SINGAPORE PRESS HOLDINGS LIMITED
Reg. No. 198402868E
(Incorporated in Singapore)

ANNOUNCEMENT
AUDITED RESULTS FOR THE YEAR ENDED AUGUST 31, 2017

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 August 31, 2017

	Group		
	2017	**2016**	**Change**
	S$'000	S$'000	%
Operating revenue			
Media	725,427	834,221	(13.0)
Property	244,159	241,310	1.2
Others	62,929	48,818	28.9
	1,032,515	1,124,349	(8.2)
Other operating income	19,504	28,759	(32.2)
	1,052,019	1,153,108	(8.8)
Materials, production and distribution costs	(156,151)	(165,630)	(5.7)
Staff costs	(357,464)	(362,551)	(1.4)
Premises costs	(65,053)	(69,740)	(6.7)
Depreciation	(37,823)	(44,699)	(15.4)
Other operating expenses	(138,215)	(145,690)	(5.1)
Impairment of goodwill and intangibles	(37,780)	(28,358)	33.2
Impairment of property, plant and equipment	(22,785)	-	NM
Finance costs	(31,300)	(31,271)	0.1
Operating profit#	205,448	305,169	(32.7)
Fair value change on investment properties	57,386	11,823	NM
Net income from investments	53,865	51,753	4.1
Share of results of associates and joint ventures	562	(7,704)	NM
Gain on divestment of a joint venture	149,690	-	NM
Impairment of associates and a joint venture	(35,459)	-	NM
Profit before taxation	431,492	361,041	19.5
Taxation	(36,276)	(54,902)	(33.9)
Profit after taxation	395,216	306,139	29.1
Attributable to:			
Shareholders of the Company	350,085	265,293	32.0
Non-controlling interests	45,131	40,846	10.5
	395,216	306,139	29.1

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		
	2017	**2016**	**Change**
	S$'000	S$'000	%
Write-back of allowance/(Allowance) for stock obsolescence	152	(404)	NM
Share-based compensation expense	(4,522)	(4,885)	(7.4)
Retrenchment and outplacement costs	(6,702)	-	NM
Write-back of impairment/(Impairment) of trade receivables	1,277	(598)	NM
Bad debts recovery	152	167	(9.0)
Loss on disposal of property, plant and equipment	(154)	(374)	(58.8)
Amortisation of intangible assets	(11,002)	(11,110)	(1.0)
Impairment of goodwill	(9,879)	(26,775)	(63.1)
Impairment of intangible assets	(27,901)	(1,583)	NM
Gain on acquisition of a business by a subsidiary	289	-	NM
Gain on divestment of an associate	-	28	NM
Gain on dilution of interest in an associate	-	85	NM
Gain on dilution of interest in a joint venture	298	-	NM
Write-back of impairment of an associate	-	259	NM
Interest Income	7,713	5,984	28.9
Net profit on disposal of investments	27,959	14,218	96.6
Net fair value changes on			
- Internally-managed assets at fair value through profit or loss	(401)	1,282	NM
- Derivatives	(1,868)	6,919	NM
Net foreign exchange differences	(1,998)	412	NM
Impairment of investments	(3,362)	(810)	NM
Net under-provision of prior years' taxation	(1,628)	(75)	NM

1(a)(iii) Statement of Comprehensive Income

	Group 2017 S$'000	Group 2016 S$'000	Change %
Profit after taxation	395,216	306,139	29.1
Other comprehensive income, net of tax			
Items that may be re-classified subsequently to profit or loss			
Capital reserve			
- share of capital reserves of associates	-	(11)	NM
Cash flow hedges			
- net fair value changes	(4,106)	(19,565)	(79.0)
- transferred to income statement	6,395	3,888	64.5
Net fair value changes on available-for-sale financial assets			
- net fair value changes	(85,534)	(23,458)	NM
- transferred to income statement	(20,459)	(10,483)	95.2
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	(2,143)	(2,261)	(5.2)
	(105,847)	(51,890)	NM
Total comprehensive income	289,369	254,249	13.8
Attributable to:			
Shareholders of the Company	**244,293**	**218,063**	**12.0**
Non-controlling interests	45,076	36,186	24.6
	289,369	254,249	13.8

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 August 31, 2017

		Group		Company	
		Aug 31, 2017	**Aug 31, 2016**	**Aug 31, 2017**	**Aug 31, 2016**
	Note	S$'000	S$'000	S$'000	S$'000
CAPITAL EMPLOYED					
Share capital		522,809	522,809	522,809	522,809
Treasury shares		(7,384)	(8,683)	(7,384)	(8,683)
Reserves		324,397	430,447	32,907	45,351
Retained profits		2,648,576	2,572,753	1,277,297	1,043,768
Shareholders' interests		3,488,398	3,517,326	1,825,629	1,603,245
Non-controlling interests		734,926	724,078	-	-
Total equity		**4,223,324**	**4,241,404**	**1,825,629**	**1,603,245**
EMPLOYMENT OF CAPITAL					
Non-current assets					
Property, plant and equipment		235,042	219,523	78,044	117,731
Investment properties		4,034,771	3,963,000	-	-
Subsidiaries		-	-	438,077	419,250
Associates		68,792	78,153	-	31,160
Joint ventures		8,696	12,417	-	-
Investments		513,728	628,860	27,173	38,105
Intangible assets		204,443	149,312	46,832	30,278
Trade and other receivables		8,935	5,731	4,650	4,457
Derivatives		200	200	-	-
		5,074,607	5,057,196	594,776	640,981
Current assets					
Inventories		21,892	21,225	19,557	19,112
Trade and other receivables	(a)	314,421	136,953	2,391,965	1,788,257
Investments		363,370	406,700	-	-
Asset held for sale	(b)	18,000	8,831	18,000	-
Derivatives		1,473	89	-	-
Cash and cash equivalents		312,647	312,894	150,467	162,764
		1,031,803	886,692	2,579,989	1,970,133
Total assets		6,106,410	5,943,888	3,174,765	2,611,114
Non-current liabilities					
Trade and other payables		37,556	43,444	2,876	4,103
Deferred tax liabilities		49,190	47,372	13,564	20,571
Borrowings	(c)	528,044	1,197,399	-	-
Derivatives		7,365	10,983	-	-
		622,155	1,299,198	16,440	24,674
Current liabilities					
Trade and other payables		241,352	245,665	1,020,196	871,065
Current tax liabilities		46,591	56,271	16,500	27,130
Borrowings	(c)	971,695	99,954	296,000	85,000
Derivatives		1,293	1,396	-	-
		1,260,931	403,286	1,332,696	983,195
Total liabilities		1,883,086	1,702,484	1,349,136	1,007,869
Net assets		**4,223,324**	**4,241,404**	**1,825,629**	**1,603,245**

Notes to the Statements of Financial Position

(a) On June 21, 2017, the Group's 50:50 joint venture was awarded the land tender for a 99 year leasehold mixed commercial and residential site at Upper Serangoon Road. Included in trade and other receivables is an amount of S$168.4 million paid by the Company for the Group's share of part-payment of the tender price.

(b) On August 25, 2017, the Group entered into an agreement relating to the proposed divestment of its stake in its associates, MediaCorp Press Ltd ("MCPL") and MediaCorp TV Holdings Pte. Ltd. ("MCTV"), for a total consideration of S$18 million. As the completion of the sale was in progress at the reporting date, the interests in MCPL and MCTV were re-classified from Associates to Asset held for sale.

(c) The increase in the Group's borrowings mainly arose from the draw-down of S$164 million short-term facilities to fund the acquisition of Orange Valley Healthcare Pte. Ltd. ("OVH") (refer to Notes to the Statement of Cash Flows (i) on page 7).

There was also a re-classification of certain loan amounts due by the Group's subsidiaries (SPH REIT S$320 million and The Seletar Mall Pte. Ltd. ("TSMPL") S$300 million) from non-current to current borrowings as the amounts are due within a year. The Group has various financing options for these loan amounts and adequate unutilised credit facilities available for use.

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

Group Borrowings

Amount repayable in one year

As at August 31, 2017		As at August 31, 2016	
Secured S$'000	**Unsecured** S$'000	**Secured** S$'000	**Unsecured** S$'000
619,198	352,497	-	99,954

Amount repayable after one year

As at August 31, 2017		As at August 31, 2016	
Secured S$'000	**Unsecured** S$'000	**Secured** S$'000	**Unsecured** S$'000
528,004	40	1,145,362	52,037

Details of collateral

The secured bank loan facilities as at August 31, 2017 and as at August 31, 2016 comprised the term loan facilities of S$975 million and S$300 million undertaken by the subsidiaries, SPH REIT and TSMPL respectively. As at the reporting dates, the amounts drawn down were S$850 million for SPH REIT and S$300 million for TSMPL.

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 total balance of S$1,147.2 million as at August 31, 2017 (August 31, 2016: S$1,145.4 million) represented the secured borrowings stated at amortised cost.

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 August 31, 2017

	Note	**2017** S$'000	**2016** S$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		431,492	361,041
Adjustments for:			
Depreciation		37,823	44,699
Impairment of property, plant and equipment		22,785	-
Loss on disposal of property, plant and equipment		154	374
Fair value change on investment properties		(57,386)	(11,823)
Gain on acquisition of a business by a subsidiary		(289)	-
Share of results of associates and joint ventures		(562)	7,704
Gain on divestment of an associate		-	(28)
Gain on dilution of interest in an associate		-	(85)
Gain on dilution of interest in a joint venture		(298)	-
Impairment of associates and a joint venture		35,459	-
Write-back of impairment of an associate		-	(259)
Gain on divestment of a joint venture		(149,690)	-
Net income from investments		(53,865)	(51,753)
Amortisation of intangible assets		11,002	11,110
Impairment of goodwill		9,879	26,775
Impairment of intangible assets		27,901	1,583
Finance costs		31,300	31,271
Share-based compensation expense		4,522	4,885
Other non-cash items		1,677	1,894
Operating cash flow before working capital changes		351,904	427,388
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:			
Inventories		109	(8,748)
Trade and other receivables, current		20,038	9,609
Trade and other payables, current		(7,908)	(7,442)
Trade and other receivables, non-current		(2,709)	(1,289)
Trade and other payables, non-current		(5,888)	(4,755)
Others		(450)	(956)
		355,096	413,807
Income tax paid		(58,467)	(63,464)
Dividends paid		(274,556)	(322,818)
Dividends paid (net) by subsidiaries to non-controlling interests		(41,859)	(41,340)
Net cash used in operating activities		(19,786)	(13,815)

Consolidated Statement of Cash Flows for the Year ended August 31, 2017 (cont'd)

	Note	2017 S$'000	2016 S$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(12,329)	(15,239)
Additions to investment properties		(14,385)	(14,075)
Additions to intangible assets		(450)	-
Proceeds from disposal of property, plant and equipment		206	72
Acquisition of a subsidiary (net of cash acquired)	(i)	(157,184)	-
Acquisition of business by a subsidiary		-	(1,000)
Acquisition of interests in associates		(30,991)	(6,800)
Acquisition of interests in joint ventures		(878)	(4,473)
Dividends received from associates		6,607	2,691
Proceeds from divestment of a joint venture		150,490	349
Increase in amounts owing by associates/ joint ventures	(ii)	(168,074)	(294)
Decrease in amounts owing to associates/ joint ventures		(1,095)	(14,236)
Purchase of investments, non-current		(21,055)	(53,145)
Purchase of investments, current		(92,470)	(137,045)
Proceeds from capital distribution/disposal of investments, non-current		22,171	3,103
Proceeds from capital distribution/disposal of investments, current		139,573	263,791
Dividends received		26,198	26,400
Interest received		6,575	4,858
Other investment income		(5,090)	272
Net cash (used in)/from investing activities		(152,181)	55,229
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank loans		275,000	33,622
Repayment of bank loans		(76,016)	(22,327)
Interest paid		(30,340)	(30,444)
Share buy-back		(4,486)	(1,760)
Proceeds from partial divestment of interest in a subsidiary		7,522	143
Loans from non-controlling interests		40	-
Net cash from/(used in) financing activities		171,720	(20,766)
Net (decrease)/increase in cash and cash equivalents		(247)	20,648
Cash and cash equivalents at beginning of financial year		312,894	292,246
Cash and cash equivalents at end of financial year		312,647	312,894

Notes to the Statement of Cash Flows

(i) On April 25, 2017, the Group acquired 100% stake in OVH at a consideration of S$164 million. After accounting for cash acquired of S$6.8 million, the net cashflow as of August 31, 2017 was S$157.2 million. The acquisition was funded by short-term facilities of S$164 million.

(ii) Refer to Notes to the Statements of Financial Position (a) on page 5.

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 August 31, 2017

(a) Group

	Attributable to Shareholders of the Company										
	Share Capital S$'000	**Treasury Shares** S$'000	**Capital Reserve** S$'000	**Share-based Compensation Reserve** S$'000	**Hedging Reserve** S$'000	**Fair Value Reserve** S$'000	**Currency Translation Reserve** S$'000	**Retained Profits** S$'000	**Total** S$'000	**Non-controlling Interests** S$'000	**Total Equity** S$'000
Balance as at September 1, 2016	522,809	(8,683)	(11,645)	9,201	(7,587)	443,948	(3,470)	2,572,753	3,517,326	724,078	4,241,404
Total comprehensive income for the year	-	-	-	-	1,598	(105,993)	(1,397)	350,085	244,293	45,076	289,369
Transactions with owners, recognised directly in equity											
<u>Contributions by and distributions to owners</u>											
Share-based compensation	-	-	-	4,522	-	-	-	-	4,522	-	4,522
Treasury shares re-issued	-	5,785	-	(6,035)	-	-	-	363	113	-	113
Share buy-back – held as treasury shares	-	(4,486)	-	-	-	-	-	-	(4,486)	-	(4,486)
Dividends	-	-	-	-	-	-	-	(274,556)	(274,556)	(41,859)	(316,415)
<u>Changes in ownership interests in subsidiaries without a change in control</u>											
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	(63)	(63)	63	-
Dilution of interest in a subsidiary	-	-	60	-	19	-	-	(6)	73	7,568	7,641
Reversal of put option to acquire non-controlling interest	-	-	1,176	-	-	-	-	-	1,176	-	1,176
Balance as at August 31, 2017	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

Statements of Changes in Total Equity for the Year ended August 31, 2017 (cont'd)

(a) Group (cont'd)

	Attributable to Shareholders of the Company										
	Share Capital S$'000	Treasury Shares S$'000	Capital Reserve S$'000	Share-based Compensation Reserve S$'000	Hedging Reserve S$'000	Fair Value Reserve S$'000	Currency Translation Reserve S$'000	Retained Profits S$'000	Total S$'000	Non-controlling Interests S$'000	Total Equity S$'000
Balance as at September 1, 2015	522,809	(13,408)	(11,530)	14,124	3,424	477,889	(1,203)	2,626,708	3,618,813	727,837	4,346,650
Total comprehensive income for the year	-	-	(11)	-	(11,011)	(33,941)	(2,267)	265,293	218,063	36,186	254,249
Transactions with owners, recognised directly in equity											
<u>Contributions by and distributions to owners</u>											
Share-based compensation	-	-	-	4,866	-	-	-	-	4,866	-	4,866
Treasury shares re-issued	-	6,485	-	(5,680)	-	-	-	(619)	186	-	186
Share buy-back – held as treasury shares	-	(1,760)	-	-	-	-	-	-	(1,760)	-	(1,760)
Lapse of share options	-	-	-	(4,109)	-	-	-	4,109	-	-	-
Dividends	-	-	-	-	-	-	-	(322,818)	(322,818)	(41,340)	(364,158)
Fair value gain on interest-free loans	-	-	-	-	-	-	-	-	-	1,332	1,332
<u>Changes in ownership interests in subsidiaries without a change in control</u>											
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	81	81	(81)	-
Dilution of interest in a subsidiary	-	-	-	-	-	-	-	(1)	(1)	144	143
Put option to acquire non-controlling interest	-	-	(104)	-	-	-	-	-	(104)	-	(104)
Balance as at August 31, 2016	522,809	(8,683)	(11,645)	9,201	(7,587)	443,948	(3,470)	2,572,753	3,517,326	724,078	4,241,404

Statements of Changes in Total Equity for the Year ended August 31, 2017 (cont'd)

(b) Company

	Share Capital S$'000	Treasury Shares S$'000	Share-based Compensation Reserve S$'000	Fair Value Reserve S$'000	Retained Profits S$'000	Total Equity S$'000
Balance as at September 1, 2016	522,809	(8,683)	9,201	36,150	1,043,768	1,603,245
Total comprehensive income for the year	-	-	-	(10,931)	507,722	496,791
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Share-based compensation	-	-	4,522	-	-	4,522
Treasury share re-issued	-	5,785	(6,035)	-	363	113
Share buy-back – held as treasury share	-	(4,486)	-	-	-	(4,486)
Dividends	-	-	-	-	(274,556)	(274,556)
Balance as at August 31, 2017	**522,809**	**(7,384)**	**7,688**	**25,219**	**1,277,297**	**1,825,629**
Balance as at September 1, 2015	522,809	(13,408)	14,124	36,043	792,423	1,351,991
Total comprehensive income for the year	-	-	-	107	570,673	570,780
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Share-based compensation	-	-	4,866	-	-	4,866
Treasury shares re-issued	-	6,485	(5,680)	-	(619)	186
Share buy-back – held as treasury share	-	(1,760)	-	-	-	(1,760)
Lapse of share options	-	-	(4,109)	-	4,109	-
Dividends	-	-	-	-	(322,818)	(322,818)
Balance as at August 31, 2016	**522,809**	**(8,683)**	**9,201**	**36,150**	**1,043,768**	**1,603,245**

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 December 1, 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 are outstanding continue to be valid.

(b) As at August 31, 2017, the number of shares granted and outstanding (being contingent award) under the Share Plan and the 2016 Share Plan ("SPH PSP") was 4,075,695 (August 31, 2016: 5,073,039). Movements in the number of performance shares during the financial year are summarised below:

Outstanding as at 01.09.16 ('000)	Adjusted# ('000)	Granted ('000)	Vested ('000)	Lapsed ('000)	Outstanding and unvested as at 31.08.17 ('000)
5,073	(952)	1,788	(1,472)	(361)	4,076

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

Share Buy Back

Under the Share Buy Back Mandate (first approved by the Shareholders on July 16, 1999 and last renewed at the Annual General Meeting on December 1, 2016), the Company bought back 1,300,000 ordinary shares during the financial year. These shares are held as treasury shares, until released from time to time for the fulfillment of the awards under the SPH PSP. The amount paid, including brokerage fees, totalled S$4.5 million and was deducted against shareholders' equity.

Share Capital and Treasury Shares

As at August 31, 2017, the Company had 1,598,612,211 ordinary shares, 16,361,769 management shares and 2,036,910 treasury shares (August 31, 2016: 1,598,440,203 ordinary shares, 16,361,769 management shares and 2,208,918 treasury shares).

The treasury shares held represent 0.1% (August 31, 2016: 0.1%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at August 31, 2017 and August 31, 2016.

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 August 31, 2017, the Company had 1,598,612,211 ordinary shares and 16,361,769 management shares (August 31, 2016: 1,598,440,203 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 1,472,008 treasury shares for the fulfillment of share awards vested under the SPH PSP. The total value of the treasury shares transferred was S$5.8 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 August 31, 2017.

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

The financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the most recently audited financial statements.

The Group has adopted the new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are mandatory for application in the financial year. The adoption of the new or revised FRS and INT FRS has not resulted in any substantial changes to the Group's accounting policies nor has any significant impact on these financial statements.

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 August 31, 2017

	Group	
	2017	**2016**
(a) Based on the weighted average number of shares on issue (S$)	0.22	0.16
(b) On fully diluted basis (S$)	0.22	0.16

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	
	Aug 31, 2017	**Aug 31, 2016**	**Aug 31, 2017**	**Aug 31, 2016**
Net asset value per share based on total number of issued shares at the end of year (S$)	2.16	2.18	1.13	0.99

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

Business Segments/Review of Results

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 of the Group. The Treasury and Investment segment manages the investment activities of the Group. Other operations under the Group, which are currently not significant to be reported separately, are included under "Others". These include the Group's businesses and investments in online classifieds, events and exhibitions, healthcare and the New Media Fund.

Review of Results for the Year ended August 31, 2017 (“FY2017”) compared with the Year ended August 31, 2016 (“FY2016”)

7.1 Group operating revenue of S$1,032.5 million was S$91.8 million (8.2%) lower compared to FY2016. Revenue for the Media business declined S$108.8 million (13%) to S$725.4 million, as advertisement and circulation revenue fell S$102.5 million (16.9%) and S$8.7 million (5.1%) respectively.

Revenue for the Property segment rose S$2.8 million (1.2%) to S$244.2 million on the back of higher rental income from the retail assets of the Group.

Revenue from the Group’s other businesses increased S$14.1 million (28.9%) to S$62.9 million, attributed mainly to income from the newly acquired healthcare business.

7.2 Other operating income fell S$9.3 million (32.2%) to S$19.5 million due mainly to lower income from corporate events, and write-back of contingent consideration in FY2016.

7.3 Total costs of S$846.6 million was S$1.4 million (0.2%) lower compared to FY2016.

Materials, production and distribution costs fell S$9.5 million (5.7%) in line with lower revenue.

Staff costs decreased by S$5.1 million (1.4%) due to bonus provision.

Depreciation charges was lower by S$6.9 million (15.4%) as certain assets were fully depreciated or impaired.

Other operating expenses fell S$7.5 million (5.1%) due partly to lower business promotion costs and write-back of provision for doubtful debts, partially offset by retrenchment and outplacement costs.

Impairment charges on goodwill and intangibles of S$37.8 million and S$28.4 million were recognised in FY2017 and FY2016 respectively. These charges primarily related to the magazine business whose performance deteriorated significantly amid unfavourable market conditions.

Impairment charges on property, plant and equipment of S$22.8 million arose from the consolidation and optimisation of printing press capacity.

7.4 Operating profit of S$205.4 million was S$99.7 million (32.7%) lower compared to FY 2016. Excluding impairment charges, operating profit would have declined by S$67.5 million (20.2%).

7.5 Fair value gain on investment properties of S$57.4 million arose from the increase in valuation of the retail assets of the Group. The fair value gain recognised last year was S$11.8 million.

7.6 Investment income increased by S$2.1 million (4.1%) due primarily to gain on disposal of investments partially offset by fair value losses on hedges for portfolio investments.

7.7 The improvement in share of results of associates and joint ventures by S$8.3 million was attributable to reduced losses of the regional online classifieds business and contribution from a newly acquired associate.

7.8 Gain on divestment of a joint venture of S$149.7 million relates to a gain on the sale of the Group’s stake in the online classifieds business in Malaysia, Vietnam and Myanmar. The Group continues to maintain its investments in Thailand and Indonesia.

7.9 Impairment of associates and a joint venture included a write-down of S$30.5 million pursuant to the proposed divestment of the Group's stake in MCTV and MCPL. The transaction was completed on September 29, 2017.

7.10 Taxation charge of S$36.3 million was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. This included an amount of S$1.6 million for under-provision of taxation in respect of prior years.

7.11 Net profit attributable to shareholders of S$350.1 million was S$84.8 million (32%) higher year-on-year as the Group's results was boosted by the S$149.7 million gain on divestment of a joint venture.

8. <u>Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results</u>

No forecast was made previously.

9. <u>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</u>

9.1 To deal with the disruption to its core media business, the Group will step up its investments to enhance capabilities in digital, data analytics, radio broadcasts, video and content marketing. These will enable the Group to seek new growth and better meet the changing needs of readers, subscribers and clients.

9.2 The Group will complete the full 10% staff reduction announced last October by the end of this calendar year, and is expected to incur retrenchment costs of approximately S$13 million in 1Q 2018. It includes restructuring the newsrooms and sales operations, reducing 15% of staff in these core media divisions.

10. 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	3 cents per share	6 cents 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	8 cents per share	3 cents per share
Tax Rate	Tax exempt	Tax exempt

(c) Date payable

The date the dividend is payable: December 22, 2017.

(d) Record Date

The Share Transfer Books and Register of Members of the Company will be closed on December 8, 2017, 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 December 8, 2017 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.

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

Not applicable.

12. 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

Group Segmental Information
2017

	Media	**Property**	**Treasury and Investment**	**Others**	**Eliminations**	**Consolidated**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Operating revenue						
External sales	725,427	244,159	-	62,929	-	1,032,515
Inter-segmental sales	4,223	2,512	-	3,547	(10,282)	-
Total operating revenue	729,650	246,671	-	66,476	(10,282)	1,032,515
Result						
Segment result	62,175	188,281	49,089	(8,932)	-	290,613
Finance costs	-	(29,235)	(2,051)	(14)	-	(31,300)
Fair value change on investment properties	-	57,386	-	-	-	57,386
Share of results of associates and joint ventures	(268)	3,925	-	(3,095)	-	562
Gain on divestment of a joint venture	-	-	-	149,690	-	149,690
Impairment of associates and a joint venture	(35,300)	-	-	(159)	-	(35,459)
Profit before taxation	26,607	220,357	47,038	137,490	-	431,492
Taxation						(36,276)
Profit after taxation						395,216
Non-controlling interests						(45,131)
Profit attributable to Shareholders						350,085
Other information						
Segment assets	346,191	4,322,917*	999,819	437,483	-	6,106,410
Segment assets includes:						
Associates/Joint ventures	11,002	44,059	-	22,427	-	77,488
Additions to:						
- property, plant and equipment	11,259	621	-	64,589	-	76,469
- investment properties	-	14,385	-	-	-	14,385
- intangible assets	655	-	-	104,770	-	105,425
Segment liabilities	171,345	1,296,052	300,271	19,637	-	1,787,305
Current tax liabilities						46,591
Deferred tax liabilities						49,190
Consolidated total liabilities						1,883,086
Depreciation	35,473	567	-	1,783	-	37,823
Amortisation of intangible assets	2,261	-	-	8,741	-	11,002
Impairment of property, plant and equipment	22,785	-	-	-	-	22,785
Impairment of goodwill	1,879	-	-	8,000	-	9,879
Impairment of intangible assets	27,901	-	-	-	-	27,901

* Included S$168.4 million for the Group's share of part-payment of land tender price – Refer to Notes to the Statements of Financial Position (a) on page 5.

Group Segmental Information
2016

	Media S$'000	**Property** S$'000	**Treasury and Investment** S$'000	**Others** S$'000	**Eliminations** S$'000	**Consolidated** S$'000
Operating revenue						
External sales	834,221	241,310	-	48,818	-	1,124,349
Inter-segmental sales	4,794	2,143	-	1,782	(8,719)	-
Total operating revenue	839,015	243,453	-	50,600	(8,719)	1,124,349
Result						
Segment result	175,496	179,437	50,194	(16,934)	-	388,193
Finance costs	(30)	(29,851)	(1,361)	(29)	-	(31,271)
Fair value change on investment properties	-	11,823	-	-	-	11,823
Share of results of associates and joint ventures	(262)	-	-	(7,442)	-	(7,704)
Profit/(Loss) before taxation	175,204	161,409	48,833	(24,405)	-	361,041
Taxation						(54,902)
Profit after taxation						306,139
Non-controlling interests						(40,846)
Profit attributable to Shareholders						265,293
Other information						
Segment assets	482,630	4,049,265	1,143,157	268,836	-	5,943,888
Segment assets includes:						
Associates/Joint ventures	65,504	-	-	25,066	-	90,570
Additions to:						
- property, plant and equipment	14,418	579	-	253	-	15,250
- investment properties	-	10,226	-	-	-	10,226
- intangible assets	926	-	-	-	-	926
Segment liabilities	183,920	1,294,553	102,087	18,281	-	1,598,841
Current tax liabilities						56,271
Deferred tax liabilities						47,372
Consolidated total liabilities						1,702,484
Depreciation	43,689	525	-	485	-	44,699
Amortisation of intangible assets	2,824	-	-	8,286	-	11,110
Impairment of goodwill	21,041	-	-	5,734	-	26,775
Impairment of intangible assets	1,108	-	-	475	-	1,583

Geographical segments

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

	Operating revenue		Non-current assets		Total assets	
	2017	2016	**2017**	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000	**S$'000**	S$'000
Singapore	1,009,437	1,089,880	5,049,234	5,019,461	6,064,032	5,886,021
Other countries	23,078	34,469	25,373	37,735	42,378	57,867
	1,032,515	1,124,349	5,074,607	5,057,196	6,106,410	5,943,888

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

Refer to paragraph 7.

14. Breakdown of Sales

	Group		
	2017	**2016**	**Change**
	S$'000	S$'000	%
(a) Operating revenue reported for first half year	516,275	555,502	(7.1)
(b) Profit after tax before deducting non-controlling interests reported for the first half year	119,691	154,809	(22.7)
(c) Operating revenue reported for second half year	516,240	568,847	(9.2)
(d) Profit after tax before deducting non-controlling interests reported for the second half year	275,525	151,330	82.1

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

	2017	**2016**
	S$'000	S$'000
Ordinary	242,276	290,664
Preference	-	-
Total	242,276	290,664

The amount of S$242,276,000 (Last year: S$290,664,000) included S$2,454,000 (Last year: S$2,945,000) relating to management shares.

* This may be increased depending on the number of issued shares existing as at the books closure date on December 8, 2017.

16. **<u>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.</u>**

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

17. **<u>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.</u>**

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.

18. **<u>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).</u>**

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,
October 11, 2017

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

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

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 August 31, 2017, 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 Financial Reporting Standards in Singapore ("FRSs") 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 August 31, 2017 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.

KPMG

Valuation of investment properties
(Refer to Note 8 and 30(e) to the financial statements)

Risk:

The Group owns a portfolio of investment properties comprising mainly Paragon, The Clementi Mall and The Seletar Mall. Investment properties represent the single largest category of assets on the statement of financial position, at S$4 billion as at August 31, 2017.

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 in deriving at the capitalisation and discount rate, 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 capitalisation and discount rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

We also considered the adequacy of the descriptions in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Our findings:

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

The approach to the methodologies and in deriving the key assumptions in the valuations is supported by generally accepted market practices and market data. The disclosures in the financial statements are appropriate.

KPMG

Valuation of unquoted investments
(Refer to Note 12 and 30(e) to the financial statements)

Risk:

The Group's investment portfolio of S$877 million as at August 31, 2017 included unquoted investments of S$201 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 involve 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 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$204 million as at August 31, 2017 comprise mainly goodwill, trademarks and licences acquired from business combinations. Impairment charge of S$38 million was recorded for goodwill and trademarks.

The recoverability 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 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 and resulting estimates from the cash flow forecast for the cash generating units to be within acceptable range, supported by historical performance. The disclosures in the financial statements are appropriate.

Accounting for significant acquisitions
(Refer to Note 13 and 17 to the financial statements)

Risk:

During the year, the Group acquired Orange Valley Healthcare Pte. Ltd., requiring the purchase price of S$164 million to be allocated to the significant identifiable assets acquired and liabilities assumed. The Group engaged an external valuer to perform the purchase price allocation. There is judgement and inherent uncertainty in the purchase price allocation, in particular in relation to the valuation of intangible assets of trademark and customer list.

Our response:

We examined the terms and conditions of the acquisition as well as the purchase price allocation report issued by the external valuer. We evaluated the qualifications, competence and objectivity of the external valuer, and involved our valuation specialists in the review of the valuation methodologies and key assumptions used by the valuer. We tested the reasonableness of key assumptions (i.e. projected cash flows, discount rate, estimated useful life) used by the external valuer by considering historical performance, market data and forecast. We also considered the adequacy of disclosures for the acquisition.

Our findings:

The purchase price allocation was based on valuation methodologies which were noted to be in line with generally accepted valuation practices and the underlying key valuation assumptions were within range of market data. We also found the disclosures of this acquisition to be 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.

KPMG

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 FRSs, 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 Ong Pang Thye.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
October 11, 2017

\# *The page numbers are as stated in the Independent Auditors' Report dated October 11, 2017 included in Singapore Press Holdings Limited's Annual Report for the financial year ended August 31, 2017.*