SINGAPORE PRESS HOLDINGS LIMITED

Reg. No. 198402868E
(Incorporated in Singapore)

SPH REPORTS OPERATING PROFIT IMPROVED 69.8% TO S$206.7 MILLION FOR CONTINUING BUSINESS IN FY2021

- *Healthy results from Retail & Commercial with full-year contribution from Westfield Marion and lower tenant rental relief*
- *PBSA's[1] net operating income rose 73.6% with full-year contribution from Student Castle portfolio; Academic Year (AY) 21/22 bookings achieved 96.5% of target revenue*
- *Discontinued operation (Media) posted an operating loss of S$38.7[2] million*
- *Proposed Final Dividend of 3 cents per share; Total Dividend is 6 cents per share including Interim Dividend of 3 cents*

SINGAPORE, 5 Oct 2021 – Singapore Press Holdings Limited ("SPH") today reported operating profit rose 69.8% to S$206.7 million for the year ended 31 August 2021 ("FY2021") on its continuing operations. The improved performance was across all segments, including Retail & Commercial and PBSA, despite the ongoing disruption from Covid-19, especially in the earlier part of the financial year.

During FY2021, the Group undertook a strategic review to unlock value for shareholders and announced plans to restructure the Media business on 6 May 2021. Approval from shareholders was obtained on 10 September to transfer SPH's Media

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[1] Purpose-built Student Accommodation

[2] Excluding JSS and including the effect of depreciation charges. Depreciation ceased when the media assets were reclassified as held for sale from 6 May 2021 and fully impaired, hence further depreciation of S$7.9m for the remaining period up to 31 August 2021 was not taken up in the income statement.

business to a non-profit company limited by guarantee ("CLG"). The transition process has commenced and the transfer is expected to be completed in December 2021.

The results of the Media business are presented as Discontinued operation.

Excluding Job Support Scheme ("JSS") funding and including the effect of assumed depreciation for the Media business post 6 May 2021, media's operating loss was flat at S$38.7 million in FY2021 compared to S$40.1 million in FY2020. The losses were contained due to extensive cost savings and reduction initiatives despite the continued secular decline of print media revenue. Going forward, there is less scope for major cost cuts without impairing the core media capabilities. Over the two financial years, the cumulative loss from media is S$78.8 million and expected to widen further.

With the impact of JSS factored in, but not that of assumed depreciation, media's operating loss is S$13.0 million. Together with S$115.3 million[3] of media restructuring costs, media's loss is S$128.3 million in FY2021.

An additional loss of approximately S$115.5 million[3] will be recognised in FY2022 when the media restructuring completes in December 2021. This arises from the contribution of S$80 million cash, SPH REIT units and SPH ordinary shares for the maintenance of the Media business. Across FY2021 and FY2022, the media restructuring costs will be S$243.3 million[3] including S$12.5 million of transaction costs.

Mr. Ng Yat Chung, Chief Executive Officer of SPH said: "We took the difficult decision earlier to restructure the Media business. That will enable SPH to avoid future losses and funding needs from the Media business and we will focus on expanding the

[3] Loss on media restructuring will be adjusted in the FY2022 income statement based on the net asset value of the Media business on the completion date of the transfer to the CLG. Further losses of approximately S$115.5 million arising from the additional contribution of S$80 million cash, SPH REIT units and SPH ordinary shares to assist with the operation and maintenance of the restructured Media business will be recognised in FY2022 when the transfer of the Media business to the CLG is completed.

portfolio of the non-media business. The next step is for shareholders to consider the privatisation offer from Keppel."

FINANCIAL HIGHLIGHTS (CONTINUING OPERATIONS)

Operating profit was resilient, growing 69.8% despite the ongoing pandemic. Retail & Commercial continues to be buffeted by the intermittent resurgence of Covid-19 which led to rebates for tenants as recently as the Phase 2 (Heightened Alert).

Total revenue grew 2.4% to S$475.1 million due to higher rental income from Retail & Commercial and PBSA driven by the expanded portfolios and lower tenant rental relief for retail tenants. The increase was partially offset by absence of revenue from supply of masks by Aged Care. Total costs fell 21.6% mainly due to lower costs of Aged Care in line with lower revenue as well as the absence of impairment of intangible assets of S$17.5m from Orange Valley and PBSA in FY2020.

Fair value gain on investment properties was S$66.6m, a partial reversal of the S$232.0 million loss in FY2020. The gains were led by the PBSA portfolio of S$34.7 million, retail malls of S$21.9 million and bungalows of S$9.5m.

Share of results of associates and joint ventures surged by 71.5% to S$6.7 million mainly due to the improved performance of The Woodleigh development.

Investment income increased with higher dividend income from Treasury investments as well as fair value gains from the bungalows held as investment properties.

SEGMENTAL HIGHLIGHTS

Discontinued operation: Media

Revenue for the Media business fell S$85.8 million or 17.5%, driven by lower advertisement revenue of S$37.6 million (-14.1%) and circulation revenue of S$17.2 million (-12.3%). Income from the JSS was also lower by $10.3 million or 36.7%.

In line with the lower revenue, costs similarly fell by S$83.6 million or 16.7% with lower materials, production and distribution costs as well as staff costs. Staff costs declined 6.6% from FY2020 as part of strict cost management measures in place since FY2019.

Retail & Commercial

Profit before tax for the Retail & Commercial segment was S$206.9 million, a reversal of a loss of S$56.2 million in FY2020. Among the factors for the improvement included higher rental revenue and lower tenant rental relief as sales gradually recovered alongside the market. Another reason contributing to FY2021's improved results was the first full year's contribution from Westfield Marion, the largest mall in South Australia. The properties also recorded a fair value gain of S$21.9 million compared with a fair value loss of S$196.5 million in FY2020.

While Paragon has been impacted by the border restrictions affecting tourists' footfall, other assets with their dominant catchment in the suburban locations have remained resilient, giving the portfolio the ability to cushion the impact of Covid-19.

In line with the improved sentiment in the property market, The Woodleigh Residences with its central location in Bidadari Estate next to the Woodleigh MRT station and Bidadari Park continued to register an uptake in sales. Around 75% of the development has been sold as at 20 September. Average price per square foot ("psf") of the development has improved, trending at S$1,970 psf, up from S$1,923 psf in March 2021.

PBSA

PBSA enjoyed a pre-tax profit of S$71.8 million compared with a loss of S$24.0m in FY2020. Net operating income rose 73.6% due to higher rental revenue as well as the full-year contribution from the Student Castle portfolio which was acquired in December 2019. Another boost came from the development sites in Oxford and Brighton which were completed and opened for occupation in September 2020 and November 2020 in time for Academic Year 2020/2021. The increase in revenue was partially offset by lower occupancies and delayed tenancy start dates at some of the Capitol Students' assets due to Covid-19. As at 1 October 2021, bookings for Academic Year 2021/2022 had already achieved 96.5% of target revenue.

SPH is on track to be a leading player in the UK PBSA market. With a full suite of fund management and in-house property management capabilities, SPH will leverage the defensive nature of the asset class and strong market fundamentals to expand.

Others

In Aged Care, nursing home operator, Orange Valley, recorded an improved performance due to higher bed occupancy rates and the absence of impairment charges. Aged Care also enjoyed the full-year contribution from the Japan portfolio of five nursing homes.

On the Digital front, the business enjoyed a 123% rise in pre-tax profit to S$28.1 million with a better operational performance from the No. 1 car site sgCarMart, divestment gain from the online classifieds businesses and fair value gains from Media Fund investments.

CAPITAL MANAGEMENT

SPH continues to maintain a prudent and disciplined approach to capital management by maintaining a healthy balance sheet as well as diversified sources of funding. After taking into account the media restructuring cost, the net asset value per share as at 31 August 2021 is S$2.18[4].

POST FY21

The Directors of SPH have proposed a Final Dividend of 3 cents per share in respect of the financial year ended 31 August 2021. Subject to shareholders' approval, this dividend is expected to be paid on 30 November 2021. Together with the Interim Dividend of 3 cents, total Dividend payout for FY2021 will be 6 cents.

---Ends---

[4] Based on the assumption that the Media Business Restructuring had been completed as at 31 August 2021.

Financial Highlights

	FY2021 S$'000	FY2020 S$'000	Change %
Total revenue	475,078	464,153	2.4
Total costs	(268,378)	(342,417)	(21.6)
Operating profit	206,700	121,736	69.8
Fair value change on investment properties	66,585	(232,013)	NM
Share of results of associates/joint ventures	6,680	3,894	71.5
Net income from investments	35,592	17,382	104.8
Profit/(loss) before taxation	**325,015**	**(73,297)**	**NM**
Profit/(loss) after taxation Continuing operations	278,011	(100,537)	NM
Loss from discontinued operation	(128,340)	(11,965)	972.6
Net profit attributable to shareholders	**92,942**	**(83,676)**	**NM**
Item that will not be re-classified subsequently to P&L - Net fair value changes on fair value through other comprehensive income (FVOCI) financial assets *	297,081	35,696	732.3
Total Comprehensive Income	**458,011**	**(27,350)**	**NM**
Total Comprehensive Income attributable to shareholders	**403,310**	**(10,573)**	**NM**

NM Not Meaningful

* FY2021 saw a gain of S$297.1 million from investments classified as FVOCI. The gains came mainly from digital investments that included iFast and Coupang which saw market price improvements in FY2021.

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For media and analysts' queries, please contact:

Media	Analysts
Lee Su Shyan (Ms)	Tok Chong Yap (Mr)
Head, Corporate Communications & CSR Division	Tulchan Communications LLP
Singapore Press Holdings	Tel: 97875111
Tel: 6319 1216	Email: sph@tulchangroup.com
Fax: 6319 8150	
Email: sushyan@sph.com.sg	

About Singapore Press Holdings Ltd

Incorporated in 1984, main board-listed Singapore Press Holdings Ltd (SPH) is Asia's leading media organisation, engaging minds and enriching lives across multiple languages and platforms.

SPH's core business is in the publishing of newspapers, magazines and books in both print and digital editions. It also owns other digital products, online classifieds, radio stations and outdoor media.

On the property front, SPH owns approximately 65% in SPH REIT whose portfolio comprises three properties in Singapore, namely Paragon, The Clementi Mall and The Rail Mall. In Australia, SPH REIT holds an 85% stake in Figtree Grove Shopping Centre and a 50% stake in Westfield Marion Shopping Centre.

SPH also owns and operates The Seletar Mall and is developing an integrated development consisting of The Woodleigh Residences and The Woodleigh Mall. It is also an owner, manager and developer of a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom and Germany. It currently operates two distinctive brands, Student Castle and Capitol Students.

It is in the aged care sector in Singapore and Japan, and owns Orange Valley, one of Singapore's largest private nursing homes.

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