



**SINGAPORE PRESS HOLDINGS LIMITED**

Reg. No. 198402868E  
(Incorporated in Singapore)

**ANNOUNCEMENT  
AUDITED RESULTS FOR THE YEAR ENDED 31 AUGUST 2019**

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

**Results for the Year ended 31 August 2019**

	<b>Group</b>		<b>Change %</b>
	<b>2019</b> S\$'000	<b>2018</b> S\$'000	
Operating revenue	959,255	982,555	(2.4)
Other operating income	18,414	23,117	(20.3)
<b>Total revenue</b>	<b>977,669</b>	<b>1,005,672</b>	<b>(2.8)</b>
Materials, production and distribution costs	(134,856)	(142,752)	(5.5)
Staff costs	(333,309)	(351,785)	(5.3)
Premises costs	(84,960)	(69,998)	21.4
Depreciation	(27,381)	(26,612)	2.9
Other operating expenses	(136,676)	(141,402)	(3.3)
Impairment loss on trade receivables	(690)	(306)	125.5
Impairment of goodwill and intangibles	(23,603)	(22,356)	5.6
Finance costs	(49,272)	(37,513)	31.3
<b>Total costs</b>	<b>(790,747)</b>	<b>(792,724)</b>	<b>(0.2)</b>
<b>Operating profit<sup>#</sup></b>	<b>186,922</b>	<b>212,948</b>	<b>(12.2)</b>
Fair value change on investment properties	82,407	45,702	80.3
Share of results of associates and joint ventures	19,119	(4,928)	NM
Net income from investments	9,834	115,175	(91.5)
Profit before taxation	298,282	368,897	(19.1)
Taxation	(38,736)	(47,630)	(18.7)
Profit after taxation	259,546	321,267	(19.2)
Attributable to:			
<b>Shareholders of the Company</b>	<b>213,211</b>	<b>278,380</b>	<b>(23.4)</b>
Non-controlling interests	46,335	42,887	8.0
	<b>259,546</b>	<b>321,267</b>	<b>(19.2)</b>

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

NM Not Meaningful

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

	<b>Group</b>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
	S\$'000	S\$'000	%
(Allowance)/Write-back of allowance for stock obsolescence	(1,054)	25	NM
Share-based compensation expense	(3,336)	(3,610)	(7.6)
Retrenchment and outplacement costs	-	(10,824)	NM
Bad debts recovery	46	15	206.7
Profit on disposal of property, plant and equipment	75	182	(58.8)
Amortisation of intangible assets	(8,062)	(9,728)	(17.1)
Impairment of goodwill	(22,146)	(17,270)	28.2
Impairment of intangible assets	(1,457)	(5,086)	(71.4)
Gain on divestment of interests in subsidiaries	396	-	NM
(Loss)/Gain on divestment of interests in associates	(426)	5,881	NM
Interest income from treasury and operations	7,155	7,009	2.1
Net profit on disposal of investments	-	98,654	NM
Net fair value changes on			
- Investments at fair value through profit or loss ("FVTPL")	3,190	(1,121)	NM
- Derivatives (foreign exchange forwards)	(407)	(3,020)	(86.5)
Net foreign exchange differences	884	1,661	(46.8)
Impairment of investments	-	(6,627)	NM
Net over-provision of prior years' taxation	2,300	1,310	75.6

### 1(a)(iii) Statement of Comprehensive Income

	<b>Group</b>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
	S\$'000	S\$'000	%
Profit after taxation	259,546	321,267	(19.2)
Other comprehensive income, net of tax			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Capital reserves			
- share of capital reserves of an associate	20	-	NM
Cash flow hedges (interest rate swaps)			
- net fair value changes	(5,444)	2,144	NM
- transferred to income statement	1,514	3,550	(57.4)
Net fair value changes on available-for-sale financial assets			
- net fair value changes	-	11,052	NM
- transferred to income statement	-	(81,113)	NM
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	(13,327)	1,361	NM
	(17,237)	(63,006)	(72.6)
<u>Item that will not be re-classified subsequently to profit or loss</u>			
Net fair value changes on fair value through other comprehensive income ("FVOCI") financial assets	70,153	-	NM
Total comprehensive income	<u>312,462</u>	<u>258,261</u>	21.0
Attributable to:			
<b>Shareholders of the Company</b>	<b>267,550</b>	<b>213,541</b>	<b>25.3</b>
Non-controlling interests	44,912	44,720	0.4
	<u>312,462</u>	<u>258,261</u>	21.0

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

**Statements of Financial Position as at 31 August 2019**

	Group			Company		
	31 Aug 2019 S\$'000	31 Aug 2018 S\$'000	1 Sep 2017 S\$'000	31 Aug 2019 S\$'000	31 Aug 2018 S\$'000	1 Sep 2017 S\$'000
<b>CAPITAL EMPLOYED</b>						
Share capital	522,809	522,809	522,809	522,809	522,809	522,809
Treasury shares	(13,226)	(7,101)	(7,384)	(13,226)	(7,101)	(7,384)
Reserves	82,618	264,723	329,264	3,260	7,783	32,907
Retained profits	2,896,255	2,649,848	2,609,786	1,780,434	1,489,926	1,243,374
Shareholders' interests	3,488,456	3,430,279	3,454,475	2,293,277	2,013,417	1,791,706
Perpetual securities	150,512	-	-	150,512	-	-
Non-controlling interests	1,068,180	761,152	734,926	-	-	-
<b>Total equity</b>	<b>4,707,148</b>	<b>4,191,431</b>	<b>4,189,401</b>	<b>2,443,789</b>	<b>2,013,417</b>	<b>1,791,706</b>
<b>EMPLOYMENT OF CAPITAL</b>						
<b>Non-current assets</b>						
Property, plant and equipment	188,023	190,649	194,171	43,194	36,462	37,173
Investment properties	5,014,896	4,155,122	4,034,771	-	-	-
Subsidiaries	-	-	-	436,798	439,940	438,077
Associates	366,012	95,825	68,792	-	-	-
Joint ventures	21,995	39,174	8,696	600	600	-
Investments	352,797	453,951	513,728	-	-	27,173
Intangible assets	141,197	176,028	204,443	41,311	44,071	46,832
Trade and other receivables	251,337	246,562	8,935	2,069,297	283,809	4,650
Derivatives	2,065	200	200	-	-	-
	<b>6,338,322</b>	<b>5,357,511</b>	<b>5,033,736</b>	<b>2,591,200</b>	<b>804,882</b>	<b>553,905</b>
<b>Current assets</b>						
Inventories	23,472	22,636	21,892	21,491	20,281	19,557
Trade and other receivables	147,408	292,862	314,421	761,108	2,383,725	2,391,965
Investments	43,733	121,663	363,370	-	-	-
Asset held for sale	-	-	18,000	-	-	18,000
Derivatives	20	39	1,473	-	-	-
Cash and cash equivalents	554,435	359,498	312,647	119,816	161,886	150,467
	<b>769,068</b>	<b>796,698</b>	<b>1,031,803</b>	<b>902,415</b>	<b>2,565,892</b>	<b>2,579,989</b>
<b>Total assets</b>	<b>7,107,390</b>	<b>6,154,209</b>	<b>6,065,539</b>	<b>3,493,615</b>	<b>3,370,774</b>	<b>3,133,894</b>
<b>Non-current liabilities</b>						
Trade and other payables	40,475	39,362	37,556	105	1,121	2,876
Deferred tax liabilities	34,431	33,093	42,242	7,363	6,438	6,616
Borrowings	1,646,008	1,312,507	528,044	146,810	279,160	-
Derivatives	2,339	2,814	7,365	1,096	-	-
	<b>1,723,253</b>	<b>1,387,776</b>	<b>615,207</b>	<b>155,374</b>	<b>286,719</b>	<b>9,492</b>
<b>Current liabilities</b>						
Trade and other payables	228,328	230,527	241,352	752,225	973,237	1,020,196
Current tax liabilities	36,099	47,682	46,591	8,169	12,401	16,500
Borrowings	411,001	294,853	971,695	134,058	85,000	296,000
Derivatives	1,561	1,940	1,293	-	-	-
	<b>676,989</b>	<b>575,002</b>	<b>1,260,931</b>	<b>894,452</b>	<b>1,070,638</b>	<b>1,332,696</b>
<b>Total liabilities</b>	<b>2,400,242</b>	<b>1,962,778</b>	<b>1,876,138</b>	<b>1,049,826</b>	<b>1,357,357</b>	<b>1,342,188</b>
<b>Net assets</b>	<b>4,707,148</b>	<b>4,191,431</b>	<b>4,189,401</b>	<b>2,443,789</b>	<b>2,013,417</b>	<b>1,791,706</b>

As at 31 August 2019, certain amounts owing by its subsidiaries were reclassified from current to non-current trade and other receivables as the Company does not expect repayment within the next 12 months.

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

**Group Borrowings**

**Amount repayable in one year**

<b>As at 31 August 2019</b>		<b>As at 31 August 2018</b>	
<b>Secured</b> S\$'000	<b>Unsecured</b> S\$'000	<b>Secured</b> S\$'000	<b>Unsecured</b> S\$'000
279,625	131,376	209,813	85,040

**Amount repayable after one year**

<b>As at 31 August 2019</b>		<b>As at 31 August 2018</b>	
<b>Secured</b> S\$'000	<b>Unsecured</b> S\$'000	<b>Secured</b> S\$'000	<b>Unsecured</b> S\$'000
1,454,932	191,076	982,849	329,658

**Details of collateral**

As at 31 August 2019, the secured term loans comprised S\$995 million, S\$300 million, £205 million and A\$105 million undertaken by the subsidiaries, SPH REIT, The Seletar Mall Pte Ltd ("TSMPL"), Straits Capitol Trust ("SCT") and Figtree Holding Trust ("FHT") respectively (31 August 2018: S\$895 million for SPH REIT and S\$300 million for TSMPL).

The total secured borrowings of S\$1,734.6 million as at 31 August 2019 (31 August 2018: S\$1,192.7 million) represented the secured borrowings stated at amortised cost.

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

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

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

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

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

**Consolidated Statement of Cash Flows for the Year ended 31 August 2019**

	<b>2019</b>	<b>2018</b>
	S\$'000	S\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	298,282	368,897
Adjustments for:		
Depreciation	27,381	26,612
Profit on disposal of property, plant and equipment	(75)	(182)
Fair value change on investment properties	(82,407)	(45,702)
Share of results of associates and joint ventures	(19,119)	4,928
Gain on divestment of interests in subsidiaries	(396)	-
Loss/(Gain) on divestment of interests in associates	426	(5,881)
Net income from investments	(9,834)	(115,175)
Amortisation of intangible assets	8,062	9,728
Impairment of goodwill	22,146	17,270
Impairment of intangible assets	1,457	5,086
Impairment loss on trade receivables	690	306
Finance costs	49,272	37,513
Share-based compensation expense	3,336	3,610
Other non-cash items	1,489	1,499
Operating cash flow before working capital changes	300,710	308,509
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	(836)	(744)
Trade and other receivables, current	(6,094)	12,571
Trade and other payables, current	(5,696)	(11,362)
Trade and other receivables, non-current	365	1,184
Trade and other payables, non-current	1,113	1,806
Others	(2,697)	1,638
	286,865	313,602
Income tax paid	(49,317)	(48,655)
Dividends paid	(201,728)	(242,309)
Dividends paid (net) by subsidiaries to non-controlling interests	(53,276)	(42,979)
<b>Net cash used in operating activities</b>	<b>(17,456)</b>	<b>(20,341)</b>

## Consolidated Statement of Cash Flows for the Year ended 31 August 2019 (cont'd)

	<b>2019</b>	<b>2018</b>
	S\$'000	S\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(25,786)	(22,671)
Proceeds from disposal of property, plant and equipment	547	710
Additions to investment properties	(580,884)	(74,649)
Acquisition of subsidiaries (net of cash acquired)	(231,907)	-
Acquisition of interest in a subsidiary	-	(50)
Acquisition of business by a subsidiary	-	(4,840)
Acquisition of interests in associates	(73,739)	(12,115)
Acquisition of interests in joint ventures	-	(27,015)
Distributions received from associates	87,222	2,491
Distributions received from a joint venture	-	2,800
Proceeds from divestment of interests in subsidiaries	4,715	-
Proceeds from divestment of interest in an associate	6	-
Decrease/(Increase) in amounts owing by associates/ joint ventures	268	(86,831)
Decrease in amounts owing to associates/ joint ventures	(1,072)	(2,418)
Purchase of investments, non-current	(99,421)	(44,609)
Purchase of investments, current	(279,595)	(187,505)
Proceeds from capital distribution/disposal of investments, non-current	15,148	100,493
Proceeds from capital distribution/disposal of investments, current	516,470	302,736
Dividends received	2,423	20,308
Interest received	3,386	4,512
Other investment income	(3,408)	1,641
<b>Net cash used in investing activities</b>	<b>(665,627)</b>	<b>(27,012)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bank loans (net of transaction costs)	1,278,196	464,462
Repayment of bank loans	(808,169)	(356,333)
Interest paid	(46,769)	(35,233)
Share buy-back	(9,225)	(3,498)
Proceeds from partial divestment of interests in subsidiaries	-	24,806
Proceeds from perpetual securities issued (net of transaction costs)	148,824	-
Proceeds from perpetual securities issued by a subsidiary (net of transaction costs)	298,202	-
Proceeds from capital contribution by non-controlling interest	16,961	-
<b>Net cash from financing activities</b>	<b>878,020</b>	<b>94,204</b>
<b>Net increase in cash and cash equivalents</b>	<b>194,937</b>	<b>46,851</b>
Cash and cash equivalents at beginning of financial year	359,498	312,647
<b>Cash and cash equivalents at end of financial year</b>	<b>554,435</b>	<b>359,498</b>

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

**Statements of Changes in Total Equity for the Year ended 31 August 2019**

**(a) Group**

	← Attributable to Shareholders of the Company →							Retained Profits	Total	Perpetual Securities	Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Capital Reserve	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Currency Translation Reserve					
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 31 August 2018 as previously reported	522,809	(7,101)	(10,261)	7,783	(1,958)	267,894	(3,602)	2,691,368	3,466,932	-	761,152	4,228,084
Adoption of SFRS(I)	-	-	-	-	-	-	4,867	(41,520)	(36,653)	-	-	(36,653)
Balance as at 31 August 2018	522,809	(7,101)	(10,261)	7,783	(1,958)	267,894	1,265	2,649,848	3,430,279	-	761,152	4,191,431
Adoption of SFRS(I) 9	-	-	-	-	-	(12,426)	-	12,247	(179)	-	(12)	(191)
Balance as at 1 September 2018	522,809	(7,101)	(10,261)	7,783	(1,958)	255,468	1,265	2,662,095	3,430,100	-	761,140	4,191,240
Total comprehensive income for the year	-	-	20	-	(3,402)	70,153	(12,432)	213,211	267,550	-	44,912	312,462
Realised profit on disposal of FVOCI financial assets	-	-	-	-	-	(220,362)	-	220,362	-	-	-	-
<b>Transactions with owners, recognised directly in equity</b>												
<u>Contributions by and distributions to owners</u>												
Share-based compensation	-	-	-	3,336	-	-	-	-	3,336	-	-	3,336
Treasury shares re-issued	-	3,100	-	(6,949)	-	-	-	3,818	(31)	-	-	(31)
Share buy-back – held as treasury shares	-	(9,225)	-	-	-	-	-	-	(9,225)	-	-	(9,225)
Issue of perpetual securities	-	-	-	-	-	-	-	-	-	148,824	297,890	446,714
Dividends and distribution	-	-	-	-	-	-	-	(203,416)	(203,416)	1,688	(53,276)	(255,004)
<u>Changes in ownership interest in a subsidiary without a change in control</u>												
Acquisition of additional interest in a subsidiary	-	-	(37)	-	(6)	-	-	188	145	-	(145)	-
Dilution of interest in a subsidiary	-	-	-	-	-	-	-	(3)	(3)	-	61	58
<u>Changes in ownership interest in subsidiaries</u>												
Disposal of interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	(74)	(74)
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	17,672	17,672
<b>Balance as at 31 August 2019</b>	<b>522,809</b>	<b>(13,226)</b>	<b>(10,278)</b>	<b>4,170</b>	<b>(5,366)</b>	<b>105,259</b>	<b>(11,167)</b>	<b>2,896,255</b>	<b>3,488,456</b>	<b>150,512</b>	<b>1,068,180</b>	<b>4,707,148</b>



## Statements of Changes in Total Equity for the Year ended 31 August 2019 (cont'd)

### (a) Group (cont'd)

	← Attributable to Shareholders of the Company →								Non-controlling Interests	Total Equity	
	Share Capital	Treasury Shares	Capital Reserve	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Currency Translation Reserve	Retained Profits			Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance as at 31 August 2017 as previously reported	522,809	(7,384)	(10,409)	7,688	(5,970)	337,955	(4,867)	2,648,576	3,488,398	734,926	4,223,324
Adoption of SFRS(I)	-	-	-	-	-	-	4,867	(38,790)	(33,923)	-	(33,923)
Balance as at 31 August 2017	522,809	(7,384)	(10,409)	7,688	(5,970)	337,955	-	2,609,786	3,454,475	734,926	4,189,401
Total comprehensive income for the year	-	-	-	-	3,957	(70,061)	1,265	278,380	213,541	44,720	258,261
<b>Transactions with owners, recognised directly in equity</b>											
<u>Contributions by and distributions to owners</u>											
Share-based compensation	-	-	-	3,610	-	-	-	-	3,610	-	3,610
Treasury shares re-issued	-	3,781	-	(3,515)	-	-	-	(221)	45	-	45
Share buy-back – held as treasury shares	-	(3,498)	-	-	-	-	-	-	(3,498)	-	(3,498)
Dividends	-	-	-	-	-	-	-	(242,309)	(242,309)	(42,979)	(285,288)
Fair value gain on interest-free loans	-	-	-	-	-	-	-	-	-	3,474	3,474
<u>Changes in ownership interest in subsidiaries without a change in control</u>											
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	-	(270)	(270)	220	(50)
Dilution of interests in subsidiaries	-	-	148	-	55	-	-	4,482	4,685	20,121	24,806
Contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	670	670
<b>Balance as at 31 August 2018</b>	<b>522,809</b>	<b>(7,101)</b>	<b>(10,261)</b>	<b>7,783</b>	<b>(1,958)</b>	<b>267,894</b>	<b>1,265</b>	<b>2,649,848</b>	<b>3,430,279</b>	<b>761,152</b>	<b>4,191,431</b>

## Statements of Changes in Total Equity for the Year ended 31 August 2019 (cont'd)

### (b) Company

	Share Capital	Treasury Shares	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Retained Profits	Total	Perpetual securities	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 31 August 2018 as previously reported	522,809	(7,101)	7,783	-	-	1,518,369	2,041,860	-	2,041,860
Adoption of SFRS(I)	-	-	-	-	-	(28,443)	(28,443)	-	(28,443)
Balance as at 31 August 2018/ 1 September 2018	522,809	(7,101)	7,783	-	-	1,489,926	2,013,417	-	2,013,417
Total comprehensive income for the year	-	-	-	(910)	-	490,106	489,196	-	489,196
<b>Transactions with owners, recognised directly in equity</b>									
<u>Contributions by and distributions to owners</u>									
Share-based compensation	-	-	3,336	-	-	-	3,336	-	3,336
Treasury shares re-issued	-	3,100	(6,949)	-	-	3,818	(31)	-	(31)
Share buy-back – held as treasury shares	-	(9,225)	-	-	-	-	(9,225)	-	(9,225)
Issue of perpetual securities	-	-	-	-	-	-	-	148,824	148,824
Dividends and distribution	-	-	-	-	-	(203,416)	(203,416)	1,688	(201,728)
<b>Balance as at 31 August 2019</b>	<b>522,809</b>	<b>(13,226)</b>	<b>4,170</b>	<b>(910)</b>	<b>-</b>	<b>1,780,434</b>	<b>2,293,277</b>	<b>150,512</b>	<b>2,443,789</b>
Balance as at 1 September 2017 as previously reported	522,809	(7,384)	7,688	-	25,219	1,277,297	1,825,629	-	1,825,629
Adoption of SFRS(I)	-	-	-	-	-	(33,923)	(33,923)	-	(33,923)
Balance as at 1 September 2017	522,809	(7,384)	7,688	-	25,219	1,243,374	1,791,706	-	1,791,706
Total comprehensive income for the year	-	-	-	-	(25,219)	489,082	463,863	-	463,863
<b>Transactions with owners, recognised directly in equity</b>									
<u>Contributions by and distributions to owners</u>									
Share-based compensation	-	-	3,610	-	-	-	3,610	-	3,610
Treasury shares re-issued	-	3,781	(3,515)	-	-	(221)	45	-	45
Share buy-back – held as treasury shares	-	(3,498)	-	-	-	-	(3,498)	-	(3,498)
Dividends	-	-	-	-	-	(242,309)	(242,309)	-	(242,309)
<b>Balance as at 31 August 2018</b>	<b>522,809</b>	<b>(7,101)</b>	<b>7,783</b>	<b>-</b>	<b>-</b>	<b>1,489,926</b>	<b>2,013,417</b>	<b>-</b>	<b>2,013,417</b>

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

### Performance Shares

- (a) At the annual general meeting of the Company held on 1 December 2016, the Company's shareholders approved the adoption of the SPH Performance Share Plan 2016 ("the 2016 Share Plan"). This replaced the SPH Performance Share Plan ("the Share Plan"), which was terminated, except that awards granted prior to such termination and were outstanding continued to be valid till their vesting on 14 January 2019.
- (b) As at 31 August 2019, the number of shares granted and outstanding (being contingent award) under the 2016 Share Plan was 3,590,502 (31 August 2018: 4,444,202 (including shares granted and outstanding under the Share Plan)). Movements in the number of performance shares during the financial year are summarised below:

<u>Outstanding as at 01.09.18</u>	<u>Adjusted#</u>	<u>Granted*</u>	<u>Vested</u>	<u>Lapsed</u>	<u>Outstanding as at 31.08.19</u>
('000)	('000)	('000)	('000)	('000)	('000)
4,444	(1,259)	1,565	(1,097)	(62)	3,591

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

\* Included a special sign-on bonus of SPH shares

### Share Buy Back

Under the Share Buy Back Mandate (first approved by the Shareholders on 16 July 1999 and last renewed at the Annual General Meeting on 3 December 2018), the Company bought back 3,947,600 ordinary shares during the financial year. These shares are held as treasury shares. The amount paid, including brokerage fees, totalled S\$9.2 million and was deducted against shareholders' equity.

### Share Capital and Treasury Shares

As at 31 August 2019, the Company had 1,595,502,880 ordinary shares, 16,361,769 management shares and 5,146,241 treasury shares (31 August 2018: 1,598,353,733 ordinary shares, 16,361,769 management shares and 2,295,388 treasury shares).

The treasury shares held represent 0.3% (31 August 2018: 0.1%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 31 August 2019 and 31 August 2018.

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

As at 31 August 2019, the Company had 1,595,502,880 ordinary shares and 16,361,769 management shares (31 August 2018: 1,598,353,733 ordinary shares and 16,361,769 management shares).

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

During the financial year, the Company transferred 1,096,747 treasury shares for the fulfillment of share awards vested under the SPH PSP. The total value of the treasury shares transferred was S\$3.1 million.

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

The Company has no subsidiary holdings as at 31 August 2019.

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

The figures for the financial year have been audited. The auditors' report on the financial statements of the Group was not subject to any modification.

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

Please refer to the attached auditors' report.

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

**Accounting Policies**

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards. The Group's financial statements for the financial year ending 31 August 2019 was prepared in accordance with SFRS(I).

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 August 2018, except for the adoption of the SFRS(I) framework as described above and the new/revised SFRS(I) applicable for the financial period beginning 1 September 2018 as follows:

- SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*
- SFRS(I) 15 *Revenue from Contracts with Customers*
- SFRS(I) 9 *Financial Instruments*

### **SFRS(I) 1**

In adopting the new framework, the Group is required to apply the specific transition requirements in SFRS(I). The Group has applied SFRS(I) with 1 September 2017 as the date of transition for the Group and the Company, on a retrospective basis, as if such accounting policies had always been applied. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application. Except as set out below, the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 does not have any significant impact on the financial statements:

- Reset of cumulative currency translation reserve to nil at the date of transition; and
- Use of fair value of certain printing presses as their deemed cost.

### **SFRS(I) 15**

SFRS(I) 15 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.

The Group adopted SFRS(I) 15 using the retrospective approach with practical expedients.

Following clarification from the International Financial Reporting Interpretations Committee (IFRIC) on the capitalisation of borrowing cost for development property units for which revenue is recognised over time, a joint venture of the Group has expensed all borrowing costs which was previously capitalised.

### **SFRS(I) 9**

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

The Group has elected to apply the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2019 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained profits and reserves as at 1 September 2018.

The adoption of SFRS(I) 9 has resulted in the reclassification of non-current available-for-sale (AFS) equities securities, debt securities and investment funds as financial assets measured at fair value through other comprehensive income (FVOCI) while the non-current debt securities measured at fair value through profit or loss (FVTPL) will continue to be measured at FVTPL.

In addition, current AFS financial assets are reclassified as FVTPL financial assets, resulting in an increase in retained profits as at 1 September 2018.

SFRS(I) 9 requires the Group to record expected credit losses (ECL) on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group adopts the simplified approach and records lifetime ECL on all trade receivables. As a result, receivables and retained profits as at 1 September 2018 were adjusted.

## Impact on the comparatives for the Year-To-Date ended 31 August 2019

### Income Statement

	<b>2018</b>
	S\$'000
Decrease in depreciation	(6,602)
Increase in taxation	1,122
Decrease in share of results of associates and joint ventures	<u>(8,210)</u>

### Statements of Financial Position

	<b>1 Sep 2018</b>	<b>31 Aug 2018</b>	<b>1 Sep 2017</b>
	S\$'000	S\$'000	S\$'000
Decrease in currency translation reserve	-	4,867	4,867
Decrease in fair value reserve	(12,426)	-	-
Increase/(Decrease) in retained profits	12,247	(41,520)	(38,790)
Decrease in non-controlling interests	(12)	-	-
Decrease in property, plant and equipment	-	(34,269)	(40,871)
Decrease in joint ventures	-	(8,210)	-
Decrease in trade and other receivables, current	(191)	-	-
Decrease in deferred tax liabilities	(2,546)	(5,826)	(6,948)
Increase in current tax liabilities	<u>2,546</u>	<u>-</u>	<u>-</u>

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

### Earnings Per Share for the Year ended 31 August 2019

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
(a) Based on the weighted average number of shares on issue (S\$)	0.13	0.17
(b) On fully diluted basis (S\$)	0.13	0.17

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

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

#### Net Asset Value Per Share

	Group		Company	
	31 Aug 2019	31 Aug 2018	31 Aug 2019	31 Aug 2018
Net asset value per share based on total number of issued shares at the end of period/year (S\$)	2.16	2.12	1.42	1.25

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

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

**Review of Results for the Year ended 31 August 2019 ("FY2019") compared with the Year ended 31 August 2018 ("FY2018")**

#### 7.1 Income Statement

- 7.1.1 Group operating revenue comprised mainly advertisement and circulation revenue (print and digital), rental income from retail malls and student accommodation, and income from other businesses (including aged care, events and exhibitions and education). The decrease in group operating revenue of S\$23.3 million (2.4%), from S\$982.6 million in FY2018 to S\$959.3 million in FY2019, was mainly due to lower print advertisement revenue and circulation revenue of S\$57 million (14.9%) and S\$11 million (7.3%) respectively, and reduction in revenue contribution from Shareinvestor.com holdings of S\$8 million (86.3%) with the divestment in November 2018. The decline was cushioned by rental revenue of S\$36.4 million from the PBSA portfolio, S\$11.4 million from Figtree (SPH REIT's retail mall in Australia) and S\$4.9 million from The Rail Mall.

Other operating income included sales of production waste and other scrap materials, distribution service fees for third party periodicals, and income from branding events. Other operating income fell S\$4.7 million (20.3%), from S\$23.1 million in FY2018 to S\$18.4 million in FY2019, mainly due to the absence of a S\$5.9 million gain arising from the dilution of interest on the IPO listing of MindChamps Preschool in FY2018.

Total revenue of S\$977.7 million in FY2019 was lower by S\$28 million (2.8%) compared to S\$1,005.7 million in FY2018.

7.1.2 Materials, production and distribution costs included newsprint and other material costs, factory overheads and distribution costs for the media business, and production costs and supplies for the events and exhibitions and aged care businesses. The reduction in materials, production and distribution costs by S\$7.9 million (5.5%), from S\$142.8 million in FY2018 to S\$134.9 million in FY2019, was in line with lower revenue of the media business.

Staff costs comprised salaries, bonuses, allowances, employers' contribution to defined contribution plans and share-based compensation expense. Staff costs was lower by S\$18.5 million (5.3%), from S\$351.8 million in FY2018 to S\$333.3 million in FY2019. This was due to lower headcount and bonus provision.

Premises costs relate mainly to rental expenses, property tax, building maintenance costs and utility charges, and are primarily incurred for the retail malls, student accommodation, media and aged care businesses. The increase in premises costs of S\$15 million (21.4%), from S\$70 million in FY2018 to S\$85 million in FY2019, was attributed mainly to the PBSA portfolio and Figtree assets acquired in the current year.

Depreciation increased marginally by S\$0.8 million (2.9%) from S\$26.6 million in FY2018 to S\$27.4 million in FY2019 due to additions to fixed assets, mainly digital press and furniture and fittings.

Other operating expenses included business promotion expenses, articles and news agencies' fees, computer system maintenance and software licence fees, amortisation of intangibles assets, foreign exchange differences and other expenses in line with business activities. The other operating expenses decreased by S\$4.7 million (3.3%), from S\$141.4 million in FY2018 to S\$136.7 million in FY2019. This was mainly due to the absence of retrenchment costs of S\$10.8 million taken up in FY2018 partially offset by higher professional fees.

Impairment charges on goodwill and intangibles of S\$23.6 million and S\$22.4 million were recognised in FY2019 and FY2018 respectively. The charges in FY2019 primarily related to the Aged Care business and FY2018 related mainly to the online classifieds business.

Finance costs increased by S\$11.8 million (31.3%), from S\$37.5 million in FY2018 to S\$49.3 million in FY2019, due to interest costs on loan facilities taken up to fund the acquisition of the PBSA portfolio and Figtree in the current year.

Overall, total costs fell slightly by S\$2 million (0.2%) from S\$792.7 million in FY2018 to S\$790.7 million in FY2019.

7.1.3 As a result of the foregoing, operating profit of S\$186.9 million in FY2019 was S\$26 million (12.2%) lower compared to S\$212.9 million in FY2018.

7.1.4 Fair value gain on investment properties of S\$82.4 million recorded in FY2019 was largely contributed by PBSA portfolio (S\$35 million), retail malls (S\$31.6 million) and bungalows (S\$15 million). FY2018 gain of S\$45.7 million was mainly attributed to retail malls (S\$35.7 million) and bungalows (S\$9.8 million).

7.1.5 The share of results of associates and joint ventures was a profit of S\$19.1 million in FY2019 against a loss of S\$4.9 million in FY2018. Included in the results was a S\$13.9 million fair value gain on investment property and a S\$10.4 million divestment gain from its associate, Perennial Chinatown Point LLP ("Chinatown Point").



- 7.1.6 Investment income comprised fair value changes on investments and derivatives, foreign exchange differences, and dividend and interest income from the investment portfolio. Investment income fell by S\$105.3 million (91.5%), from S\$115.2 million in FY2018 to S\$9.8 million in FY2019, with the Treasury and Investment portfolio largely divested by August 2018.
- 7.1.7 Taxation charge of S\$38.7 million in FY2019 was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. This included an amount of S\$2.3 million for over-provision of taxation in respect of prior years.
- 7.1.8 Consequently, net profit attributable to shareholders of S\$213.2 million in FY2019 was S\$65.2 million (23.4%) lower compared to S\$278.4 million in FY2018.

## **7.2 Statements of Financial Position**

### **Equity**

- 7.2.1 Equity comprised share capital, treasury shares, reserves and retained profits of the Company's shareholders, perpetual securities and non-controlling interests. The increase in equity by S\$515.7 million (12.3%) from S\$4,191.4 million as at 31 August 2018 to S\$4,707.1 million as at 31 August 2019 was mainly due to S\$150 million and S\$300 million of perpetual securities issued by the Company and SPH REIT respectively. The perpetual securities issued by SPH REIT was recorded in non-controlling interests.

### **Non-current assets**

- 7.2.2 Non-current assets comprised property, plant and equipment, investment properties, interests in associates and joint ventures, investments, intangible assets, trade and other receivables, and derivatives. The increase in non-current assets by S\$980.8 million (18.3%) from S\$5,357.5 million as at 31 August 2018 to S\$6,338.3 million as at 31 August 2019 was mainly due to additions to investment properties and associates, partially offset by reduction in joint ventures, non-current investments and intangible assets.
- 7.2.3 Investment properties comprised mainly retail malls and student accommodation assets. The increase in investment properties by S\$859.8 million (20.7%), from S\$4,155.1 million as at 31 August 2018 to S\$5,014.9 million as at 31 August 2019, arose from overseas acquisitions of the UK PBSA portfolio (S\$603.5 million) and Figtree in Australia (S\$192 million), and fair value gains on other investment properties of S\$60.1 million.
- 7.2.4 Associates increased by S\$270.2 million (282%) from S\$95.8 million as at 31 August 2018 to S\$366 million as at 31 August 2019. The increase was attributed to SPH's 20% stake in Konnectivity Pte Ltd of S\$308 million in conjunction with the M1 transaction, and acquisition of a 20% stake in KBS US Prime Property Management Pte Ltd for S\$20.1 million. The increase was partially offset by the reduction in carrying value of Chinatown Point by S\$50.5 million (97.9%) being distributions received net of share of results recognised for the year.
- 7.2.5 Joint ventures decreased by S\$17.2 million (43.9%) from S\$39.2 million as at 31 August 2018 to S\$22 million as at 31 August 2019, mainly due to share of financing and marketing costs of The Woodleigh Residences.

- 7.2.6 Non-current investments refer to equity securities, debt securities and investment funds. Non-current investments decreased by S\$101.2 million (22.3%) from S\$454 million as at 31 August 2018 to S\$352.8 million as at 31 August 2019. This was due to the reclassification of the Group's stake in M1 to interest in associate by an amount of S\$197.9 million which represented the fair value of M1 shares as at 31 August 2018, partially offset by the Group's investment in Prime US REIT of S\$81.4 million.
- 7.2.7 Intangible assets included goodwill, technology, trademarks, licences and mastheads that are acquired mainly through business acquisitions. Intangible assets decrease of S\$34.8 million (19.8%) from S\$176 million as at 31 August 2018 to S\$141.2 million as at 31 August 2019 was due mainly to impairment of goodwill and intangibles of S\$23.6 million, amortisation of intangible assets of S\$8.1 million and divestment of Shareinvestor.com Holdings of S\$5.4 million.
- 7.2.8 Derivatives (foreign exchange forwards) of S\$2.1 million as at 31 August 2019 represents the fair value changes on contracts that the Group entered into to minimise its foreign currency exposure and to hedge its interest rate risk exposure.

### **Current assets**

- 7.2.9 Current assets comprised inventories, trade and other receivables, investments, derivatives, and cash and cash equivalents. The decrease in current assets of S\$27.6 million (3.5%) from S\$796.7 million as at 31 August 2018 to S\$769.1 million as at 31 August 2019 was mainly due to lower trade and other receivables and current investments offset by increased cash balances.
- 7.2.10 Inventories comprised newsprint and other materials for the media business, supplies for the aged care business and inventories for the book publishing business. The increase of S\$0.8 million (3.7%) from S\$22.6 million as at 31 August 2018 to S\$23.5 million as at 31 August 2019, was attributed to higher newsprint inventory holdings.
- 7.2.11 Trade and other receivables decreased by S\$145.5 million (49.7%), from S\$292.9 million as at 31 August 2018 to S\$147.4 million as at 31 August 2019. This was mainly due to receipt of proceeds from the disposal of portfolio investments due after 31 August 2018.
- 7.2.12 Current investments refer to equity securities, debt securities and investment funds. Current investments decreased by S\$77.9 million (64.1%), from S\$121.7 million as at 31 August 2018 to S\$43.7 million as at 31 August 2019, due to further disposal of portfolio investments.
- 7.2.13 Cash and cash equivalents increased by S\$194.9 million (54.2%) from S\$359.5 million as at 31 August 2018 to S\$554.4 million as at 31 August 2019. Details of the movements are set out in the Consolidated Statement of Cash Flows in paragraph 1(c).

### **Non-current liabilities**

- 7.2.14 Non-current liabilities comprised trade and other payables, deferred tax liabilities, borrowings, and derivatives. The increase in non-current liabilities by S\$335.5 million (24.2%) from S\$1,387.8 million as at 31 August 2018 to S\$1,723.3 million as at 31 August 2019 was attributed to increase in non-current borrowings.
- 7.2.15 Trade and other payables was stable at S\$40.5 million as at 31 August 2019.
- 7.2.16 Non-current borrowings increased by S\$333.5 million (25.4%), from S\$1,312.5 million as at 31 August 2018 to S\$1,646 million as at 31 August 2019. The increase arose from long-term facilities taken up in relation to the acquisition of PBSA portfolio and Figtree, partially offset by repayment of a facility.
- 7.2.17 Derivatives (interest rate swaps) of S\$2.3 million as at 31 August 2019 and S\$2.8 million as at 31 August 2018 resulted from fair value changes on contracts that the Group entered into to hedge its interest rate risk exposure.

### **Current liabilities**

- 7.2.18 Current liabilities comprised trade and other payables, current tax liabilities, borrowings and derivatives. The increase in current liabilities by S\$102 million (17.7%) from S\$575 million as at 31 August 2018 to S\$677 million as at 31 August 2019 was due to increase in current borrowings.
- 7.2.19 Current borrowings increased by S\$116.1 million (39.4%), from S\$294.9 million as at 31 August 2018 to S\$411 million as at 31 August 2019, mainly due to draw-down of S\$131.3 million of short-term credit facilities to fund the Group's acquisitions pending long-term financing arrangements.
- 7.2.20 Derivatives (foreign exchange forwards) of S\$1.6 million as at 31 August 2019 and S\$1.9 million as at 31 August 2018 represent the fair value changes on contracts that the Group entered into to minimise its foreign currency exposure and to hedge its interest rate risk exposure .

## **7.3 Statement of Cash Flows**

- 7.3.1 Net cash used in operating activities of S\$17.5 million was due to payment of dividends of S\$255 million and income tax of S\$49.3 million, partially offset by cash inflow from operating activities of S\$286.9 million.
- 7.3.2 Net cash used in investing activities of S\$665.6 million was due to additions to investment properties of S\$580.9 million and acquisition of subsidiaries of S\$231.9 million mainly relating to the PBSA portfolio and Figtree. This was partially offset by net proceeds from the disposal and purchase of investments of S\$152.6 million.
- 7.3.3 Net cash from financing activities of S\$878 million was attributed to net draw-down of S\$470 million of loan facilities mainly related to acquisition of the PBSA portfolio and Figtree, and proceeds from the issuance of perpetual securities of S\$447 million.

8. **Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

**Business Segments**

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 in the retail, student accommodation and residential sectors. 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, aged care, events and exhibitions, education, New Media Fund and other business adjacencies.

**Group Segmental Information**

2019

	Media S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
<b>Operating revenue</b>						
External sales	576,881	296,512	-	85,862	-	959,255
Inter-segmental sales	5,433	3,188	-	1,501	(10,122)	-
Total operating revenue	582,314	299,700	-	87,363	(10,122)	959,255
<b>Result</b>						
Segment result	55,657	214,644	8,062	(32,335)	-	246,028
Finance costs	-	(49,171)	(101)	-	-	(49,272)
Fair value change on investment properties	-	82,407	-	-	-	82,407
Share of results of associates and joint ventures	(990)	15,118	-	4,991	-	19,119
Profit / (Loss) before taxation	54,667	262,998	7,961	(27,344)	-	298,282
Taxation						(38,736)
Profit after taxation						259,546
Non-controlling interests						(46,335)
Profit attributable to Shareholders						213,211
<b>Other information</b>						
Segment assets	249,067	5,810,383	347,871	700,069	-	7,107,390
Segment assets includes:						
Associates/Joint ventures	10,078	35,602	-	342,327	-	388,007
Additions to:						
- property, plant and equipment	22,340	511	-	2,935	-	25,786
- investment properties	-	814,020	-	-	-	814,020
- intangible assets	-	2,015	-	256	-	2,271
Segment liabilities	124,250	2,178,429	1,031	26,002	-	2,329,712
Current tax liabilities						36,099
Deferred tax liabilities						34,431
Consolidated total liabilities						2,400,242
Depreciation	21,218	489	-	5,674	-	27,381
Amortisation of intangible assets	373	-	-	7,689	-	8,062
Impairment of goodwill	146	-	-	22,000	-	22,146
Impairment of intangible assets	666	-	-	791	-	1,457

**2018**

	<b>Treasury and</b>					
	<b>Media</b>	<b>Property</b>	<b>Investment</b>	<b>Others</b>	<b>Eliminations</b>	<b>Consolidated</b>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating revenue</b>						
External sales	655,782	242,417	-	84,356	-	982,555
Inter-segmental sales	3,691	2,538	-	2,149	(8,378)	-
Total operating revenue	<u>659,473</u>	<u>244,955</u>	<u>-</u>	<u>86,505</u>	<u>(8,378)</u>	<u>982,555</u>
<b>Result</b>						
Segment result	98,668	182,843	100,895	(16,770)	-	365,636
Finance costs	-	(35,585)	(1,915)	(13)	-	(37,513)
Fair value change on investment properties	-	45,702	-	-	-	45,702
Share of results of associates and joint ventures	5	(3,713)	-	(1,220)	-	(4,928)
Profit / (Loss) before taxation	<u>98,673</u>	<u>189,247</u>	<u>98,980</u>	<u>(18,003)</u>	<u>-</u>	<u>368,897</u>
Taxation						<u>(47,630)</u>
Profit after taxation						321,267
Non-controlling interests						<u>(42,887)</u>
Profit attributable to Shareholders						<u>278,380</u>
<b>Other information</b>						
Segment assets	<u>268,797</u>	<u>4,531,326</u>	<u>958,139</u>	<u>395,947</u>	<u>-</u>	<u>6,154,209</u>
Segment assets includes:						
Associates/Joint ventures	12,823	84,453	-	37,723	-	134,999
Additions to:						
- property, plant and equipment	14,532	164	-	9,053	-	23,749
- investment properties	-	74,649	-	-	-	74,649
- intangible assets	-	-	-	3,700	-	3,700
Segment liabilities	<u>151,165</u>	<u>1,616,703</u>	<u>87,676</u>	<u>26,459</u>	<u>-</u>	<u>1,882,003</u>
Current tax liabilities						47,682
Deferred tax liabilities						33,093
Consolidated total liabilities						<u>1,962,778</u>
Depreciation	20,845	540	-	5,227	-	26,612
Amortisation of intangible assets	808	-	-	8,920	-	9,728
Impairment of goodwill	275	-	-	16,995	-	17,270
Impairment of intangible assets	449	-	-	4,637	-	5,086

**Geographical segments**

The principal geographical area in which the Group operates is Singapore. The Group's overseas operations include holding and managing student accommodation and retail properties, publishing and distributing magazines, providing marketing and editorial services, providing online classified services, organising events and exhibitions, and holding investments.

	<b>Operating revenue</b>		<b>Non-current assets</b>		<b>Total assets</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	<b>894,348</b>	962,450	<b>5,518,216</b>	5,332,289	<b>6,240,561</b>	6,113,353
Other countries	<b>64,907</b>	20,105	<b>820,106</b>	25,222	<b>866,829</b>	40,856
	<u><b>959,255</b></u>	<u>982,555</u>	<u><b>6,338,322</b></u>	<u>5,357,511</u>	<u><b>7,107,390</b></u>	<u>6,154,209</u>

9. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

**Group Segmental Review**

Media

Revenue for the Media business declined S\$78.9 million (12%) from S\$655.8 million in FY2018 to S\$576.9 million in FY2019. Overall, print advertisement revenue decreased by S\$57 million (14.9%) with Newspaper declining by S\$48.7 million (13.9%). On the digital front, Newspaper digital advertisement revenue reported growth of S\$1.5 million (6%) year-on-year.

Circulation revenue fell S\$11 million (7.3%) as daily average newspaper print sales decreased by 68,855 copies (12.2%), while daily average newspaper digital sales increased by 40,351 copies (19.3%) excluding copies relating to a barter agreement which has ended. In addition, revenue contribution from Shareinvestor.com holdings declined by S\$8 million (86.3%) with the divestment in November 2018.

Profit before tax was S\$44 million (44.6%) lower year-on-year, from S\$98.7 million in FY2018 to S\$54.7 million in FY2019. The decline in revenue by S\$78.9 million (12%) was cushioned by reduction in staff costs and bonus provision of S\$20.8 million (6.9%), and materials, production and distribution cost of S\$7.4 million (5.4%), together with the absence of retrenchment costs of S\$10.8 million taken up in FY2018.

Property

Growth in revenue for the Property segment of S\$54.1 million (22.3%) from S\$242.4 million in FY2018 to S\$296.5 million in FY2019 arose mainly from overseas asset acquisitions. The increase comprised mainly revenue contribution of S\$36.4 million from the UK PBSA portfolio, S\$11.4 million from Figtree in Australia and S\$4.9 million from The Rail Mall.

Profit before tax increased by S\$73.8 million (39%), from S\$189.2 million in FY2018 to S\$263 million in FY2019. The PBSA portfolio, Figtree and The Rail Mall recorded operating profits of S\$15 million, S\$3 million and S\$3.2 million respectively. In addition, fair value change on investment properties was S\$36.7 million (80.3%) higher year-on-year, with S\$35 million contributed by the PBSA portfolio.

The share of results from associates and joint ventures turned from losses of S\$3.7 million in FY2018 to profits of S\$15.1 million in FY2019. This was due mainly to share of fair value gain of S\$13.9 million and property divestment gain of S\$10.4 million on Chinatown Point, partially offset by share of higher marketing and financing costs of S\$4.1 million for The Woodleigh Residences.

Treasury and Investment

Profit before tax was S\$91 million (92%) lower year-on-year, from S\$99 million in FY2018 to S\$8 million in FY2019, with the Treasury and Investment portfolio largely divested by August 2018.

## Others

Revenue for the Others segment was stable at S\$85.9 million in FY2019.

Loss before tax widened by S\$9.3 million (51.9%), from S\$18 million in FY2018 to S\$27.3 million in FY2019. The increase in losses was due to the absence of S\$9.4 million gain from the Qoo10 transaction recognised in FY2018. In addition, FY2019 included impairment charges on goodwill and intangibles of S\$22.8 million primarily related to the Aged Care business (FY2018: S\$21.6 million related mainly to the online classifieds business).

### **10. Breakdown of Sales**

	<u>Group</u>		
	<u>2019</u>	<u>2018</u>	<u>Change</u>
	S\$'000	S\$'000	%
(a) Operating revenue reported for first half year	477,643	492,457	(3.0)
(b) Profit after tax before deducting non-controlling interests reported for the first half year	99,598	120,592	(17.4)
(c) Operating revenue reported for second half year	481,612	490,098	(1.7)
(d) Profit after tax before deducting non-controlling interests reported for the second half year	159,948	200,675	(20.3)

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

No forecast was made previously.

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

- 12.1 The Media business continues to be challenged with the decline in print advertisement and circulation revenue. However, the digital transformation strategy is seeing progress in terms of improved digital advertisement and circulation growth.
- 12.2 The Group has redeployed capital from its Treasury and Investment portfolio to invest in student accommodation which is yielding a steady stream of recurring income. The Group will continue to invest in such defensive, cash-yielding sectors to expand its recurring income base.
- 12.3 The Group will be streamlining its Media operations in line with a new integrated sales approach. This will result in a rationalisation of its Media sales and content teams and see an approximate 5% reduction in staff numbers across the Media Group. The exercise is expected to be completed in 1Q 2020 and to incur retrenchment costs of approximately S\$8 million.
- 12.4 The Group has, on 15 October 2019, entered into a strategic partnership with Bridge C Capital Inc. ("Bridge C") to set up a fund, focused on investing in aged care and healthcare assets such as senior housing, nursing homes and medical office buildings in Japan (the "Fund"). The Group will invest seed equity of up to S\$50 million in the Fund while Bridge C will be the asset manager for the properties in Japan acquired by the Fund, focusing on marketing, deal sourcing, and management expertise. Both parties will be jointly responsible for raising additional funds, as well as sourcing for suitable assets for the Fund.

**13. Dividends**

**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Final Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend Rate	5.5 cents per share	1 cent per share
Tax Rate	Tax exempt	Tax exempt

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

Yes.

Name of Dividend	Final Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend Rate	3 cents per share	4 cents per share
Tax Rate	Tax exempt	Tax exempt

**(c) Date payable**

The date the dividend is payable: 20 December 2019.

**(d) Record Date**

The Share Transfer Books and Register of Members of the Company will be closed on 9 December 2019, 5.00 p.m. for preparation of dividend warrants. Duly stamped and completed transfers received by our Share Transfer Office, Tricor Barbinder Share Registration Services, 80 Robinson Road #02-00 Singapore 068898, up to 5.00 p.m. on 9 December 2019 will be registered to determine shareholders' entitlements to the dividend. In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will distribute the dividend to holders of the securities accounts.

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

Not applicable.



15. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

**Total Net Annual Dividend**

	<b>2019</b>	<b>2018</b>
	S\$'000	S\$'000
Ordinary	193,504	209,895
Preference	-	-
Total	<u>193,504</u>	<u>209,895</u>

The amount of S\$193,504,000 (Last year: S\$209,895,000) included S\$1,963,000 (Last year: S\$2,127,000) relating to management shares.

\* This may be increased depending on the number of issued shares existing as at the books closure date on 9 December 2019.

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

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

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

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

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that there is no person occupying a managerial position in the Company who is related to a director, chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

Ginney Lim May Ling  
Khor Siew Kim

Company Secretaries

Singapore,  
17 October 2019



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## **Independent Auditors' Report on the Full Financial Statements**

Members of the Company  
Singapore Press Holdings Limited

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Singapore Press Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 August 2019, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in total equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages # to #.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 August 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

#### **Basis for opinion**

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

#### **Key audit matters**

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

#### **Valuation of investment properties**

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

#### **Risk:**

Investment properties represent the single largest category of assets on the statement of financial position, at S\$5 billion as at 31 August 2019.



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

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

***Our response:***

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

We considered the valuation methodologies used against those applied by other valuers for similar property types. We tested the integrity of inputs of the projected cash flows used in the valuation to supporting leases and other documents. We challenged the key assumptions used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors.

We also assessed whether the disclosures in the financial statements appropriately described the inherent degree of subjectivity and key assumptions in the valuations.

***Our findings:***

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

The valuation methodologies adopted by the valuers are in line with generally accepted market practices and the key assumptions used are within range of available market data. The disclosures in the financial statements are appropriate in their description of the inherent subjectivity and estimation involved.

**Valuation of unquoted investments**

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

***Risk:***

The Group's investment portfolio of S\$396.5 million as at 31 August 2019 included unquoted investments of S\$180.4 million, measured at Level 3 of the fair value hierarchy. The Level 3 investments are measured using non-observable market data (i.e. recent transacted price, indicative price for equity participation and underlying net asset value of the investee companies) and hence, the valuation of these investments involves judgement.

***Our response:***

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



**Our findings:**

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

**Valuation of goodwill and intangible assets**

(Refer to Note 13 to the financial statements)

**Risk:**

Intangible assets of S\$141.2 million as at 31 August 2019 comprise mainly goodwill, trademarks and licences acquired from business combinations. Impairment charge of S\$23.6 million was recorded for goodwill and intangible assets.

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

**Our response:**

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

**Our findings:**

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

**Other information**

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

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

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

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



### **Responsibilities of management and directors for the financial statements**

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

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

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

#### **Report on other legal and regulatory requirements**

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

The engagement partner on the audit resulting in this independent auditors' report is Ang Fung Fung.

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

**KPMG LLP**  
*Public Accountants and  
Chartered Accountants*

Singapore  
17 October 2019

# *The page numbers are as stated in the Independent Auditors' Report dated 17 October 2019 included in Singapore Press Holdings Limited's Annual Report for the financial year ended 31 August 2019.*