



SINGAPORE PRESS HOLDINGS LIMITED

Reg. No. 198402868E

(Incorporated in Singapore)

ANNOUNCEMENT

UNAUDITED RESULTS* FOR THE FIRST QUARTER ENDED 30 NOVEMBER 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 First Quarter ended 30 November 2019

	Group		
	1Q 2020	1Q 2019	Change
	S\$'000	S\$'000	%
Operating revenue	243,983	254,316	(4.1)
Other operating income	5,034	4,439	13.4
Total revenue	<u>249,017</u>	<u>258,755</u>	(3.8)
Materials, production and distribution costs	(31,975)	(36,644)	(12.7)
Staff costs	(84,405)	(86,489)	(2.4)
Premises costs	(18,924)	(19,653)	(3.7)
Depreciation	(9,986)	(6,596)	51.4
Other operating expenses	(36,178)	(24,118)	50.0
Impairment loss on trade receivables	(561)	227	NM
Finance costs	(13,044)	(10,641)	22.6
Total costs	<u>(195,073)</u>	<u>(183,914)</u>	6.1
Operating profit [#]	53,944	74,841	(27.9)
Fair value change on an investment property	10,527	-	NM
Net income from investments	4,549	3,182	43.0
Share of results of associates and joint ventures	(762)	(2,435)	(68.7)
Profit before taxation	<u>68,258</u>	<u>75,588</u>	(9.7)
Taxation	<u>(11,285)</u>	<u>(9,745)</u>	15.8
Profit after taxation	<u>56,973</u>	<u>65,843</u>	(13.5)
Attributable to:			
Shareholders of the Company	46,333	55,929	(17.2)
Non-controlling interests	10,640	9,914	7.3
	<u>56,973</u>	<u>65,843</u>	(13.5)

* Please refer to the attached auditors' review report.

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

NM Not Meaningful

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

	Group		
	1Q 2020	1Q 2019	Change
	S\$'000	S\$'000	%
Write-back of allowance/(Allowance) for stock obsolescence	172	(189)	NM
Share-based compensation expense	(694)	(733)	(5.3)
Retrenchment costs	(7,209)	-	NM
Profit on disposal of property, plant and equipment	46	109	(57.8)
Amortisation of intangible assets	(1,873)	(2,127)	(11.9)
Gain on divestment of interests in subsidiaries	-	396	NM
Gain on divestment of interest in an associate	477	-	NM
Interest income from treasury and operations	3,092	1,729	78.8
Net fair value changes on			
- Investments at fair value through profit or loss ("FVTPL")	(1,455)	742	NM
- Derivatives (foreign exchange forwards)	439	(272)	NM
Net foreign exchange differences	(589)	1,705	NM
Net (under)/over-provision of prior years' taxation	(316)	200	NM

1(a)(iii) Statement of Comprehensive Income

	Group		
	1Q 2020	1Q 2019	Change
	S\$'000	S\$'000	%
Profit after taxation	56,973	65,843	(13.5)
Other comprehensive income, net of tax			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Cash flow hedges (interest rate swaps)			
- net fair value changes	(2,046)	(134)	NM
- transferred to income statement	451	572	(21.2)
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	10,058	(3,439)	NM
	<u>8,463</u>	<u>(3,001)</u>	NM
<u>Item that will not be re-classified subsequently to profit or loss</u>			
Net fair value changes on fair value through other comprehensive income ("FVOCI") financial assets	6,054	61,353	(90.1)
Total comprehensive income	<u>71,490</u>	<u>124,195</u>	(42.4)
Attributable to:			
Shareholders of the Company	61,069	114,086	(46.5)
Non-controlling interests	10,421	10,109	3.1
	<u>71,490</u>	<u>124,195</u>	(42.4)

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 30 November 2019

	Group		Company	
	30 Nov 2019	31 Aug 2019	30 Nov 2019	31 Aug 2019
	S\$'000	S\$'000	S\$'000	S\$'000
CAPITAL EMPLOYED				
Share capital	522,809	522,809	522,809	522,809
Treasury shares	(15,055)	(13,226)	(15,055)	(13,226)
Reserves	96,282	82,618	3,754	3,260
Retained profits	2,835,393	2,896,255	1,685,989	1,780,434
Shareholders' interests	3,439,429	3,488,456	2,197,497	2,293,277
Perpetual securities	447,220	150,512	447,220	150,512
Non-controlling interests	1,068,974	1,068,180	-	-
Total equity	4,955,623	4,707,148	2,644,717	2,443,789
EMPLOYMENT OF CAPITAL				
Non-current assets				
Property, plant and equipment	282,540	188,023	50,736	43,194
Investment properties	5,043,323	5,014,896	-	-
Subsidiaries	-	-	436,798	436,798
Associates	368,371	366,012	-	-
Joint ventures	17,519	21,995	600	600
Investments	358,333	352,797	-	-
Intangible assets	139,412	141,197	40,621	41,311
Trade and other receivables	254,632	251,337	2,067,274	2,069,297
Derivatives	2,914	2,065	-	-
	6,467,044	6,338,322	2,596,029	2,591,200
Current assets				
Inventories	22,186	23,472	20,157	21,491
Trade and other receivables	160,960	147,408	765,152	761,108
Investments	191,955	43,733	149,916	-
Derivatives	-	20	-	-
Cash and cash equivalents	855,359	554,435	317,628	119,816
	1,230,460	769,068	1,252,853	902,415
Total assets	7,697,504	7,107,390	3,848,882	3,493,615
Non-current liabilities				
Trade and other payables	34,451	40,475	103	105
Deferred tax liabilities	35,820	34,431	7,062	7,363
Borrowings	1,750,777	1,646,008	151,476	146,810
Derivatives	2,880	2,339	1,443	1,096
	1,823,928	1,723,253	160,084	155,374
Current liabilities				
Trade and other payables	443,973	228,328	894,247	752,225
Current tax liabilities	45,254	36,099	9,857	8,169
Borrowings	427,148	411,001	139,977	134,058
Derivatives	1,578	1,561	-	-
	917,953	676,989	1,044,081	894,452
Total liabilities	2,741,881	2,400,242	1,204,165	1,049,826
Net assets	4,955,623	4,707,148	2,644,717	2,443,789

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

Group Borrowings

Amount repayable in one year

As at 30 November 2019		As at 31 August 2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
279,730	134,577	279,625	131,376

Amount repayable after one year

As at 30 November 2019		As at 31 August 2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,471,088	191,435	1,454,932	191,076

Details of collateral

As at 30 November 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 2019: S\$995 million for SPH REIT, S\$300 million for TSMPL, £205 million for SCT and A\$105 million for FHT).

The total secured borrowings of S\$1,750.8 million as at 30 November 2019 (31 August 2019: S\$1,734.6 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.

The above borrowings exclude lease liabilities of S\$101.1 million (31 August 2019: Nil) recognised on right-of-use assets following the adoption of SFRS(I) 16 Leases.

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

Consolidated Statement of Cash Flows for the First Quarter ended 30 November 2019

	1Q 2020	1Q 2019
	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	68,258	75,588
Adjustments for:		
Depreciation	9,986	6,596
Profit on disposal of property, plant and equipment	(46)	(109)
Fair value change on an investment property	(10,527)	-
Share of results of associates and joint ventures	762	2,435
Gain on divestment of interests in subsidiaries	-	(396)
Gain on divestment of interest in an associate	(477)	-
Net income from investments	(4,549)	(3,182)
Amortisation of intangible assets	1,873	2,127
Finance costs	13,044	10,641
Share-based compensation expense	694	733
Other non-cash items	532	12
Operating cash flow before working capital changes	79,550	94,445
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	1,286	(4,908)
Trade and other receivables, current	(27,519)	(28,216)
Trade and other payables, current	107,325	11,589
Trade and other receivables, non-current	522	(755)
Trade and other payables, non-current	(6,024)	3,407
Others	(120)	(3,246)
	155,020	72,316
Income tax paid	(883)	(734)
Net cash from operating activities	154,137	71,582

**Consolidated Statement of Cash Flows for the First Quarter ended 30 November 2019
(cont'd)**

	1Q 2020	1Q 2019
	S\$'000	S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(5,292)	(7,358)
Proceeds from disposal of property, plant and equipment	46	155
Additions to investment properties	(716)	(304,286)
Adjustment to purchase consideration of an investment property	10,527	-
Acquisition of interests in associates	-	(1,187)
Distributions received from associates	1,105	1,577
Proceeds from divestment of interests in subsidiaries	-	815
Increase in amounts owing by associates/ joint ventures	(665)	(9)
Increase/(Decrease) in amounts owing to associates/ joint ventures	371	(1,024)
Purchase of investments, non-current	(1,367)	(6,925)
Purchase of investments, current	(149,828)	(65,884)
Proceeds from capital distribution of investments, non-current	826	6,162
Proceeds from disposal of investments, current	17,539	120,176
Dividends received	4,644	1,158
Interest received	1,442	1,301
Other investment income	(24)	(2,188)
Net cash used in investing activities	(121,392)	(257,517)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans (net of transaction costs)	-	324,881
Repayment of bank loans	-	(85,000)
Payment for lease liabilities	(4,096)	-
Interest paid	(12,625)	(9,722)
Share buy-back	(1,829)	(3,593)
Proceeds from perpetual securities issued (net of transaction costs)	298,396	-
Dividends paid (net) by subsidiaries to non-controlling interests	(11,667)	(20,188)
Net cash from financing activities	268,179	206,378
Net increase in cash and cash equivalents	300,924	20,443
Cash and cash equivalents at beginning of period	554,435	359,498
Cash and cash equivalents at end of period	855,359	379,941

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 First Quarter ended 30 November 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 1 September 2019	522,809	(13,226)	(10,278)	4,170	(5,366)	105,259	(11,167)	2,896,255	3,488,456	150,512	1,068,180	4,707,148
Total comprehensive income for the quarter	-	-	-	-	(1,279)	6,054	9,961	46,333	61,069	-	10,421	71,490
Realised profit on disposal of FVOCI financial assets	-	-	-	-	-	(1,738)	-	1,738	-	-	-	-
Transactions with owners, recognised directly in equity												
<u>Contributions by and distributions to owners</u>												
Share-based compensation	-	-	-	694	-	-	-	-	694	-	-	694
Share buy-back – held as treasury shares	-	(1,829)	-	-	-	-	-	-	(1,829)	-	-	(1,829)
Issue of perpetual securities	-	-	-	-	-	-	-	-	-	298,396	-	298,396
Dividends and distribution	-	-	-	-	-	-	-	(109,087)	(109,087)	(1,688)	(9,501)	(120,276)
<u>Changes in ownership interest in a subsidiary without a change in control</u>												
Acquisition of additional interest in a subsidiary	-	-	(22)	-	(5)	-	(1)	154	126	-	(126)	-
Balance as at 30 November 2019	522,809	(15,055)	(10,300)	4,864	(6,650)	109,575	(1,207)	2,835,393	3,439,429	447,220	1,068,974	4,955,623

Statements of Changes in Total Equity for the First Quarter ended 30 November 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	S\$'000
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 quarter	-	-	-	-	218	61,353	(3,414)	55,929	114,086	10,109	124,195
Realised profit on disposal of FVOCI financial assets	-	-	-	-	-	(49)	-	49	-	-	-
Transactions with owners, recognised directly in equity											
<u>Contributions by and distributions to owners</u>											
Share-based compensation	-	-	-	733	-	-	-	-	733	-	733
Share buy-back – held as treasury shares	-	(3,593)	-	-	-	-	-	-	(3,593)	-	(3,593)
Dividends	-	-	-	-	-	-	-	-	-	(20,188)	(20,188)
<u>Changes in ownership interest in a subsidiary without a change in control</u>											
Acquisition of additional interest in a subsidiary	-	-	(23)	-	(3)	-	-	158	132	(132)	-
<u>Changes in ownership interest in subsidiaries</u>											
Disposal of interest in a subsidiary	-	-	-	-	-	-	-	-	-	(74)	(74)
Contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	711	711
Balance as at 30 November 2018	522,809	(10,694)	(10,284)	8,516	(1,743)	316,772	(2,149)	2,718,231	3,541,458	751,566	4,293,024

Statements of Changes in Total Equity for the First Quarter ended 30 November 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 1 September 2019	522,809	(13,226)	4,170	(910)	-	1,780,434	2,293,277	150,512	2,443,789
Total comprehensive income for the year	-	-	-	(288)	88	12,476	12,276	-	12,276
Transactions with owners, recognised directly in equity									
<u>Contributions by and distributions to owners</u>									
Share-based compensation	-	-	694	-	-	-	694	-	694
Share buy-back – held as treasury shares	-	(1,829)	-	-	-	-	(1,829)	-	(1,829)
Issue of perpetual securities	-	-	-	-	-	-	-	298,396	298,396
Dividends and distribution	-	-	-	-	-	(106,921)	(106,921)	(1,688)	(108,609)
Balance as at 30 November 2019	522,809	(15,055)	4,864	(1,198)	88	1,685,989	2,197,497	447,220	2,644,717
Balance as at 1 September 2018	522,809	(7,101)	7,783	-	-	1,489,926	2,013,417	-	2,013,417
Total comprehensive income for the year	-	-	-	(106)	(1)	42,931	42,824	-	42,824
Transactions with owners, recognised directly in equity									
<u>Contributions by and distributions to owners</u>									
Share-based compensation	-	-	733	-	-	-	733	-	733
Share buy-back – held as treasury shares	-	(3,593)	-	-	-	-	(3,593)	-	(3,593)
Balance as at 30 November 2018	522,809	(10,694)	8,516	(106)	(1)	1,532,857	2,053,381	-	2,053,381

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

Performance Shares

- (a) At the annual general meeting of the Company held on 1 December 2016, the Company's shareholders approved the adoption of the SPH Performance Share Plan 2016 ("the 2016 Share Plan"). This replaced the SPH Performance Share Plan ("the Share Plan"), which was terminated.
- (b) As at 30 November 2019, the number of shares granted and outstanding (being contingent award) under the 2016 Share Plan was 3,582,281 (30 November 2018: 4,400,503, including shares granted and outstanding under the Share Plan). Movements in the number of performance shares during the current quarter are summarised below:

<u>Outstanding</u> <u>as at 01.09.19</u> (‘000)	<u>Lapsed</u> (‘000)	<u>Outstanding</u> <u>as at 30.11.19</u> (‘000)
3,591	(9)	3,582

Share Buy Back

Under the Share Buy Back Mandate (first approved by the Shareholders on 16 July 1999 and last renewed at the Annual General Meeting on 29 November 2019), the Company bought back 939,500 ordinary shares during the current quarter. These shares are held as treasury shares. The amount paid, including brokerage fees, totalled S\$1.8 million and was deducted against shareholders' equity.

Share Capital and Treasury Shares

As at 30 November 2019, the Company had 1,594,563,380 ordinary shares, 16,361,769 management shares and 6,085,741 treasury shares (30 November 2018: 1,596,982,433 ordinary shares, 16,361,769 management shares and 3,666,688 treasury shares).

The treasury shares held represent 0.4% (30 November 2018: 0.2%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 30 November 2019 and 30 November 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 30 November 2019, the Company had 1,594,563,380 ordinary shares and 16,361,769 management shares (31 August 2019: 1,595,502,880 ordinary shares and 16,361,769 management shares).

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

There was no sale, transfer, cancellation and/or use of treasury shares during the current quarter.

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 30 November 2019.

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

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

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

Please refer to the attached auditors' review report.

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

Accounting Policies

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

SFRS(I) 16

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

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

On 1 September 2019, the Group recognised ROU assets of S\$96 million, financial lease receivables of S\$3.8 million from sub-lease arrangements, and lease liabilities of S\$99.8 million.

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 First Quarter ended 30 November 2019

	Group	
	1Q 2020	1Q 2019
(a) Based on the weighted average number of shares on issue (S\$)	0.03	0.03
(b) On fully diluted basis (S\$)	0.03	0.03

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	
	30 Nov 2019	31 Aug 2019	30 Nov 2019	31 Aug 2019
Net asset value per share based on total number of issued shares at the end of period/year (S\$)	2.14	2.16	1.36	1.42

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

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

Review of Results for the First Quarter ended 30 November 2019 ("1Q 2020") compared with the First Quarter ended 30 November 2018 ("1Q 2019")

7.1 Income Statement

- 7.1.1 Group operating revenue comprised mainly advertisement and circulation revenue (print and digital), rental income from retail malls and student accommodation, and income from other businesses (including aged care, events and exhibitions and education). The decrease in group operating revenue of S\$10.3 million (4.1%), from S\$254.3 million in 1Q 2019 to S\$244 million in 1Q 2020, was due to lower advertisement revenue of S\$19.1 million (16.1%) and lower circulation revenue of S\$1.5 million (4.3%), partially cushioned by higher property revenue from the PBSA portfolio and Figtree of S\$7 million and S\$4.2 million respectively.

Other operating income included sales of production waste and other scrap materials, distribution service fees for third party periodicals, and income from branding events. Other operating income of 1Q 2020 increased by S\$0.6 million (13.4%), from S\$4.4 million in 1Q 2019 to S\$5 million in 1Q 2020.

Total revenue of S\$249 million in 1Q 2020 was lower by S\$9.7 million (3.8%) compared to S\$258.8 million in 1Q 2019.

- 7.1.2 Materials, production and distribution costs included newsprint and other material costs, factory overheads and distribution costs for the media business, and production costs and supplies for the events and exhibitions and aged care businesses. The reduction in materials, production and distribution costs by S\$4.7 million (12.7%), from S\$36.6 million in 1Q 2019 to S\$32 million in 1Q 2020, was in line with lower revenue of the media business.

Staff costs comprised salaries, bonuses, allowances, employers' contribution to defined contribution plans and share-based compensation expense. The decrease in staff costs of S\$2.1 million (2.4%), from S\$86.5 million in 1Q 2019 to S\$84.4 million in 1Q 2020, was due to lower 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. Premises costs decreased S\$0.7 million (3.7%), from S\$19.7 million in 1Q 2019 to S\$18.9 million in 1Q 2020. Rental expenses fell by S\$3.8 million (76%) primarily due to rental expenses being replaced by depreciation expense recognised for right-of-use (ROU) assets and finance charges on lease liabilities following the adoption of SFRS(I) 16 *Leases*. This was substantially offset by higher costs of S\$2.1 million from the PBSA portfolio due to increased scale of operations, and costs of S\$1.1m from Figtree which was acquired in December 2018.

Depreciation costs increased by S\$3.4 million (51.4%) from S\$6.6 million in 1Q 2019 to S\$10 million in 1Q 2020, mainly due to the depreciation of ROU assets.

Other operating expenses included business promotion expenses, articles and news agencies' fees, computer system maintenance and software licence fees, amortisation of intangibles assets, foreign exchange differences and other expenses in line with business activities. Other operating expenses increased S\$12.1 million (50%), from S\$24.1 million in 1Q 2019 to S\$36.2 million in 1Q 2020 due partly to retrenchment costs of S\$7.2 million recognised in the quarter and foreign exchange differences of S\$1.6 million. In addition, 1Q 2019 included write-back of provisions for consultancy fees and libel suits of S\$1.8 million.

Finance costs increased by S\$2.4 million (22.6%), from S\$10.6 million in 1Q 2019 to S\$13 million in 1Q 2020, mainly due to interest costs on the loan facilities taken up to fund the acquisition of the PBSA portfolio and Figtree.

Total costs increased by S\$11.2 million (6.1%) from S\$183.9 million in 1Q 2019 to S\$195.1 million in 1Q 2020.

- 7.1.3 As a result of the foregoing, operating profit of S\$53.9 million in 1Q 2020 was S\$20.9 million (27.9%) lower compared to S\$74.8 million in 1Q 2019.
- 7.1.4 Fair value gain on an investment property of S\$10.5 million arose from an adjustment to the purchase consideration of an asset in the PBSA portfolio.
- 7.1.5 Investment income comprised fair value changes on investments and derivatives, foreign exchange differences, and dividend and interest income from the investment portfolio. Investment income for the quarter grew by S\$1.4 million (43%), from S\$3.2 million in 1Q 2019 to S\$4.5 million in 1Q 2020, driven by dividend income partially offset by foreign exchange differences.
- 7.1.6 Share of results of associates and joint ventures improved by S\$1.7 million (68.7%), from a loss of S\$2.4 million in 1Q 2019 to a loss of S\$0.8 million in 1Q 2020, mainly due to share of profit from an associate, Konnectivity Pte Ltd.
- 7.1.7 Taxation charge of S\$11.3 million in 1Q 2020 was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. This included an amount of S\$0.3 million for under-provision of taxation in respect of prior years.
- 7.1.8 Consequently, net profit attributable to shareholders of S\$46.3 million in 1Q 2020 was S\$9.6 million (17.2%) lower compared to S\$55.9 million in 1Q 2019.

7.2 Statements of Financial Position

Equity

- 7.2.1 Equity comprised share capital, treasury shares, reserves and retained profits of the Company's shareholders, perpetual securities and non-controlling interests. The increase in equity by S\$248.5 million (5.3%) from S\$4,707.1 million as at 31 August 2019 to S\$4,955.6 million as at 30 November 2019 was attributable to S\$300 million of perpetual securities issued by the Company.

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\$128.7 million (2%) from S\$6,338.3 million as at 31 August 2019 to S\$6,467 million as at 30 November 2019 was mainly due to increases in property, plant & equipment and investment properties.
- 7.2.3 Property, plant and equipment comprised of leasehold land and buildings, plant and equipment, furniture and fittings, and motor vehicles. The increase in property, plant and equipment by S\$94.5 million (50.3%), from S\$188 million as at 31 August 2019 to S\$282.5 million as at 30 November 2019, was attributed to the recognition of ROU assets of S\$97.4 million following the adoption of SFRS(I) 16 Leases.
- 7.2.4 Investment properties comprised mainly retail malls and student accommodation assets. The increase in investment properties of S\$28.4 million (0.6%), from S\$5,014.9 million as at 31 August 2019 to S\$5,043.3 million as at 30 November 2019, arose from foreign currency translation gain on the PBSA investment properties.

Current assets

- 7.2.5 Current assets comprised inventories, trade and other receivables, investments, derivatives, and cash and cash equivalents. The increase in current assets of S\$461.4 million (60%) from S\$769.1 million as at 31 August 2019 to S\$1,230.5 million as at 30 November 2019, was mainly due to increase in trade and other receivables, investments and cash and cash equivalents.
- 7.2.6 Current trade and other receivables increased by S\$13.6 million (9.2%), from S\$147.4 million as at 31 August 2019 to S\$161 million as at 30 November 2019. This was mainly due to a deposit paid for acquisition of Westfield Marion Shopping Mall.
- 7.2.7 Investments refer to equities securities, debt securities and investment funds. Current investments increased by S\$148.2 million (338.9%), from S\$43.7 million as at 31 August 2019 to S\$192 million as at 30 November 2019, due to purchase of short-term treasury bills.
- 7.2.8 Cash and cash equivalents increased by S\$300.9 million (54.3%) from S\$554.4 million as at 31 August 2019 to S\$855.4 million as at 30 November 2019. Details of the movements are set out in the Consolidated Statement of Cash Flows in paragraph 1(c) and paragraph 7.3.

Non-current liabilities

- 7.2.9 Non-current liabilities comprised trade and other payables, deferred tax liabilities, borrowings, and derivatives. The increase in non-current liabilities by S\$100.7 million (5.8%), from S\$1,723.3 million as at 31 August 2019 to S\$1,823.9 million as at 30 November 2019 was attributed mainly to increase in borrowings, partially offset by reduction in trade and other payables.
- 7.2.10 Non-current trade and other payables decreased by S\$6 million (14.9%), from S\$40.5 million as at 31 August 2019 to S\$34.5 million as at 30 November 2019, due to lower rental deposits.
- 7.2.11 Non-current borrowings increased by S\$104.8 million (6.4%), from S\$1,646 million as at 31 August 2019 to S\$1,750.8 million as at 30 November 2019. The increase relates mainly to long-term lease liabilities of S\$88.3 million recognised following the adoption of SFRS(I) 16 *Leases*, and currency translation differences of S\$15.8 million on foreign currency denominated loans.

Current liabilities

- 7.2.12 Current liabilities comprised trade and other payables, current tax liabilities, borrowings and derivatives. The increase in current liabilities by S\$241 million (35.6%) from S\$677 million as at 31 August 2019 to S\$918 million as at 30 November 2019, was due to increase in trade and other payables, current tax liabilities and borrowings.
- 7.2.13 Current trade and other payables increased by S\$215.6 million (94.4%), from S\$228.3 million as at 31 August 2019 to S\$444 million as at 30 November 2019, due to accrual for dividend payment, and advance receipts from the equity placement by SPH REIT.
- 7.2.14 Current tax liabilities increased by S\$9.2 million (25.4%), from S\$36.1 million as at 31 August 2019 to S\$45.3 million as at 30 November 2019, due to income tax provision.
- 7.2.15 Current borrowings increased by S\$16.1 million (3.9%), from S\$411 million as at 31 August 2019 to S\$427.1 million as at 30 November 2019. This increase relates mainly to short-term lease liabilities of S\$12.8 million recognised following the adoption of SFRS(I) 16 *Leases*.

7.3 Statement of Cash Flows

- 7.3.1 Net cash from operating activities of S\$154.1 million was due to operating cash inflow of S\$79.6 million and working capital changes of S\$75.5 million.
- 7.3.2 Net cash used in investing activities of S\$121.4 million was due to net payment from the purchase/disposal of investments of S\$132.8 million, partially offset by an adjustment to the purchase consideration of an asset in the PBSA portfolio of S\$10.5 million.
- 7.3.3 Net cash from financing activities of S\$268.2 million was attributed to proceeds from the issuance of perpetual securities of S\$298.4 million, partially offset by interest payment of S\$12.6 million and dividends paid of S\$11.7 million to non-controlling interests.

8. Segmental information (of the group) for the Year-To-Date ended 30 November 2019

Business Segments

The Group is organised into three major operating segments, namely Media, Property, and Others. The Media segment is involved in the production of content for distribution on print and other media platforms. The Property segment holds, manages and develops properties in the retail, student accommodation and residential sectors. Other operations under the Group, which are currently not significant to be reported separately, are included under "Others". These include the Group's businesses and investments in online classifieds, aged care, events and exhibitions, education, New Media Fund, Treasury and Investment and other business adjacencies.

Group Segmental Information

1Q 2020

	Media S\$'000	Property S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue					
External sales	140,077	80,836	23,070	-	243,983
Inter-segmental sales	1,105	862	632	(2,599)	-
Total operating revenue	141,182	81,698	23,702	(2,599)	243,983
Result					
Segment result	8,025	58,971	4,541	-	71,537
Finance costs	(499)	(12,505)	(40)	-	(13,044)
Fair value change on an investment property	-	10,527	-	-	10,527
Share of results of associates and joint ventures	(18)	(2,077)	1,333	-	(762)
Profit before taxation	7,508	54,916	5,834	-	68,258

1Q 2019

	Media S\$'000	Property S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue					
External sales	162,094	67,979	24,243	-	254,316
Inter-segmental sales	1,037	501	181	(1,719)	-
Total operating revenue	163,131	68,480	24,424	(1,719)	254,316
Result					
Segment result	32,188	52,726	3,750	-	88,664
Finance costs	-	(10,540)	(101)	-	(10,641)
Share of results of associates and joint ventures	105	(2,436)	(104)	-	(2,435)
Profit before taxation	32,293	39,750	3,545	-	75,588

Group Segmental Review

Media

Revenue for the Media business declined S\$22 million (13.6%), from S\$162.1 million in 1Q 2019 to S\$140.1 million in 1Q 2020. Overall, advertisement revenue fell by S\$19.1 million (16.1%) with Newspaper print advertisement revenue declining by S\$17.7 million (19.8%). Newspaper digital advertisement revenue reported growth of S\$0.6 million (8.8%) year-on-year.

Circulation revenue fell S\$1.5 million (4.3%) as daily average newspaper print sales decreased by 51,010 copies (10.3%), while daily average newspaper digital sales increased by 109,092 copies (49.8%) excluding copies relating to a barter agreement which has ended.

Profit before tax was S\$24.8 million (76.8%) lower year-on-year, from S\$32.3 million in 1Q 2019 to S\$7.5 million in 1Q 2020. The decrease was due to revenue decline of S\$22 million (13.6%) and retrenchment costs of S\$7.2 million recognised during the quarter, partially cushioned by reduction in materials, production and distribution cost of S\$5.4 million (15.4%).

Property

Revenue for the Property segment rose by S\$12.9 million (18.9%), from S\$68 million in 1Q 2019 to S\$80.8 million in 1Q 2020. The PBSA portfolio recorded higher revenue of S\$7 million due to additional assets acquired in 2Q 2019 and 3Q 2019. The acquisition of Figtree in December 2018 contributed revenue of S\$4.2 million in 1Q 2020.

Profit before tax increased by S\$15.2 million (38.2%), from S\$39.8 million in 1Q 2019 to S\$54.9 million in 1Q 2020. The increase was mainly due to a fair value gain of S\$10.5 million arising from an adjustment to the purchase consideration of an asset in the PBSA portfolio, contribution of S\$1.3 million from Figtree, and interest income from perpetual securities proceeds pending deployment.

Others

Revenue for the Others segment decreased by S\$1.2 million (4.8%), from S\$24.2 million in 1Q 2019 to S\$23.1 million in 1Q 2020.

Profit before tax increased by S\$2.3 million (64.6%), from S\$3.5 million in 1Q 2019 to S\$5.8 million in 1Q 2020. The increase was mainly due to share of profit from an associate, Konnectivity Pte Ltd.

9. **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.

10. **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**

10.1 The core media business remains challenged as advertisers cut back on their advertising due to the uncertain business outlook. However, the response to the Group's digital transformation initiatives including the News Tablet campaign is encouraging.

10.2 The recent addition of 2,383 beds to the UK PBSA portfolio and the expansion of SPH REIT into Adelaide post 1QFY20 will strengthen the Group's efforts to boost recurring income from the Property segment.

11. **Dividends**

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

Any dividend recommended for the current financial period reported on?

No.

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

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

No.

(c) **Date payable**

Not applicable.

(d) **Record Date**

Not applicable.

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

No interim dividend has been declared or recommended in the current reporting period.

13. 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.

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

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

BY ORDER OF THE BOARD

Ginney Lim May Ling
Khor Siew Kim

Company Secretaries

Singapore,
13 January 2020



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

We, Lee Boon Yang and Ng Yat Chung, being two directors of Singapore Press Holdings Limited (“the Company”), do hereby confirm on behalf of the directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the first quarter ended 30 November 2019 to be false or misleading in any material respect.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read 'Boon Yang'.

LEE BOON YANG
Chairman

A handwritten signature in blue ink, appearing to read 'Yat Chung'.

NG YAT CHUNG
Director

Singapore,
13 January 2020



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

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

Report on review of Condensed Interim Financial Information

The Board of Directors
Singapore Press Holdings Limited

Introduction

We have reviewed the accompanying financial statements of Singapore Press Holdings Limited (the “Company”) and its Subsidiaries (the “Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 November 2019, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in total equity, consolidated statement of cash flows of the Group and statement of changes in total equity of the Company for the three-month period then ended, and certain explanatory notes (the “Condensed Interim Financial Information”). Management is responsible for the preparation and presentation of this Condensed Interim Financial Information in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

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

Conclusion

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



Singapore Press Holdings Limited
Review of Interim Financial Information
Period ended 30 November 2019

Restriction on use

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
13 January 2020