooks Consultants Pte. Ltd ("Waterbrooks")

On September 5, 2014, the Group acquired 60% of the issued share capital of Waterbrooks. Waterbrooks provides investor relations, financial and corporate communications, sustainability reporting and crisis management services. The acquisition included certain trademarks and other intellectual property rights of Waterbrooks.

The total consideration for the acquisition was S\$0.9 million. After accounting for cash acquired of S\$0.1 million, the net cash outflow as of August 31, 2015 was S\$0.8 million. The Group had recognised intangible assets of S\$0.8 million (including goodwill).

An amount of S\$1.2 million (2015: S\$1.1 million) representing the fair value of the call option for the remaining 40% of the shares was recorded in the Group's capital reserve and liabilities accordingly.

The acquired business contributed revenue of S\$1.2 million and net profit of S\$0.1 million to the Group for the period September 5, 2014 to August 31, 2015. There was no material effect to the Group operating revenue and net profit had the acquisition occurred on September 1, 2014.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

17. CASH AND CASH EQUIVALENTS (CONT'D)

(b) Acquisition of subsidiaries (cont'd)

(ii) StreetSine Technology Group Pte Ltd ("StreetSine")

On October 31, 2014, the Group acquired 60% of the issued share capital of StreetSine. StreetSine provides real-time proprietary information and advanced analytics on the real estate sector in Singapore.

The total consideration for the acquisition was S\$30 million. After accounting for cash acquired of S\$1.6 million, the net cash outflow as of August 31, 2015 was S\$28.4 million. The Group had recognised intangible assets of S\$33.6 million (including goodwill).

The acquired business contributed revenue of S\$3.5 million and net loss of S\$1.8 million to the Group for the period October 31, 2014 to August 31, 2015. If the acquisition had occurred on September 1, 2014, Group operating revenue and net profit for the year ended August 31, 2015 would have increased by another S\$0.8 million and decreased by another S\$0.3 million respectively.

(iii) Beerfest Asia Pte Ltd ("Beerfest")

On June 2, 2015, the Group acquired an additional 40% stake in Beerfest and the Group's shareholdings in Beerfest increased from the initial 40% to 80%. The investment was re-categorised from Associates to Subsidiaries and accounted for accordingly.

The total consideration for the acquisition was S\$0.6 million. After accounting for cash acquired of S\$0.2 million, the net cash outflow as of August 31, 2015 was S\$0.4 million. The Group had recognised intangible assets of S\$1.2 million (including goodwill).

The acquired business contributed revenue of S\$1.7 million and net profit of S\$0.04 million to the Group for the period June 2, 2015 to August 31, 2015. There was no material effect to the Group operating revenue and net profit had the acquisition occurred on September 1, 2014.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

18. TRADE AND OTHER PAYABLES

(a) Non-current

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Deposits received	39,341	42,728	-	-
Collections in advance	4,103	5,471	4,103	5,471
	43,444	48,199	4,103	5,471

(b) Current

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Trade payables – non-related parties	32,270	29,954	21,401	18,282
Amounts owing to				
- Subsidiaries [Note 18(b)(i)]	-	-	725,212	662,027
- Joint ventures [Note 18(b)(ii)]	2,952	17,188	-	7,529
	2,952	17,188	725,212	669,556
Accrued operating expenses	123,709	142,920	85,308	93,017
Deposits received	28,633	23,461	10,242	9,781
Sundry creditors	16,906	20,416	8,452	12,013
Collections in advance	41,195	37,232	20,450	15,796
	245,665	271,171	871,065	818,445

- (i) The amounts owing to subsidiaries are non-trade, unsecured and repayable on demand. Except for amounts owing to a subsidiary of S\$29.1 million (2015: Nil) with interest rates ranging from 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 joint ventures are non-trade, unsecured, repayable on demand and interest-bearing. The interest rate is 1.19% (2015: ranged from 0.43% to 0.46%) per annum as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Deferred tax liabilities	51,515	54,690	23,326	26,068
Deferred tax assets	(4,143)	(4,032)	(2,755)	(2,860)
	47,372	50,658	20,571	23,208

Deferred tax taken to equity during the financial year is as follows:

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Hedging reserve	(302)	167	-	51
Fair value reserve	(226)	3,505	-	-
	(528)	3,672	-	51

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\$1.6 million (2015: S\$1.7 million) and S\$0.4 million (2015: S\$0.8 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.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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:

Group

2016

(i) Deferred tax liabilities

	Accelerated Tax Depreciation S\$'000	Fair Value Changes S\$'000	Others S\$'000	Total S\$'000
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

(ii) Deferred tax assets

	Provisions S\$'000	Fair Value Changes S\$'000	Total S\$'000
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)

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

19. INCOME TAXES (CONT'D)

(a) Deferred taxes (cont'd)

Group

2015

(i) Deferred tax liabilities

	Accelerated Tax Depreciation S\$'000	Fair Value Changes S\$'000	Others S\$'000	Total S\$'000
Beginning of financial year	39,945	5,616	6,840	52,401
Recognised in income statement	(2,426)	–	(77)	(2,503)
Recognised in equity	–	3,621	–	3,621
Acquisition of a subsidiary [Note 17(b)]	–	–	1,171	1,171
End of financial year	37,519	9,237	7,934	54,690

(ii) Deferred tax assets

	Provisions S\$'000	Fair Value Changes S\$'000	Total S\$'000
Beginning of financial year	(5,449)	(51)	(5,500)
Recognised in income statement	1,312	–	1,312
Recognised in equity	–	51	51
Currency translation differences	105	–	105
End of financial year	(4,032)	–	(4,032)

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

19. INCOME TAXES (CONT'D)

(a) Deferred taxes (cont'd)

Company

2016

(i) Deferred tax liabilities

	Accelerated Tax Depreciation S\$'000	Others S\$'000	Total S\$'000
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

(ii) Deferred tax assets

	Provisions S\$'000
Beginning of financial year	(2,860)
Recognised in income statement	105
End of financial year	(2,755)

2015

(i) Deferred tax liabilities

	Accelerated Tax Depreciation S\$'000	Others S\$'000	Total S\$'000
Beginning of financial year	29,264	133	29,397
Recognised in income statement	(3,317)	(12)	(3,329)
End of financial year	25,947	121	26,068

(ii) Deferred tax assets

	Provisions S\$'000	Fair Value Changes S\$'000	Total S\$'000
Beginning of financial year	(4,038)	(51)	(4,089)
Recognised in income statement	1,178	-	1,178
Recognised in equity	-	51	51
End of financial year	(2,860)	-	(2,860)

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

19. INCOME TAXES (CONT'D)

(b) Income tax expense

	Group	
	2016	2015
	S\$'000	S\$'000
Tax expense attributable to profit is made up of:		
Current year		
- Current tax	57,616	61,278
- Deferred tax	(2,789)	(1,136)
	54,827	60,142
Prior years		
- Current tax	59	(264)
- Deferred tax	16	(55)
	75	(319)
	54,902	59,823

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	
	2016	2015
	S\$'000	S\$'000
Profit before taxation	361,041	430,245
Tax calculated at corporate tax rate of 17%	61,377	73,142
Income taxed at concessionary rate	(185)	(222)
Income not subject to tax	(12,754)	(16,504)
Expenses not deductible for tax purposes	8,474	5,371
Tax relief for contributions made to Institutes of Public Character	(161)	(842)
Effect of different tax rates in other countries	259	1,162
Tax rebates	(449)	(420)
Tax incentives	(1,322)	(1,131)
Others	(412)	(414)
Under/(Over)-provision in prior years	75	(319)
Tax charge	54,902	59,823

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

20. BORROWINGS

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Secured				
Term loans [Note 20(a) and 20(b)]	1,145,362	1,144,070	-	-
Unsecured				
Loans from non-controlling interest [Note 20(c)]	52,037	52,531	-	-
Other banking facilities [Note 20(d)]	99,954	87,351	85,000	85,000
	1,297,353	1,283,952	85,000	85,000
Borrowings are repayable:				
Within 1 year	99,954	336,681	85,000	85,000
Between 1 - 5 years	1,197,399	947,271	-	-
	1,297,353	1,283,952	85,000	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\$845.9 million (2015: S\$844.9 million). A S\$250 million tranche of the loan which matured in July 2016 was revised into two tranches of S\$125 million each, with extended tenures of three years and five years. After the revisions, 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 (2015: S\$720 million), the effective interest rate as at the reporting date on the outstanding term loan was 2.82% (2015: 2.55%) 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\$299.5 million (2015: S\$299.2 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 (2015: S\$100 million), the effective interest rate as at the reporting date on the outstanding term loan was 2.31% (2015: 1.80%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

20. BORROWINGS (CONT'D)

- (c) As at August 31, 2016, TSMPL had outstanding unsecured loans of S\$53.7 million (2015: S\$53.7 million) from its non-controlling interest. The loans stated at amortised cost amounted to S\$52 million (2015: S\$52.5 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)].

On initial recognition, the loans were recognised at fair value which was determined from the cash flow analyses discounted at the market borrowing rates on the inception dates. The difference between the fair value and principal loan amounts was recognised in the income statement. The unamortised fair value gain as at the reporting date was S\$1.7 million (2015: S\$1.2 million).

- (d) As at August 31, 2016, the other banking facilities included S\$85 million and S\$15 million (2015: S\$85 million) [Note 30(b)] of unsecured facilities drawn down by the Company and a subsidiary of the Group respectively (2015: the Company). The amounts are repayable in September 2016 (2015: September 2015).
- (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, 2016, the fixed interest rate for SPH REIT was 1.44% to 2.32% (2015: 1.10% to 2.31%) and TSMPL was 1.82% (2015: 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, 2016 are:

	Group	
	2016 S\$'000	2015 S\$'000
Notional due:		
Within 1 year	-	120,000
Between 1 - 5 years	550,000	550,000
Fair values* [Note 15]	(10,983)	4,997

* The fair values of interest rate swap contracts had been calculated (using rates quoted by the Group's bankers) assuming the contracts are terminated at the reporting date. These interest rate swaps are contracted with counter-parties which are banks and financial institutions with acceptable credit ratings.

- (f) As at August 31, 2016, the fair value of the loans from non-controlling interest was S\$52 million (2015: S\$52.5 million), determined from the cash flow analyses discounted at market borrowing rates of 1.81% (2015: 1.81%) per annum which management expected to be available to the Group.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

21. CAPITAL AND OTHER COMMITMENTS

(a) Commitments for capital expenditure and investments

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Authorised and contracted for				
- Property, plant and equipment	4,511	7,777	4,430	7,496
- Investment properties	4,596	6,450	-	-
- Investments	26,719	18,483	-	-
	35,826	32,710	4,430	7,496

(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	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Within 1 year	9,362	8,823	241	305
Between 1 - 5 years	22,317	21,430	9	272
After 5 years	122,474	127,557	-	-
	154,153	157,810	250	577

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\$16.3 million (2015: S\$15.4 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	
	2016 S\$'000	2015 S\$'000
Within 1 year	223,345	221,382
Between 1 - 5 years	287,582	327,737
After 5 years	247	2,998
	511,174	552,117

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

August 31, 2016

22. OPERATING REVENUE

	Group	
	2016 S\$'000	2015 S\$'000
Media		
Sale of services – Advertisements	606,532	668,025
Sale of goods – Circulation	170,713	175,973
Others	56,976	58,508
	834,221	902,506
Property		
Rental and rental-related services	241,310	230,751
Others		
Sale of services – Advertisements	15,699	14,034
Sale of services – Multimedia and other services	33,119	29,789
	48,818	43,823
	1,124,349	1,177,080

23. STAFF COSTS

	Group	
	2016 S\$'000	2015 S\$'000
Salaries, bonuses and other costs	316,450	326,311
Employers' contribution to defined contribution plans	41,216	39,359
Share-based compensation expense	4,885	5,940
	362,551	371,610

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

24. OTHER OPERATING EXPENSES

	Group	
	2016	2015
	S\$'000	S\$'000
Included in other operating expenses are:		
Audit fees		
- Company's auditors	1,081	867
- Other auditors	60	74
Non-audit fees [#]		
- Company's auditors	184	289
Net foreign exchange differences from operations	(1,392)	657
Allowance for impairment of trade receivables [Note 30(b)(ii)]	598	370
Bad debts recovery	(167)	(251)
Net loss on disposal of property, plant and equipment	374	150
Amortisation of intangible assets [Note 13(b) and 13(c)]	11,110	11,042
Write-back of allowance for impairment of an associate	(259)	-

[#] Non-audit fees are mainly for services relating to non-statutory audit/review assignments.

25. FINANCE COSTS

	Group	
	2016	2015
	S\$'000	S\$'000
Interest expense		
- Bank loans	26,446	18,763
- Fixed rate notes	-	8,407
- Loans from non-controlling interest	910	492
Cash flow hedges, reclassified from hedging reserve*	3,915	5,958
	31,271	33,620

* In relation to interest rate swap arrangements in Note 20(e).

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

26. NET INCOME FROM INVESTMENTS

	Group	
	2016	2015
	S\$'000	S\$'000
Available-for-sale financial assets		
Interest income	1,397	1,817
Dividend income	26,373	30,413
Net foreign exchange differences	550	8,849
Transfer from fair value reserve on disposal of investments	13,442	43,991
Impairment of investments [Note 12(b)]	(810)	(1,419)
	40,952	83,651
Financial assets at fair value through profit or loss		
Net fair value changes on investments		
- Designated upon initial recognition	2,185	1,515
- Held for trading	1,577	202
Net fair value changes on derivatives	6,919	(37,318)
	10,681	(35,601)
Deposits with financial institutions		
Interest income	1,564	2,397
Net foreign exchange differences	(1,444)	1,260
	120	3,657
	51,753	51,707

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

27. DIVIDENDS

	Company	
	2016 S\$'000	2015 S\$'000
Tax-exempt dividends paid:		
- Final dividend of 8 cents per share in respect of previous financial year (2015: 8 cents per share)	129,097	129,300
- Special final dividend of 5 cents per share in respect of previous financial year (2015: 6 cents per share)	80,685	96,975
- Interim dividend of 7 cents per share (2015: 7 cents per share)	113,036	113,073
	322,818	339,348

The Directors have proposed a final dividend of 8 cents per share and a special final dividend of 3 cents per share for the financial year, amounting to a total of S\$177.6 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, 2017 when they are approved at the next annual general meeting.

28. EARNINGS PER SHARE

	Group			
	2016		2015	
	Basic S\$'000	Diluted S\$'000	Basic S\$'000	Diluted S\$'000
Profit after taxation attributable to shareholders of the Company	265,293	265,293	321,701	321,701

	Number of Shares		Number of Shares	
	'000	'000	'000	'000
Weighted average number of shares	1,614,436	1,614,436	1,615,527	1,615,527
Adjustment for assumed conversion of performance shares	-	7,039	-	7,372
Weighted average number of shares used to compute earnings per share	1,614,436	1,621,475	1,615,527	1,622,899

	Basic	Diluted	Basic	Diluted
Earnings per share (S\$)	0.16	0.16	0.20	0.20

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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	
			2016 %	2015 %
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 207 and 208 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, 2016

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 and 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				
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)

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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				
2015				
Assets				
Investments	111,494	–	–	111,494
Trade and other receivables	125,801	53,230	7,390	186,421
Cash and cash equivalents	261,984	17,677	12,585	292,246
	<u>499,279</u>	<u>70,907</u>	<u>19,975</u>	<u>590,161</u>
Liabilities				
Trade and other payables	(253,626)	(16,851)	(6,190)	(276,667)
Borrowings	(1,281,601)	–	(2,351)	(1,283,952)
	<u>(1,535,227)</u>	<u>(16,851)</u>	<u>(8,541)</u>	<u>(1,560,619)</u>
Net (liabilities)/assets	(1,035,948)	54,056	11,434	(970,458)
Less: Net liabilities/(assets) denominated in the respective entities' functional currencies	1,035,948	–	(9,320)	1,026,628
Less: Firm commitments in foreign currencies	–	(2,401)	(19)	(2,420)
Less: Currency forwards	–	(239,668)	(3,491)	(243,159)
Currency exposure	–	(188,013)	(1,396)	(189,409)

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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				
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)

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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				
2015				
Assets				
Investments	29,988	–	–	29,988
Trade and other receivables	1,454,487	405	252	1,455,144
Cash and cash equivalents	136,047	16,501	381	152,929
	1,620,522	16,906	633	1,638,061
Liabilities				
Trade and other payables	(789,807)	(12,734)	(108)	(802,649)
Borrowings	(85,000)	–	–	(85,000)
	(874,807)	(12,734)	(108)	(887,649)
Net assets	745,715	4,172	525	750,412
Less: Net assets denominated in the Company's functional currency	(745,715)	–	–	(745,715)
Less: Firm commitments in foreign currencies	–	(2,401)	(19)	(2,420)
Currency exposure	–	1,771	506	2,277

A reasonably possible strengthening (weakening) of the USD by 5% (2015: 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.

	2016		2015	
	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	(5,526)	–	(7,803)	–
- weakened	5,526	–	7,803	–
Company				
USD against SGD				
- strengthened	(166)	–	73	–
- weakened	166	–	(73)	–

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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% (2015: 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.

	2016		2015	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
Group				
Investments				
- prices increase	5,188	176,121	1,915	181,194
- prices decrease	(5,188)	(176,121)	(1,915)	(181,194)
Company				
Investments				
- prices increase	-	7,621	-	7,600
- prices decrease	-	(7,621)	-	(7,600)

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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% (2015: 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.

	2016		2015	
	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	(38)	(468)	(179)	(161)
- interest rates decrease	38	468	179	161
Borrowings				
- interest rates increase	(1,430)	-	(1,480)	-
- interest rates decrease	1,430	-	1,480	-

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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, 2016 were S\$85 million (2015: S\$85 million) and S\$15 million (2015: Nil) respectively [Note 20(d)].

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
By types of customers				
Advertisement	68,464	80,405	55,386	66,424
Circulation	12,824	12,341	11,912	11,429
Multimedia	5,598	4,610	2,300	1,535
Broadcasting	6,296	4,270	-	-
Rental	4,335	3,249	-	-
Others	11,212	11,792	3,957	2,193
	108,729	116,667	73,555	81,581

As at August 31, 2016, 40% – 65% (2015: 40% – 60%) 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, 2016

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	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Past due 1 to 30 days	20,947	22,061	11,093	12,805
Past due 31 to 60 days	9,499	8,523	3,663	3,568
Past due 61 to 90 days	4,320	4,208	1,701	1,393
Past due over 90 days	5,254	4,330	3,406	2,878
	40,020	39,122	19,863	20,644

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	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Gross amount	7,948	9,193	5,958	6,693
Less: Allowance for impairment	(7,948)	(9,193)	(5,958)	(6,693)
	-	-	-	-
Beginning of financial year	9,193	11,567	6,693	8,767
Acquisition of a subsidiary	-	69	-	-
Allowance made [Note 24]	598	370	(2)	61
Allowance utilised	(1,601)	(2,808)	(733)	(2,135)
Currency translation difference	(242)	(5)	-	-
End of financial year	7,948	9,193	5,958	6,693

The basis of determining impairment is set out in the accounting policy Note 2(i)(v).

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August 31, 2016

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, 2016				
Net-settled interest rate swaps	(5,383)	(2,996)	(2,751)	-
Gross-settled currency forwards				
- Receipts	138,971	-	-	-
- Payments	(140,279)	-	-	-
Trade and other payables	(204,470)	(19,555)	(19,413)	(373)
Borrowings	(122,622)	(693,633)	(550,799)	-
	(333,783)	(716,184)	(572,963)	(373)
At August 31, 2015				
Net-settled interest rate swaps	(2,881)	453	7,301	-
Gross-settled currency forwards				
- Receipts	236,700	-	-	-
- Payments	(243,675)	-	-	-
Trade and other payables	(233,939)	(13,941)	(26,852)	(1,935)
Borrowings	(358,369)	(17,162)	(978,913)	-
	(602,164)	(30,650)	(998,464)	(1,935)
Company				
At August 31, 2016				
Trade and other payables	(850,615)	-	-	-
Borrowings	(85,075)	-	-	-
	(935,690)	-	-	-
At August 31, 2015				
Trade and other payables	(802,649)	-	-	-
Borrowings	(85,046)	-	-	-
	(887,695)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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 7.5% per annum for the current financial year ended August 31, 2016 (2015: 8.9% 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 15.6%.

(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				
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)

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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				
2015				
Assets				
Investment properties	-	-	3,940,951	3,940,951
Financial assets at fair value through profit or loss	52,112	857	-	52,969
Available-for-sale financial assets	683,305	231,267	124,404	1,038,976
Derivatives	-	5,103	-	5,103
	735,417	237,227	4,065,355	5,037,999
Liabilities				
Derivatives	-	(7,081)	-	(7,081)

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Company				
2016				
Assets				
Available-for-sale financial assets	38,105	-	-	38,105
2015				
Assets				
Available-for-sale financial assets	70,056	-	-	70,056

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.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined from information provided by financial institutions and issuers using valuation techniques with observable inputs that are based on market information existing at each reporting date. These financial instruments are included in Level 2.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

Where a valuation technique for financial instruments is based on significant unobservable inputs, such instruments are included in Level 3. 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 - Retail, residential and commercial	Capitalisation approach	- Capitalisation rate: 3.8% to 5% (2015: 3.8% to 5%)	The estimated fair value varies inversely with the capitalisation rate.
	Discounted cashflow approach	- Discount rate: 7.5% (2015: 6.5% to 7.5%)	The estimated fair value varies inversely with the discount rate.
	Comparable sales method	- Comparable sales prices*: S\$1,093psf to S\$4,967psf (2015: S\$1,250psf to S\$2,624psf)	The estimated fair value varies with the adjusted comparable sales prices.
Available-for-sale financial assets			
Equities	Net tangible assets	- Net tangible assets*	N.A.
	Discounted cashflow approach	- Forecast revenue growth and EBITDA margin - Discount rate	The estimated fair value varies directly with the forecast revenue growth and EBITDA margin, and varies inversely with the discount rate.
Bonds	Net asset value	- Net asset value**	N.A.
Investment funds	Net asset value	- Net asset value**	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.

* Fair value of unquoted equities is determined by reference to the underlying net tangible assets of the investee companies.

** 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

NOTES TO THE FINANCIAL STATEMENTS

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30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

Movements in Level 3 assets are as follows:

	Available-for-sale financial assets				Asset held for sale S\$'000
	Investment properties 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 in from Level 2	-	35,257	-	13,274	-
Transferred out to Level 2	-	(2,197)	-	-	-
End of financial year	3,963,000	66,438	8,454	131,294	8,831
2015					
Beginning of financial year	3,860,451	733	-	84,914	-
Additions	44,242	2,223	8,463	19,932	-
Disposals	-	-	-	(4,952)	-
Gains/(Losses) recognised in income statement	36,258	-	-	(1,394)	-
Gains/(Losses) recognised in other comprehensive income	-	670	(11)	7,773	-
Transferred in from Level 2	-	6,053	-	-	-
End of financial year	3,940,951	9,679	8,452	106,273	-

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, 2016

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				
2016				
Liabilities				
Borrowings	-	52,037	-	52,037
2015				
Liabilities				
Borrowings	-	52,531	-	52,531

(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					
2016					
Assets					
Currency forwards [Note 15]	89	-	89	(89)	-
Liabilities					
Currency forwards [Note 15]	(1,396)	-	(1,396)	89	(1,307)
Interest rate swaps [Note 15]	(10,983)	-	(10,983)	-	(10,983)
	(12,379)	-	(12,379)	89	(12,290)
2015					
Assets					
Currency forwards [Note 15]	106	-	106	(106)	-
Interest rate swaps [Note 15]	4,997	-	4,997	-	4,997
	5,103	-	5,103	(106)	4,997
Liabilities					
Currency forwards [Note 15]	(7,081)	-	(7,081)	106	(6,975)

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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(f) 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						
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)
2015						
Assets						
Investments	-	1,038,976	52,969	-	-	1,091,945
Trade and other receivables excluding non-financial instruments	186,421	-	-	-	-	186,421
Derivatives	-	-	106	4,997	-	5,103
Cash and cash equivalents	292,246	-	-	-	-	292,246
	478,667	1,038,976	53,075	4,997	-	1,575,715
Liabilities						
Trade and other payables excluding non-financial instruments	-	-	-	-	(276,667)	(276,667)
Borrowings	-	-	-	-	(1,283,952)	(1,283,952)
Derivatives	-	-	(7,081)	-	-	(7,081)
	-	-	(7,081)	-	(1,560,619)	(1,567,700)

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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				
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)
2015				
Assets				
Investments	-	70,056	-	70,056
Trade and other receivables excluding non-financial instruments	1,455,144	-	-	1,455,144
Cash and cash equivalents	152,929	-	-	152,929
	1,608,073	70,056	-	1,678,129
Liabilities				
Trade and other payables excluding non-financial instruments	-	-	(802,649)	(802,649)
Borrowings	-	-	(85,000)	(85,000)
	-	-	(887,649)	(887,649)

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

31. RELATED PARTY TRANSACTIONS

Key management personnel compensation and transactions are as follows:

	Group	
	2016 S\$'000	2015 S\$'000
Remuneration and other short-term employee benefits	21,287	22,052
Employers' contribution to defined contribution plans	758	673
Share-based compensation expense	2,838	3,372
	24,883	26,097
Staff loans granted to key management personnel	249	570

The above includes total emoluments of the Company's directors of S\$4 million (2015: S\$3.9 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 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, 2016

32. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

Information regarding the results of each reportable segment is included in the table below.

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	14,407	579	-	253	-	15,239
- 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, 2016

32. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

2015

	Media S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue						
External sales	902,506	230,751	–	43,823	–	1,177,080
Inter-segmental sales	4,892	2,007	–	2,180	(9,079)	–
Total operating revenue	907,398	232,758	–	46,003	(9,079)	1,177,080
Result						
Segment result	239,558	174,119	50,397	(25,247)	–	438,827
Finance costs	(144)	(24,436)	(9,020)	(20)	–	(33,620)
Fair value change on investment properties	–	36,258	–	–	–	36,258
Share of results of associates and joint ventures	2,066	–	–	(13,286)	–	(11,220)
Profit/(Loss) before taxation	241,480	185,941	41,377	(38,553)	–	430,245
Taxation						(59,823)
Profit after taxation						370,422
Non-controlling interests						(48,721)
Profit attributable to Shareholders						321,701
Other information						
Segment assets	540,536	4,065,528	1,230,316	233,662	–	6,070,042
Segment assets includes:						
Associates/Joint ventures	62,839	–	–	29,330	–	92,169
Additions to:						
- property, plant and equipment	12,619	502	–	431	–	13,552
- investment properties	–	44,242	–	–	–	44,242
- intangible assets	930	–	–	34,795	–	35,725
Segment liabilities	192,117	1,293,050	92,659	32,577	–	1,610,403
Current tax liabilities						62,331
Deferred tax liabilities						50,658
Consolidated total liabilities						1,723,392
Depreciation	48,298	484	–	800	–	49,582
Amortisation of intangible assets	2,871	–	–	8,171	–	11,042
Impairment of goodwill	8,414	–	–	354	–	8,768
Impairment of intangible assets	–	–	–	301	–	301

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

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 classifieds services, organising events and exhibitions, and holding investments.

	Operating revenue		Non-current assets		Total assets	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Singapore	1,089,880	1,136,032	5,019,461	5,049,503	5,886,021	5,998,781
Other countries	34,469	41,048	37,735	48,573	57,867	71,261
	1,124,349	1,177,080	5,057,196	5,098,076	5,943,888	6,070,042

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, 2016 or later periods for which the Group has not early adopted.

These new standards include, among others, IFRS 1 *First-time adoption of IFRS*, FRS 115 *Revenue from Contracts with Customers*, FRS 109 *Financial Instruments* and FRS 116 *Leases*. IFRS 1, FRS 115 and FRS 109 are mandatory for adoption by the Group on September 1, 2018, and FRS 116 on September 1, 2019.

- The Accounting Standards Council ("ASC") announced on May 29, 2014 that Singapore-incorporated companies listed on the Singapore Exchange ("SGX") will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for accounting periods beginning on or after January 1, 2018. Singapore-incorporated companies listed on SGX will have to assess the impact of IFRS 1 when transitioning to the new reporting framework. The Group is currently assessing the impact of transitioning to the new reporting framework on its financial statements.
- FRS 115 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. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.
- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.
- FRS 116 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. FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016

33. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONT'D)

As FRS 115, FRS 109 and FRS 116, when effective, will change the existing accounting standards and guidance applied by the Group and the Company in accounting for revenue, financial instruments and leases, these standards are expected to be relevant to the Group and the Company. The Group is currently assessing the potential impact on its financial statements and plans to adopt these standards on the required effective date.

34. AUTHORISATION OF FINANCIAL STATEMENTS

On October 14, 2016, the Board of Directors of Singapore Press Holdings Limited authorised these financial statements for issue.

OPERATING COMPANIES OF THE GROUP

as at August 31, 2016

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
CT Point Investments Pte. Ltd.	Holding investments	Singapore
Digi Ventures Private Limited	Fund management and holding investments	Singapore
Exhibits Inc Pte. Ltd.	Organising conventions, conferences and exhibitions	Singapore
Focus Publishing Ltd	Publishing magazines and providing editorial services	Singapore
Invest Learning Pte. Ltd.	Holding investments	Singapore
Invest Media Pte. Ltd.	Holding investments	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
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
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 Press Holdings (Overseas) Limited	Providing marketing and other services and holding investments	Singapore

OPERATING COMPANIES OF THE GROUP

as at August 31, 2016

SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Activities	Country of Incorporation
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
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 Media Fund Pte. Ltd.	Holding investments	Singapore
SPH Pacom Pte. Ltd.	Publishing, events management and holding investments	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
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, 2016

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
MediaCorp Press Ltd	Production and distribution of newspapers	Singapore
MediaCorp TV Holdings Pte. Ltd.	Provision and marketing of television broadcasting services, production and distribution of television programmes and music albums	Singapore
MindChamps Preschool (Worldwide) Pte. Limited	Operating and franchising of early childhood curriculum and enrichment programmes and related investment holdings	Singapore
SI.com (Thailand) Co. Ltd	Providing online investor relations services, developing applications and operating a financial portal	Thailand

JOINT VENTURES

Name of Joint Venture	Principal Activities	Country of Incorporation
701Search Pte. Ltd.	Online businesses	Singapore
702Search (Thailand) B.V.	Investment holding and other activities	The Netherlands
703Search (Indonesia) B.V.	Investment holding and other activities	The Netherlands
Cho Tot Company Limited	Providing online classifieds services	Vietnam
Mudah.my Sdn. Bhd.	Providing online classifieds services	Malaysia
SPH Plug and Play Pte. Ltd.	Holding investments	Singapore

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As at 31 August 2016

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PROPERTIES OF THE GROUP

As at 31 August 2016

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
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 2016

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 - 99	254	0.43	8,872	0.00
100 - 1,000	8,724	14.93	7,921,238	0.50
1,001 - 10,000	36,952	63.24	169,328,860	10.59
10,001 - 1,000,000	12,428	21.27	569,429,299	35.62
1,000,001 and above	78	0.13	851,751,934	53.29
TOTAL	58,436	100.00	1,598,440,203	100.00

* Shareholdings exclude 2,208,918 treasury shares.

TWENTY LARGEST ORDINARY SHAREHOLDERS

Name of Shareholder	No. of Shares	%*
1 CITIBANK NOMINEES SINGAPORE PTE LTD	228,518,480	14.30
2 DBS NOMINEES PTE LTD	170,027,483	10.64
3 HSBC (SINGAPORE) NOMINEES PTE LTD	65,878,224	4.12
4 DBSN SERVICES PTE LTD	46,698,127	2.92
5 UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	43,754,902	2.74
6 RAFFLES NOMINEES (PTE) LTD	38,154,740	2.39
7 UOB KAY HIAN PTE LTD	18,109,203	1.13
8 LEE FOUNDATION STATES OF MALAYA	15,215,522	0.95
9 BNP PARIBAS SECURITIES SERVICES	13,795,160	0.86
10 LEE PINEAPPLE COMPANY PTE LTD	12,750,000	0.80
11 DB NOMINEES (S) PTE LTD	11,949,861	0.75
12 OCBC NOMINEES SINGAPORE PRIVATE LTD	11,636,771	0.73
13 CHAN SIEW KIM ALICE	10,685,000	0.67
14 LEUNG KAI FOOK MEDICAL COMPANY PTE LTD	10,331,950	0.65
15 PHAY THONG HUAT PTE LTD	9,792,000	0.61
16 LEE FOUNDATION	8,210,940	0.51
17 NANYANG PRESS (SINGAPORE) LIMITED	7,973,824	0.50
18 YONG YING-I	6,800,000	0.43
19 TAN TIANG HIN JERRY	5,883,675	0.37
20 OCBC SECURITIES PRIVATE LTD	5,395,837	0.34
TOTAL:	741,561,699	46.41

* Shareholdings exclude 2,208,918 treasury shares.

SHAREHOLDING STATISTICS

As at 3 October 2016

DISTRIBUTION OF MANAGEMENT SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	11	55.00	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	15.00	2,193,317	13.41
1,000,001 and above	6	30.00	14,168,404	86.59
TOTAL	20	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	8	0.00
11 DIRECTORS* (FOUR EACH)	40	0.00
TOTAL:	16,361,769	100.00

* Excluding the Chief Executive Officer

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.

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-Second 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 Thursday, December 1, 2016 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 August 31, 2016 and the Auditor’s Report thereon.
2. To declare a final dividend of 8 cents per share and a special dividend of 3 cents per share, on a tax-exempt basis, in respect of the financial year ended August 31, 2016.
3. To re-elect the following Directors who are retiring by rotation in accordance with Articles 111 and 112 of the Company’s Constitution, and who, being eligible, offer themselves for re-election:
 - (i) Lee Boon Yang
 - (ii) Chong Siak Ching
 - (iii) Tan Chin Hwee
 - (iv) Janet Ang Guat Har
4. To re-elect Ng Yat Chung, a Director who will cease to hold office in accordance with Article 115 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 August 31, 2017 (2016: up to S\$1,450,000).
6. To re-appoint the Auditor and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modifications, the following Resolutions, of which Resolutions 7(i) to 7(iii) (inclusive) will be proposed as Ordinary Resolutions and Resolution 7(iv) will be proposed as a Special Resolution:
 - (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 is in force,

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore) Co Regn No: 198402868E

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) of the Company (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) of the Company (as calculated in accordance with sub-paragraph (2) below);
 - (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) of the Company 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;
 - (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:
- (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**”);

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore) Co Regn No: 198402868E

- (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 any Ordinary Shares which are held as treasury shares as at that date); 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

- (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.”

- (iii) “That:

- (a) the SPH Performance Share Plan (the **“Existing Share Plan”**) be and is hereby terminated, provided that such termination shall be without prejudice to the rights of holders of awards outstanding under the Existing Share Plan as at the date of such termination;
- (b) a new performance share plan to be known as the “SPH Performance Share Plan 2016” (the **“SPH Performance Share Plan”**), the rules of which, for the purpose of identification, have been subscribed to by the Chairman of the Meeting, under which awards (**“Awards”**) of fully paid-up Ordinary Shares, their equivalent cash value or combinations thereof will be granted, free of payment, to selected employees of the Company, its subsidiaries and its associated companies, including executive Directors of the Company, and other selected participants, details of which are set out in the Letter to Shareholders dated November 1, 2016, be and is hereby approved;

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore) Co Regn No: 198402868E

- (c) the Directors of the Company be and are hereby authorised:
 - (i) to establish and administer the SPH Performance Share Plan; and
 - (ii) to modify and/or alter the SPH Performance Share Plan at any time and from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the SPH Performance Share Plan, and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the SPH Performance Share Plan; and
- (d) the Directors of the Company be and are hereby authorised to grant Awards in accordance with the provisions of the SPH Performance Share Plan and to allot and issue from time to time such number of fully paid-up Ordinary Shares as may be required to be delivered pursuant to the vesting of Awards under the SPH Performance Share Plan, provided that:
 - (i) 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 Ordinary Shares held as treasury shares) from time to time;
 - (ii) 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 Ordinary Shares held as treasury shares) from time to time (the “**Yearly Limit**”); and
 - (iii) 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.”
- (iv) “That the regulations contained in the new Constitution submitted to this Meeting and, for the purpose of identification, subscribed to by the Chairman thereof, be approved and adopted as the new Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution.”

By Order of the Board

Ginney Lim May Ling
Khor Siew Kim
 Company Secretaries

Singapore,
 November 1, 2016

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore) Co Regn No: 198402868E

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. 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 48 hours before the time fixed for the 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.

EXPLANATORY NOTES & STATEMENT PURSUANT TO ARTICLE 72 OF THE COMPANY'S CONSTITUTION

1. In relation to Ordinary Resolution No. 3(i):
Lee Boon Yang* will, upon re-election, continue as Chairman of the Executive Committee and the Remuneration Committee, and as a member of the Nominating Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Dr Lee and the other Directors or the Company.
2. In relation to Ordinary Resolution No. 3(ii):
Chong Siak Ching* will, upon re-election, continue as a member of the Remuneration Committee and the Nominating Committee. She is considered an independent Director. There are no relationships (including immediate family relationships) between Ms Chong and the other Directors or the Company.
3. In relation to Ordinary Resolution No. 3(iii):
Tan Chin Hwee* will, upon re-election, continue as a member of the Audit Committee and the Board Risk Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Tan and the other Directors or the Company.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore) Co Regn No: 198402868E

4. In relation to Ordinary Resolution No. 3(iv):

Janet Ang Guat Har* will, upon re-election, continue as a member of the Audit Committee and the Board Risk Committee. She is considered an independent Director. There are no relationships (including immediate family relationships) between Ms Ang and the other Directors or the Company.

5. In relation to Ordinary Resolution No. 4:

Ng Yat Chung* will, upon re-election, continue as a member of the Board Risk Committee. He will be appointed as a member of the Nominating Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Ng and the other Directors or the Company.

6. 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 September 1, 2016 to August 31, 2017. 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 an additional Director, additional unscheduled Board meetings and for the formation of additional Board Committees.

* *Details of the Director's current directorships in other listed companies and other principal commitments are set out on pages 26 to 29 of the Annual Report 2016.*

7. The effects of the Resolutions under the heading "Special Business" in the Notice of the Thirty-Second 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) of the Company, of which up to 10 per cent. of the total number of issued shares (excluding treasury shares) of the Company 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) of the Company 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.

(b) Ordinary Resolution No. 7(ii) 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 August 31, 2016, based on certain assumptions, are set out in paragraph 2.8 of the Letter to Shareholders dated November 1, 2016, which is enclosed together with the Summary Report 2016.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore) Co Regn No: 198402868E

- (c) Ordinary Resolution No. 7(iii) is to approve the adoption of the new SPH Performance Share Plan 2016 to replace the existing SPH Performance Share Plan, which is due to expire on 4 December 2016. If passed, Ordinary Resolution No. 7(iii) will 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 ordinary shares held as treasury shares) from time to time. In addition, Ordinary Resolution No. 7(iii) 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) 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. Please refer to the Letter to Shareholders dated November 1, 2016 for more details.
- (d) Special Resolution No. 7(iv) is to adopt a new Constitution following the wide-ranging changes to the Companies Act, Chapter 50 (the “**Companies Act**”) introduced pursuant to the Companies (Amendment) Act 2014 (the “**Amendment Act**”). The new Constitution will consist of the memorandum and articles of association of the Company which were in force immediately before 3 January 2016, and incorporate amendments to (*inter alia*) take into account the changes to the Companies Act introduced pursuant to the Amendment Act. Please refer to the Letter to Shareholders dated November 1, 2016 for more details.

STATEMENT PURSUANT TO SECTION 64A OF THE COMPANIES ACT, CHAPTER 50

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

Only coffee, tea and bottled 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 Thursday, December 1, 2016 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 (of which Resolution Nos. 1 to 7(iii) (inclusive) will be proposed as Ordinary Resolutions and Resolution No. 7(iv) will be proposed as a Special Resolution 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 111 and 112		
	(i) Lee Boon Yang		
	(ii) Chong Siak Ching		
	(iii) Tan Chin Hwee		
	(iv) Janet Ang Guat Har		
4.	To re-elect Director pursuant to Article 115		
	Ng Yat Chung		
5.	To approve Directors' fees for the financial year ending August 31, 2017		
6.	To re-appoint the Auditor and authorise the Directors to fix their remuneration		
	Special Business		
7.	(i) To approve the Ordinary Resolution pursuant to Section 161 of the Companies Act, Chapter 50		
	(ii) To approve the renewal of the Share Buy Back Mandate		
	(iii) To approve the adoption of the SPH Performance Share Plan 2016 and authorise the Directors to grant awards and allot and issue ordinary shares pursuant to the SPH Performance Share Plan 2016		
	(iv) To approve the adoption of the new Constitution of the Company		

Dated this _____ day of _____ 2016.

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 48 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.

This annual report was produced by the
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SINGAPORE PRESS HOLDINGS LIMITED

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