



**STRENGTH
IN
DIVERSITY**

Annual Report 2020

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CORPORATE PROFILE

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.

SPH runs a regional events arm. It also invested in the education business.

For more information, please visit www.sph.com.sg.

ABOUT THE DESIGN CONCEPT



At SPH, we value diversity. After all, our foundations were built by many individuals, to serve many more. Through our multiple businesses, we have been able to grow and connect with the community in every way. Even in challenging times, SPH continues to play an important role in our customers' lives. By adapting the way we think and transforming the way we work, we continue to pave the way forward through strength in diversity. Despite facing headwinds as a result of the Covid-19 pandemic, we are able to keep people informed through multiple platforms, as well as bring loved ones closer together through virtual events even when they remain physically apart. Times may change, but we remain focused on doing what we do best – building on our collective experience and expertise to engage minds and enrich lives.





THE SPIRIT OF INNOVATION

Creating a Unique Mediascape

Innovation is key to staying relevant during these challenging times. We have kept up with evolving consumer demands by producing creative and engaging content such as health tips, takeaway recommendations and cooking recipes to help our audiences tide over the ongoing pandemic.

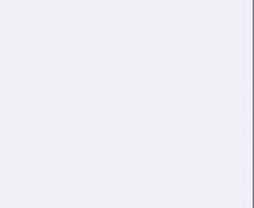
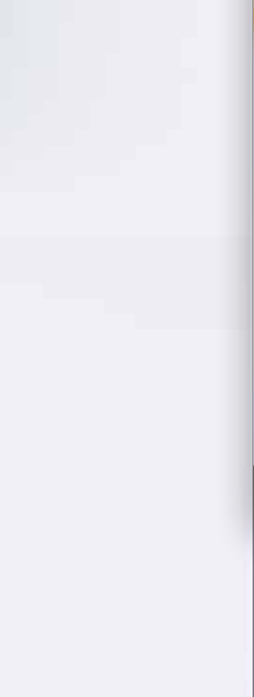


THE POWER OF COMMUNICATION

Reaching Out To Our Audiences

Be it the latest on the Covid-19 pandemic, global relations or the Singapore General Elections, we have grown our audiences by providing easy access to quality news and analyses on our omni-channels, including print, digital, outdoor, radio and news tablets.









THE JOY OF VIRTUAL EXPERIENCE

Organising Events In The New Normal

The pandemic has not stopped us from organising virtual events such as Beerfest Asia and Singapore Book Fair to keep ideas flowing, create business opportunities and ensure the safety of our audiences.



THE STRENGTH OF RESILIENCE

Building For The Future

We work hand in hand with our tenants during these trying times, supporting them with rental rebates and initiatives to offer shoppers a safe and pleasant retail experience. We also provide the highest standard of healthcare service in our nursing homes and ensure the wellbeing of the students in our student accommodations.





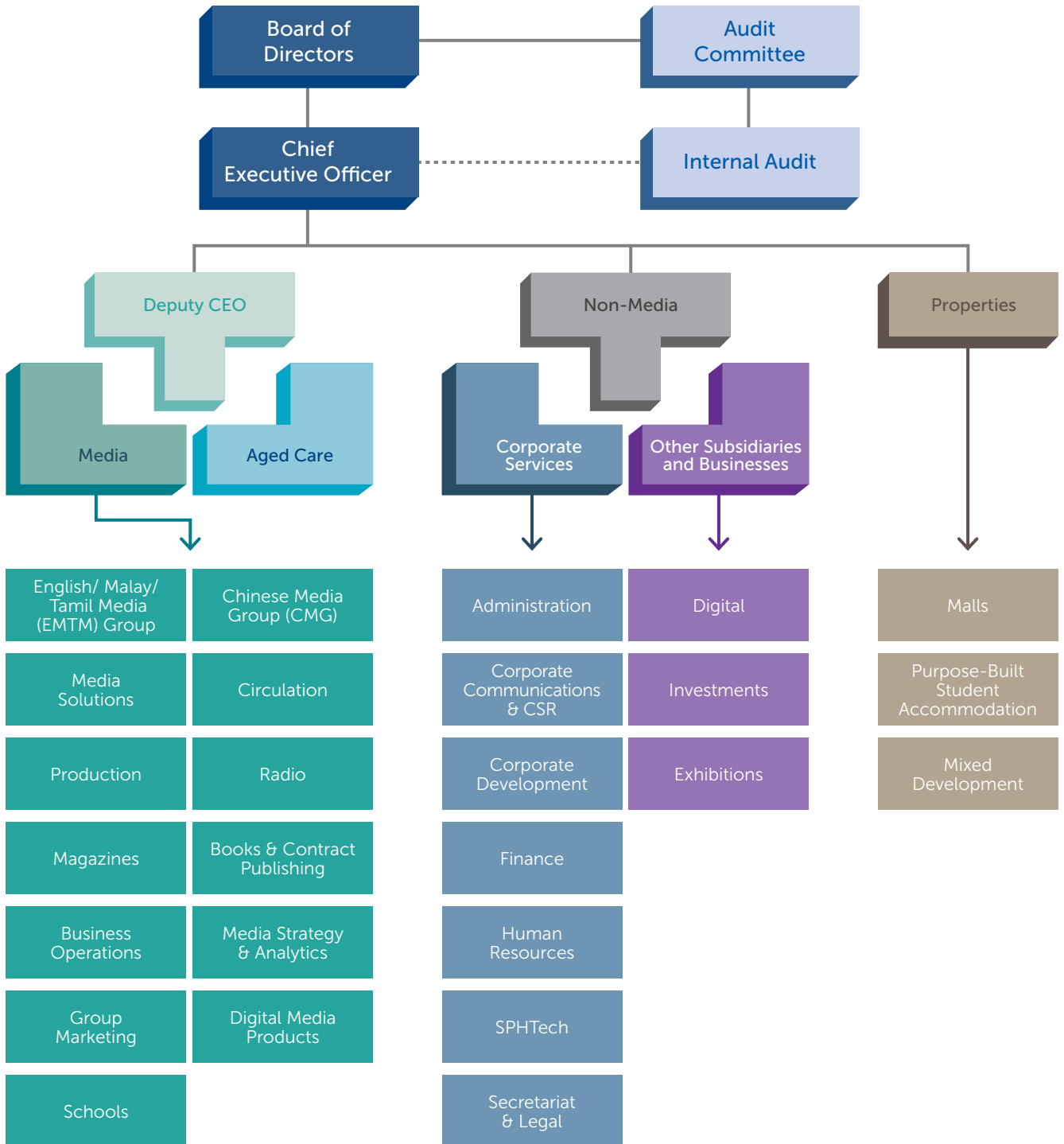


THE PASSION FOR SUSTAINABILITY

Embarking On A Green Journey

We strive to embrace sustainability in our daily operations. As part of our corporate citizenry, we also organise or support nature and conservation events, such as a sustainability-themed photography competition and a sustainability exhibition.

Organisation Structure



Group Financial Highlights

For The Financial Year Ended 31 August 2020

	2020 S\$'000	2019 S\$'000	Change %
Operating revenue	865,662	959,255	(9.8)
Operating profit	110,247	186,922	(41.0)
(Loss)/Profit before taxation	(85,262)	298,282	NM
(Loss)/Profit after taxation	(112,502)	259,546	NM
Non-controlling interests	(28,826)	46,335	NM
(Loss)/Profit attributable to shareholders	(83,676)	213,211	NM
Shareholders' interests	3,313,520	3,488,456	(5.0)
Perpetual securities	452,493	150,512	200.6
Non-controlling interests	1,185,933	1,068,180	11.0
Total assets	8,849,727	7,107,390	24.5
Total liabilities	3,897,781	2,400,242	62.4
Dividends declared for the financial year	40,202	193,504	(79.2)
Profitability ratios	%	%	% points
Operating margin	12.7	19.5	(6.8)
Return on operating revenue	(9.7)	22.2	(31.9)
Return on shareholders' funds	(2.5)	6.1	(8.6)
Per share data			%
Net assets attributable to shareholders (S\$)	2.06	2.16	(4.6)
(Loss)/Profit attributable to shareholders (S\$)	(0.07)	0.13	NM
Dividends declared for the financial year (cents)#	2.5	12	(79.2)
Dividend cover for the financial year (times)	(2.8)	1.1	NM

These dividends are tax-exempt. The proposed final dividend of 1 cent per share is subject to approval by shareholders at the Annual General Meeting on 27 November 2020.

NM Not meaningful

Chairman's Statement



We are facing unprecedented challenges from the ongoing Covid-19 pandemic, global economic uncertainties and disruptions to the media industry. However, I believe we will be able to weather this crisis and **emerge resilient** with your unstinting support.



This year will be long remembered as the pandemic year. The Covid-19 pandemic infected millions and killed more than a million people globally. It caused unprecedented economic disruptions and brought many businesses to a standstill. We also witnessed escalating tensions between China and the United States over trade and national security which contributed to further volatility and uncertainties.

Faced with such massive disruptions, SPH could not avoid being hit. Our results for the financial year ended 31 August 2020 highlighted the adverse impact of the pandemic across all our business segments, including media advertising revenue, footfall and sales at retail malls, and occupancy at Purpose-Built Student Accommodation (PBSA) assets in the United Kingdom.

Against this challenging backdrop, SPH reported an operating profit of \$110.2 million for the year ended 31 August 2020 (FY 2020), down from \$186.9 million registered in the preceding year. Net loss attributable to shareholders was \$83.7 million, largely due to a non-cash \$232.0 million decline in valuation of investment properties as a result of the impact of Covid-19. Other information on the Group is set out in this report.

The Board has proposed a final dividend of 1 cent per share in respect of the financial year ended 31 August 2020. We had earlier declared and paid an interim dividend of 1.5 cents per share.

The Group is focused on sustaining a resilient balance sheet with sufficient liquidity across our businesses as buffer against the uncertainties in the economy.

Jobs Support Scheme (JSS) grants by the Government. The JSS grants provided some cushion from the Covid-19 fallout. To address the adverse impact, the Board and Management are actively exploring options to ensure media sustainability for the longer term.

SPH's newspaper print ad revenue was down 32.9% year-on-year in FY2020, with the pandemic accelerating the decline. We restructured our media sales and magazines operations for greater efficiency and synergy in August 2020. Notwithstanding the JSS, we regrettably had to retrench 140 staff from Media Solutions Division and SPH Magazines to contain cost.

However, circulation continued to grow. While daily average print circulation copies declined 20.0% year-on-year, daily average digital circulation copies grew 55.6% to 423,400 in August 2020. Combined, print and digital circulation rose 6.1% to 838,000 copies.

We continue to strengthen our media business with quality products and content across multiple platforms to grow our audience. Our comprehensive and timely coverage of Covid-19 and the mid-year General Elections had led to an increase in digital subscription and readership across all SPH publications. In particular, during the Circuit Breaker period, more people turned to our publications, apps and social media feeds for reliable and timely news.

We offered strong content across different platforms, formats and genres to engage our audience. #StayHomeWithSPH is a one-stop digital platform featuring lifestyle video content from The Straits Times (ST), Lianhe Zaobao, SPH Magazines and SPH Radio stations to keep viewers informed and entertained.

ST Schools clinched first place in the new Best Initiative in response

to Covid-19 category at the 84th International News Media Association (INMA) Global Awards for its campaign to tailor pandemic news for school children, rallying them to be ambassadors within their families and friends' network.

Our digital strategies and journalists continued to receive accolades, including the Asian Media Awards and Asian Digital Media Awards. Such recognition shows our endeavours are gaining traction and maintaining our strong reputation locally and in the region.

We invested in a new business this year to develop and operate data centre facilities in Genting Lane under a joint venture with experienced industry player Keppel Data Centres Holding Pte Ltd. This investment will maximise the return on an existing asset, as well as capture secular growth trend of the digital economy.

Our associate company M1 was awarded the joint rights to operate the upcoming 5G network in Singapore with StarHub. Our media business also leveraged M1's mobile platform to offer a special promotion to subscribers of the recently launched The Business Times News Tablet.

PROPERTY AND ASSET MANAGEMENT

Excluding the reduction in valuation of investment properties as a result of the Covid-19 pandemic, Property remains the Group's largest profit segment.

But this segment also faced significant disruptions as a result of the Covid-19 pandemic. Fortunately, the situation has seen some return to stability.

We continue to adopt a disciplined approach to investment as we look for opportunities internationally and in cash-yielding defensive sectors to grow our recurring income base.

We completed the acquisition of five aged care assets in Japan this year,

Despite these difficulties, we remained conscious that as a good corporate citizen, we must continue to support the less able and underprivileged in our community through our charitable foundation, SPH Foundation. For example, we have donated \$100,000 to The Courage Fund to support the battle against Covid-19.

MEDIA AND DIGITAL

The media industry is going through a very difficult time. There is heightened competition for audiences and advertisers amid a weak macroeconomic environment. Worldwide advertising, including print ads, declined as companies cut back on spending due to Covid-19. These effects are likely to be prolonged and extensive.

The media business would have suffered bigger losses if not for the

Chairman's Statement

which marks our first acquisition to pursue growth opportunities in this sector in the country.

As part of our strategy, we constantly review our existing businesses and investments to recycle capital and enhance capital management. In June, we divested our 5.29% stake in AXA Tower for \$33.2 million. The original investment was \$19.3 million.

RETAIL

Retail is one of the sectors that are most severely hit by the pandemic. There was a significant decline in footfall due to safety measures and lockdowns. It has picked up after these regulations have been eased, but has yet to recover to pre-Covid levels.

SPH REIT acquired a 50% stake in Westfield Marion Shopping Centre in Adelaide, Australia last year to further diversify its geographical footprint and income streams.

We are supporting the recovery of our retail operations and providing rental relief to the tenants in Singapore and Australia. For Singapore, this is on top of the government legislated property tax rebates and cash grants.

PBSA

The acquisition of the Student Castle portfolio in December 2019 enabled us to have dual brands (Capitol Students and Student Castle) that target both domestic and international students. We have developed full operating capabilities with our investments and are now able to integrate both platforms in-house to achieve greater efficiency in our operations.

However, the Covid-19 situation in the UK is still a concern for domestic and international students. SPH has

been proactive in rolling out various measures, including strict adherence to UK's National Health Service guidelines to protect residents and staff across our PBSA assets there. We will continue to monitor the evolving situation there.

Students' refunds have reduced revenue for Academic Year 19/20 by approximately £4.6 million, at the lower end of the £4 - 8 million range that had been earlier anticipated.

We achieved 88% of target revenue for Academic Year 20/21 as at 9 October 2020, as bookings continued to pick up.

We remain positive on this sector which is backed by promising fundamentals and a supportive regulatory environment as we work towards our vision of being a leading PBSA player in the UK.

THE WOODLEIGH RESIDENCES

We have sold about 56% of total units of The Woodleigh Residences, our joint development with Kajima Development Pte Ltd, as at 4 October 2020. We will continue to do our best to sell the remaining units.

AGED CARE

Operating performance at Orange Valley Nursing Homes has been stable. The emergence of four Covid-19 cases at Orange Valley Simei in May was efficiently and decisively managed. All four have since been discharged and there have been no further cases.

Our aged care acquisitions in Japan also signaled our foray into the global aged market, and we will continue to be selective and disciplined in our internationalisation strategy in this sector.

CAPITAL MANAGEMENT

SPH is prepared for a lengthy recovery from Covid-19. The priority is to conserve cash through an effective cost control programme while adopting a disciplined and prudent approach to capital allocation. The Group is also constantly reviewing its non-core businesses and investments to unlock value strategically. Our resilient balance sheet will help the Group buffer against the long-term uncertainty.

SUSTAINABILITY

Covid-19 has highlighted the importance of sustainable development, especially the social aspects relating to our stakeholders and the community.

Amid the uncertainty, we have taken precautionary measures beyond those prescribed by the Government and the various agencies to ensure that all our stakeholders – employees, customers, suppliers as well as the community at large – remain safe during the pandemic. SPH has remained steadfast in our commitment to our sustainability agenda. We will strive continually to minimise negative social and environmental impacts of our operations.

As one of the leading media organisations in Asia, we provide timely, credible and reliable news in different languages across multiple platforms to educate and inform the community. During the Covid-19 pandemic, SPH recognises the vital role we play in delivering accurate, verified information that does not trigger unnecessary panic among the public. We do not condone the spread of fake news, and have set in place enhanced services such as the



SPH entered into a JV with Keppel Data Centres Holding to jointly develop and operate data centre facilities at 82 Genting Lane

complimentary access to Covid-19 news for all via our multilingual platforms. Besides debunking fake news and myths relating to Covid-19 through the askST column, initiatives such as the video series Come 'n Live by zaobao.sg to encourage Singaporeans to stay active, a dedicated Covid-19 section on the Tamil Murasu website and a series of Facebook Live and podcast episodes by Berita Harian help to reach out to a wider audience and keep the community updated on the latest developments on Covid-19. These channels help to deliver accurate and timely updates in our fight against the coronavirus.

The Board maintains oversight of our sustainability strategy and aims to ensure sustainable growth of the business despite the challenges brought about by the Covid-19 crisis. In particular, the Board Risk

Committee (BRC) monitors and oversees the management of environmental, social and governance (ESG) factors. They are closely supported by the Sustainability Steering Committee (SSC) and the Sustainability Working Committee (SWC). This year, the Board has validated the 11 existing material ESG factors for its continued relevance to SPH Group's business.

The FY2020 Sustainability Report provides readers insights into the Group's wide-ranging efforts across our Media, Properties, Aged Care and PBSA businesses. It also showcases our overall strategy and approach towards sustainability, governance, health and safety, training and development and the local communities amid the pandemic. We continue to align our sustainability efforts with the United Nations Sustainable Development Goals.

This year, we have also synced our environmental efforts with the Sustainable Singapore Blueprint.

You can read more about our Covid-19 initiatives to provide support and relief to the needy and vulnerable in the community in our Report on page 48.

WELCOME AND THANKS

I would like to welcome our new director, Ms Tracey Woon, who joined the Board on 1 July 2020.

Tracey's deep understanding of international capital markets, as well as her wealth of experience and expertise in investment banking, will be invaluable to SPH as we continue to invest, diversify and strengthen our businesses.

We are facing unprecedented challenges from the ongoing Covid-19 pandemic, global economic uncertainties and disruptions to the media industry. However, I am confident that we will be able to weather this crisis and emerge resilient with your unstinting support. I wish to thank CEO Mr Ng Yat Chung and his management team, all our Editors and media teams, staff and employees for their effort and hard work to sustain our businesses through this pandemic and other challenges. Last but not least, I thank all shareholders for your continued confidence and support of SPH.

LEE BOON YANG
Chairman

CEO's Business Review

Singapore suffered its worst ever recession on record this year due to the impact of the Covid-19 pandemic. In the second quarter, the economy contracted by 13.2% year-on-year (y-o-y) amid a global economic downturn.

The pandemic has also adversely impacted all our business segments. Our operating profit was S\$110.2 million for the year ended 31 August 2020 (FY20) as operating revenue declined S\$93.6 million or 9.8% to S\$865.7 million.

The effects of Covid-19 will last for some time, but we are prepared for a long road to recovery through prudent management and continued transformation of our businesses.

MEDIA & DIGITAL

MEDIA BUSINESS

Our media business revenue declined S\$131.7 million (22.8%), from S\$576.9 million in FY19 to S\$445.1 million in FY20. Media advertisement revenue fell by S\$122.5 million (31.4%), led by a decline of S\$99.1 million (32.9%) in newspaper print advertisement revenue.

However, our media products saw digital circulation surpassing the decline in print circulation for the second consecutive year. The average daily circulation at 838,000 copies was 6.1% higher than last year, with an increase of 55.6% in average daily digital circulation, while print circulation declined by 20% y-o-y.

Our publications also achieved higher sales of both print and digital publications from news such as Covid-19, National Budget and General Election 2020 (GE2020). Incremental sales attributable to these events were 16% higher than the periods before the events.



I would like to take this opportunity to thank all stakeholders for your **unstinting support** as we strive to **overcome and emerge stronger** from this crisis.



A total of 40,000 subscribers have been enjoying their daily news on the SPH News Tablet. We also introduced several new functions on the news tablet app to improve customer experience.

The overall digital and print circulation growth for English/ Malay/ Tamil Media sites increased from an average of about 465,600 in August 2019 to 532,300 in August 2020. The Straits Times (ST) led the pack with y-o-y growth of 19%. Overall page views for ST's website and digital platforms surged 88% to 774 million from 413 million in the last FY. The launch of the ST News Tablet in December 2019 was highly successful. In just six months, subscriptions crossed the 14,500 mark and by the end of the FY, sign-ups hit 17,000.

The Business Times (BT) launched its personal edition in April 2020, its first subscription package targeted at individual readers with no contract lock-in and no expiry, attracting over 2,000 subscribers. The BT website saw the highest traffic this FY in April 2020, with some 2.5 million unique visitors generating 7.9 million page views. BT's iPhone and Android apps were revamped and cumulatively reached a record high of 43,000 users, generating 3.5 million screen views in June 2020. BT also launched its news tablet on 15 September 2020.

Berita Harian (BH) launched its news tablet in September 2019. Its podcasts enjoyed an upward trend since they started in May 2019, with downloads growing to 10,000 a month.

The Tamil Murasu (TM) + ST News Tablet was launched in May 2020 and the TM website saw a huge surge in monthly overall active users which grew by 347.82% while its Facebook page drew more than 79,000 followers.

The total page views for tnp.sg (TNP) rose by 5 million compared to last year, as did its Instagram account, which went up from 15,000 to 17,200

followers. On Facebook, TNP's organic reach grew from 107,090 to 124,462.

Chinese Media Group's (CMG) news products also experienced digital growth in the last FY. Page views of zaobao.sg (excluding zaobao.com) increased 64% y-o-y to 287.7 million. Unique visitors during this period grew 36% y-o-y to 22.5 million users, with an average monthly unique visitorship of 2.7 million. April 2020 saw the highest growth due to heightened public interest on the Covid-19 Circuit Breaker measures, when monthly unique visitors grew to 3.8 million, while page views increased to 39.7 million. The total number of CMG news tablet unique visitors, who can read Lianhe Zaobao, Lianhe Wanbao and Shin Min Daily News on the tablet, increased to 18,807.

In April 2020, zaobao.sg rolled out the Zaobao Rewards Loyalty Programme to reward users for reading and sharing articles and improve reader engagement. Lianhe Zaobao (ZB) launched ThinkChina in September 2019, its

first English-language e-magazine featuring articles by ZB journalists and notable writers and experts on China to provide insights on China's developments. Thumbs Up Junior introduced a revamped edition for lower primary school children in January 2020.

We continued to review our core media business and merged SPH Magazines' and SPH's media operations on 1 December 2019. The effort consolidated our strengths as a media owner and streamlined media and magazines operations, allowing advertisers to target the audiences of both news and magazine titles with a single campaign buy. It created more magazine content for newspaper audiences and provided magazine advertisers with greater exposure.

In August 2020, we restructured our media sales and magazines operations with 140 staff from Media Solutions Division and SPH Magazines affected by a retrenchment exercise, which was conducted to address the impact of the Covid-19 pandemic on our advertising revenue.



The Business Times is the latest publication to launch its news tablet

CEO's Business Review

Our newspaper vendor delivery network was seriously affected by the shortage of manpower amidst the Covid-19 outbreak. The call centre was ramped up to handle customer requests and our staff were mobilised to deliver the papers and call up subscribers. As the situation persisted, we introduced deliveries to letter boxes to solve the vendors' manpower crunch and minimised contact between the vendors and subscribers to ensure their safety. The distribution network is further strengthened by the availability of 115 newspaper vending machines islandwide.

We also partnered the National Library Board (NLB) during this period to provide 3,000 daily digital access across all our publications to their members, who could enjoy online news resources even when the libraries were temporarily closed.

We continued to print and deliver newspapers to our readers in a timely manner during the pandemic outbreak. Our Production workforce was divided into multiple groups and shifts to work in two separate printing plants to mitigate the exposure to the virus.

SPH Radio's audience share and listenership registered a double digit growth of 13% and 10% respectively in the Nielsen Radio Diary Survey in November 2019. UFM100.3's listenership grew 27%, the highest amongst all Chinese radio stations in Singapore. 96.3 Hao FM showed the highest growth amongst Chinese radio stations aimed at mature listeners, increasing its listenership by 24% within its core audience aged 40 to 59. Listenership for Kiss92 and ONE FM 91.3 increased by 4% and 6% respectively. ONE FM 91.3

registered the highest growth of 48% in audience time spent listening amongst all English radio stations in Singapore.

In May 2020, Triton Digital reported a y-o-y increase of 72% in overall SPH Radio podcast downloads, where podcasts by MONEY FM 89.3 and 96.3 Hao FM increased by 174% and 141% respectively.

SPH Radio entered a partnership with NTUC Co-operative to exclusively manage FairPrice Finest Radio and market its in-store airtime to advertisers in July 2020. This is SPH Radio's first foray into an in-store environment, bringing quality programming to a wider audience segment with higher purchasing propensity.

DIGITAL BUSINESS

M1 was awarded the joint rights to operate the upcoming 5G network in Singapore with StarHub. With the 5G network licence granted by Infocomm Media Development Authority (IMDA), M1 has the opportunity to build and operate a state-of-the-art 5G standalone (SA) network infrastructure.

sgCarMart maintained its market position as the leading automotive marketplace with more than 80 times the user engagement and page views against its biggest competitor. Its YouTube channel is the most popular car channel in Singapore and its car selling auction service sgCarMart Quotz set a new record for number of cars transacted.

FastJobs continued to grow its reach across Singapore, Malaysia and the Philippines, reaching 3.3 million downloads. The company ran a

series of Virtual Jobs Discovery Fest, attracting more than 1,600 applicants across over 200 vacancies targeted at non-executive jobseekers.

Singapore Media Exchange (SMX), the joint venture with Mediacorp to provide advertisers a brand-safe, premium inventory at scale, further strengthened its position in the Singapore programmatic marketplace, growing its average monthly revenue by 27% in 2019. SMX expanded its Supply-Side Platform partnerships in 2020, making it easier for advertisers and media agencies to access its inventory.

OctoRocket expanded its presence in regional markets through strong partnerships with regional trade ministries in Thailand and Malaysia. The company partnered Sphere Exhibits to power its e-exhibition@MIFB 2020, showcasing food manufacturers across Singapore, Malaysia, China, Korea, Japan and more.

SPH Ventures continued to invest in promising startups in sectors such as Digital Media, Marketing Technology and Consumer Internet. Notable investments included Partipost, an Asia-focused social media marketing and commerce platform, and Influence.co, a US-based professional network for influencers, creators and the businesses that work with them.

DC Frontiers (Handshakes), which specialises in machine learning and corporate intelligence, gained international recognition when it was appointed by Nikkei Inc. to power and manage scoutAsia, a data and news service developed by Nikkei and the Financial Times. Handshakes' artificial intelligence (AI) and machine



Interior view of PBSA asset Student Castle Oxford in the UK

learning technologies are expected to significantly improve the accuracy and efficiency of scoutAsia's news monitoring and corporate information search functions.

PURPOSE-BUILT STUDENT ACCOMMODATION (PBSA)

We moved forward to cement our position as a key player in the PBSA sector in the United Kingdom (UK) with the acquisition of seven assets for £411 million (S\$743.6 million) in December 2019, expanding our portfolio size to over S\$1.4 billion comprising 7,723 beds across 28 assets.

We invested around £10.6 million (S\$18.9 million) on asset enhancement initiatives to ensure a consistent level of quality across the portfolio. We integrated existing booking systems under the proprietary Student Castle platform to drive operational synergies. The system supports both the Student Castle and Capitol Students brands and effectively targets international and domestic students.

As part of the Student Castle portfolio acquisition, we also acquired 2 assets under development. We are pleased to announce that Student Castle Oxford achieved its Practical Completion on 7 September 2020, and students have moved in for the Academic Year 2020/2021. Student Castle Brighton was slightly delayed as a result of disruption to the supplies of building materials. We have put in place alternative accommodation to ensure minimal disruptions to students who have already booked with us.

The PBSA portfolio achieved 88% of target revenue for Academic Year 2020/2021 as at 9 October 2020.

Amid the Covid-19 outbreak, we have been proactive in rolling out various measures to protect the residents and PBSA staff. We remained vigilant and continued to monitor the evolving situation in UK closely. In April 2020, we offered students the option of refunds if they wished to leave their tenancies before the end of term. The reduction in revenue totaled approximately £4.6 million, a level at the lower end of the

£4-8 million range that had been earlier anticipated.

There was minimal disruption to our PBSA development in Bremen, Germany and its universities continued with online classes.

PROPERTY & RETAIL

Our investment properties incurred a fair value loss of S\$232 million in FY20, largely arising from a reduction in property valuation of retail malls (S\$196.5 million) and PBSA portfolio (S\$31.9 million).

Impacted by Covid-19, SPH REIT saw a decline in tenant sales and footfall across its malls in both Singapore and Australia.

In Singapore, the Government legislated rental rebate to assist tenants through property tax rebates and cash grants. Complementing the Government's schemes, SPH REIT provided its own additional targeted rental relief to assist eligible tenants whose businesses were more impacted.

CEO's Business Review

SPH REIT aims to work with tenants by lightening the burden of those affected in a targeted manner and supporting them through this difficult time, so that both landlord and tenants can be ready for recovery when the time comes.

In December 2019, SPH REIT acquired Westfield Marion, the largest mall in South Australia, to further diversify its geographical footprint and income streams. With Australia also battling the pandemic, SPH REIT worked with joint venture partners to roll out targeted assistance on a tenant by tenant basis in accordance with the "SME Commercial Code of Conduct and Leasing Principles".

Despite the challenging retail environment, SPH REIT's portfolio occupancy rate remained at 97.7% as at end FY20. On the capital market front, we successfully tapped the equity market and raised S\$164.5 million in December 2019 from a private placement of 156.6 million new units. The placement was well-received and drew strong participation from new and existing institutional investors.

Armed with a strong balance sheet, prudent and proactive capital management strategy, SPH REIT will continue to work closely with its tenants to overcome the challenges ahead.

On the private property front, The Woodleigh Residences sold 376 units as at 4 October 2020, representing over 56% of the total 667 units. Sales have been encouraging since the lifting of the Circuit Breaker, with over 171 units sold as at 4 October 2020.

AGED CARE

Orange Valley Nursing Homes (OV) reopened Changi Care Village (CCV) after a year-long renovation. With greater emphasis on holistic person-centric care, the home's enhanced facilities now include unique open outdoor spaces and green features.

OV implemented the Express Admission Programme to allow eligible prospective residents in need of urgent care to be admitted within a day. OV also introduced the CARE20 programme for qualified new residents to enjoy admission fee waiver and quality eldercare at competitive rates during these challenging times.

OV activated its pandemic response plan to safeguard uninterrupted continuity of its services during the Covid-19 pandemic. It implemented various precautionary measures, in

compliance with advisories from the relevant authorities, to keep its staff and residents safe.

OV saw its overall Bed Occupancy Rate (BOR) steadily increase despite the challenging operating environment. Growth in the sale of Personal Protective Equipment by its subsidiary, Life Medic (LM) also positively contributed to OV's financials.

SPH Silver Care expanded its footprint overseas with the acquisition of aged care assets in Japan consisting of a total of 365 beds across five assets. Three of the properties are in Hokkaido, and the others in Tokyo and Nara in the Osaka Metropolitan Region. The total acquisition of S\$66 million is in line with our strategy of investing in aged care and healthcare assets, and expanding its business footprint in markets with fast-ageing populations.



Common area in one of the aged care assets in Japan



ST photojournalist Kevin Lim (first from left) dressed in full Personal Protective Equipment (PPE) on assignment

We will continue to monitor the Covid-19 situation before considering further investments in the aged care segment.

ASSET AND CAPITAL MANAGEMENT

On 29 June 2020, we entered into a joint venture (JV) with Keppel Data Centres Holding (KDCH) to jointly develop and operate data centre facilities at 82 Genting Lane. We hold 40% interest in the JV company and KDCH holds the remaining 60%. The JV company acquired the leasehold interest from Singapore News and Publications Limited, a wholly-owned subsidiary of SPH, for a consideration of S\$50 million. We recognised a gain of S\$25.7 million from the sale. We anticipate that the secular trend towards digitalisation and the movement of data to the cloud will drive strong demand for hyperscale data centres. In addition, the JV will enable us to maximise economic returns and improve the return on capital on an existing asset and to participate in a growing sector.

We divested our 5.29% stake in AXA Tower for approximately S\$33.2 million, through our wholly-owned subsidiary PE One Pte Ltd.

On 1 July 2020, we completed the sale of our entire interest in the chain of over 50 Buzz convenience stores islandwide. Following the divestment, we will continue to have access to the Buzz outlets as distribution channels for our publications.

In preparation for a lengthy Covid-19 pandemic recovery, we have ensured sufficient liquidity across our business segments. We are maintaining a weighted average debt to maturity of 3.4 years and a healthy interest coverage ratio of 3.8x.

HUMAN CAPITAL

We continued to invest in training and development of our staff due to the challenges confronting the media industry. To help our employees remain relevant and maintain their competitive edge, we constantly evaluate their training needs and update our training programmes.

To future-proof our employees, we will continue to equip them with knowledge and skills required to thrive in the digital realm. Among the more important digital competencies are cybersecurity to protect our digital assets, digital marketing strategies to ensure our products meet the needs of our consumers and advertisers, and the use of AI to stay ahead of the digital transformation.

Due to the Covid-19 pandemic, 95 unique courses, such as Integrated Digital Marketing Strategies, Building a Data Culture with Tableau, Skillsfuture for Digital Workplace, were either delivered virtually by instructors or attended by staff via self-paced eLearning. There was a 400% increase in the number of hours spent on self-paced online learning over the past year.

LOOKING AHEAD

It has been an extremely challenging year for all of us in SPH. Many of our staff had to cope with split-team operations and working from home. Despite all the constraints and inconveniences, they still put in their best performance to deliver quality work.

It is heartening to see that our customers continue to show us their support in such critical times. I am confident that we can tide through this difficult period.

I would like to take this opportunity to thank shareholders, readers, subscribers, advertisers, colleagues, unions and other stakeholders for your unstinting support as we strive to overcome and emerge stronger from this crisis.

NG YAT CHUNG
Chief Executive Officer

Board of Directors



Lim Ming Yan
Non-Executive and
Independent Director



Quek See Tiat
Non-Executive and
Independent Director



Tan Chin Hwee
Non-Executive and
Independent Director



Tan Yen Yen
Non-Executive and
Independent Director



Tracey Woon
Non-Executive and
Independent Director



Board of Directors

LEE BOON YANG

Boon Yang was appointed a Director of SPH on 1 October 2011.

He is the Non-Executive Chairman of Keppel Corporation Limited. He is also Chairman of Singapore Press Holdings Foundation Limited, Keppel Care Foundation Limited, Jilin Food Zone Pte Ltd and Jilin Food Zone Investment Holdings Pte Ltd.

He has extensive experience in public service. He served as Member of Parliament for Jalan Besar and Jalan Besar Group Representation Constituency (GRC) from December 1984 to April 2011. He was the Minister for Information, Communications and the Arts before retiring from political office in March 2009.

From 1991 to 2003, he served as Minister in the Prime Minister's Office, Minister for Defence, Minister for Labour and later Minister for Manpower. Prior to that, he held several public appointments including Senior Minister of State for Defence, National Development and Home Affairs, and Parliamentary Secretary to the Ministers for Environment, Finance, Home Affairs, and Communications.

Before entry into politics, he worked as a veterinarian and R&D Officer in the Primary Production Department. He also worked as the Assistant Regional Director for the US Feed Grains Council, and as Senior Project Manager for the Primary Industries Enterprise Pte Ltd.

Boon Yang holds a B.V.Sc Hon (2A) from the University of Queensland.

NG YAT CHUNG

Yat Chung joined SPH as a Director on 1 August 2016 and was appointed Chief Executive Officer on 1 September 2017.

He is the Chairman of the Singapore Institute of Technology Board of Trustees.

Prior to joining SPH, he was the Executive Director and CEO of Neptune Orient Lines Ltd (2011-2016) and Senior Managing Director at Temasek Holdings (Private) Limited (2007-2011). Before joining Temasek Holdings, he was the Chief of Defence Force in the Singapore Armed Forces. He also served as a Director of Fraser & Neave Limited and Singapore Technologies Engineering Ltd.

Yat Chung holds a Bachelor of Arts (Engineering Tripos) and a Master of Arts from Cambridge University, a Master of Military Art and Science (General Studies) from the US Army Command & General Staff College, USA, and a MBA from Stanford University.

JANET ANG GUAT HAR

Janet was appointed Director of SPH on 17 October 2014.

She spent 32 years with IBM and was IBM Vice President, Smarter Cities & Industry Solutions for Asia Pacific from 2015 to 2019 and prior to that, IBM Singapore Managing Director from 2011 to 2015. She is a veteran in the tech industry and has lived and worked in Japan and China for over a decade. Janet has a diverse background having managed IBM Services in Greater China, IBM Sales Operations across Asia Pacific and Lenovo Desktop Operations globally.

She serves as Chairman of the NUS Institute of Systems Science, the Caritas Singapore Agape Fund Board of Trustees, SISTIC.com and the Singapore Polytechnic Board of Governors. She is also the Deputy Chairman of the Singapore Business Federation Foundation as well as Member of the Board of The Esplanade Company Ltd and the Home Team Science & Technology Agency (HTX), chairing its Finance & Risk Committee.

Janet serves on the NUS Alumni Advisory Board and the Council for Board Diversity as well as the Singapore Business Federation chairing its Digitalisation Committee. She is a Fellow of the Singapore Computer Society, is a Member of the International Women's Forum (Singapore), and an alumnus of the IBM Industry Academy.

She was a board member of PUB having served from 2013 to 2019 during which she chaired PUB's Audit Committee. She has also previously served on the InfoComm Media and Development Authority (iMDA) and the then InfoComm Development Authority as well as the Medishield Life Review Committee.

In 2014, Janet was awarded the NUS Business School Eminent Alumni Award and in 2015, she received the NUS Distinguished Alumni Service Award. In March 2018 Janet was conferred the Singapore Computer Society IT Leaders Award 2018 – Hall of Fame.

Janet was awarded the Public Service Medal in 2019.

Janet graduated with a Business Administration (Honors) degree from the National University of Singapore.

BAHREN SHAARI

Bahren was appointed to the Board on 1 April 2012. He is Chief Executive Officer of Bank of Singapore, the private banking subsidiary of OCBC Bank.

Bahren was appointed Chief Executive Officer of Bank of Singapore on 1 February 2015. He has more than 30 years of banking experience. In 2016, he was conferred the Singapore Institute of Banking and Finance Distinguished Fellow award, in recognition of his significant contribution to the financial industry and outstanding leadership capabilities.

Bahren serves as a board member of the Institute of Systems Science at the National University of Singapore. He is also a member of the Council of Presidential Advisers and served as an alternate member from April 2017 to January 2020.

Bahren was conferred the Public Service Star Medal in 2018. He was awarded the Public Service Medal in 2008.

Bahren graduated with an accountancy degree from the National University of Singapore.

Board of Directors

ANDREW LIM MING-HUI

Andrew was appointed a Director of SPH on 1 January 2017.

He is a Partner of Allen & Gledhill LLP and is currently Co-Head of its Corporate Mergers & Acquisitions Department. He is consistently recognised as a leading lawyer in his areas of expertise.

Andrew serves as a Trustee on the Board of Trustees of the National University of Singapore and as a member of the board of Sentosa Development Corporation. He is a Director of Jurong Engineering Limited and Singex Holdings Pte Ltd. He is also a member of the NUS Law Advisory Council.

He was a member of the Monetary Authority of Singapore Financial Centre Advisory Panel, and also served on the Committee for Private Education, a committee of the SkillsFuture Singapore Board.

Andrew holds Bachelor of Law (Honours) and Masters of Law degrees from the National University of Singapore and was called to the Singapore Bar in 1986. He is a Fellow of the Singapore Institute of Directors.

LIM MING YAN

Ming Yan was appointed a Director of SPH on 3 June 2019.

He spent 22 years with CapitaLand Limited, and was its President and Group CEO from 2013 to 2018 and prior to that, its COO from 2011 to 2012. He was the CEO of The Ascott Limited from 2009 to 2012 and CEO of CapitaLand China from 2000 to 2009.

He is a Director of Central China Real Estate Limited.

Ming Yan Lim serves on various committees in the community. He is the Chairman of Singapore Business Federation, a member of Singapore's Future Economy Council and Co-Chairman of its Built Environment Sub-Committee. He is also Chairman of Workforce Singapore and a board director of Business China.

Ming Yan obtained a First Class Honours degree in Mechanical Engineering and Economics from the University of Birmingham, United Kingdom and has completed the Advanced Management Program at Harvard Business School.

QUEK SEE TIAT

See Tiat joined the SPH Board on 1 September 2013.

From 1 July 1987 to 30 June 2012, See Tiat was a Partner and subsequently Deputy Chairman of PricewaterhouseCoopers LLP. He has extensive audit and business advisory experience, and has been involved in planning, executing and managing audits of large public listed companies in Singapore.

See Tiat serves on the boards of Singapore Technologies Engineering Ltd, Pavillion Energy Pte Ltd, the Monetary Authority of Singapore and Temasek Foundation Connects CLG Limited. He is also the President of the Council of Estate Agencies and Chairman-Designate of the Accounting Standards Council.

He was the Chairman of the Building and Construction Authority and a Director of Neptune Orient Lines Ltd and a board member of the Energy Market Authority.

See Tiat graduated with Honours (Second Class Upper) in Economics from the London School of Economics & Political Science. He is also a Fellow with the Institute of Chartered Accountants in England and Wales. He was conferred the Public Service Medal in 2009 and the Public Service Star in 2014.

TAN CHIN HWEЕ

Chin Hwee was appointed a Director on 1 March 2014.

He is a Director of Trafigura Holdings Pte Ltd and Trafigura Pte Ltd. He is also a Director of Nayara Energy Ltd, India, where he chairs its Banking and Finance Board Committee and was previously its Audit Committee Chairman. He serves on the Board of Trustees of the Nanyang Technological University and the Advisory Board of Grab Inc. Chin Hwee is an Adjunct Professor in a number of universities, and is an advisory board member for the Shanghai Advance Institute of Finance. He also serves on the Finance Centre Advisory Panel of the Monetary Authority of Singapore. He sits on the Maritime and Port Authority of Singapore's International Maritime Centre (IMC) 2030 Advisory as a Committee Member. He has also taken on the International Olympic Committee Financial Advisor role from March 2016 to December 2019.

Chin Hwee was the founding partner and Director of Apollo Management Singapore Pte Ltd., Managing Director of Amaranth Advisors, as well as President and Director of CFA Singapore. He was a Director of Keppel REIT Management Limited (as manager of Keppel REIT) and Lien Aid Limited (Singapore).

Chin Hwee was honoured as a World Economic Forum Young Global Leader 2010 and is the winner of the Singapore 2013 Distinguished Financial Industry Certified Professional (FICP) Award. In 2015, he received the World Outstanding Young Chinese Entrepreneurs Award from business newspaper, Yazhou Zhoukan, and the World Federation of Chinese Entrepreneurs Organization. He was also voted by the Hedge Fund Journal as among the emerging top 40 absolute return investors globally and was also named as Best Asia Credit Hedge Fund Manager by Hong Kong-based publication, The Asset.

Chin Hwee was appointed to join the Emerging Stronger Taskforce (EST) set up under the Future Economy Council (FEC)/PMO, to review how Singapore can build new sources of dynamism and stay economically resilient in a post-Covid-19 world. He was nominated as a member of the Trade & Connectivity Standards Committee under the Singapore Standards Council (SSC)/MTI, which facilitates the development, promotion and review of standards in Singapore.

Chin Hwee holds a Bachelor of Accountancy (Second Class Upper Honours) from Nanyang Technological University, and a MBA from Yale University. He completed a postgraduate course at Harvard Kennedy School. He is a Chartered Financial Analyst (CFA) and is both an Australian and Singapore registered Certified Public Accountant (CPA).

Board of Directors

TAN YEN YEN

Yen Yen joined the Board on 1 April 2012.

She is a Director of Oversea-Chinese Banking Corporation Limited. She serves as the Chairman of the Singapore Science Centre and Director of ams AG. Additionally, she sits on the Board of Advisors of the National University of Singapore's School of Computing.

She is a veteran in the technology and telecommunication sectors. Her past executive career included being President, Asia Pacific, Vodafone Global Enterprise Singapore Pte Ltd; Regional Vice-President and Managing Director of SAS South Asia Pacific; Senior Vice President, Applications, Oracle Corporation Asia Pacific, and Vice President & Managing Director for Hewlett-Packard Singapore.

Yen Yen has played an active role in Singapore's infocomm industry. Her past contributions include being Chairman of the Singapore Infocomm Technology Federation (Now SGTech), Board director of Infocomm Development Authority (IDA) of Singapore and member of Corporate Capabilities and Innovation sub-committee with the Singapore Government Future Economy.

Yen Yen has a degree in Computer Science from the National University of Singapore and an Executive MBA degree with Helsinki School of Economics Executive Education.

TRACEY WOON

Tracey was appointed a Director on 1 July 2020.

She was, until recently, the Vice Chairman, Asia Pacific, Global Wealth Management UBS AG, a role she assumed since July 2016. In that role, she advised UBS' key clients and business owners, drawing on her deep understanding of international capital markets and her investment banking experience. Tracey was also responsible for the UBS' Women Initiative in Asia Pacific.

Prior to joining UBS, she was the Vice Chairman of Citibank ASEAN Corporate and Investment Banking, encompassing Investment Banking for South East Asia, as well as Corporate Banking, Financial Institutions practice, Global Transaction Services and Global Subsidiaries Group for Singapore.

Tracey has more than 37 years of investment banking experience having worked on a whole spectrum of corporate finance transactions from equity fund raising (IPOs, equity placements and rights issues) to debt offerings to advisory work, including takeovers of public companies in Singapore and ASEAN.

Tracey holds a Bachelor of Law (Honours) from the National University of Singapore.

Further Information on Board of Directors

LEE BOON YANG, 73

Chairman

Non-Executive and Independent Director

Date of first appointment as a director

1 October 2011

Date of last re-election as a director

3 December 2018

Board Committee(s) served on

- Executive Committee (Chairman)
- Remuneration Committee (Chairman)
- Nominating Committee

Academic & Professional Qualifications

- B.V.Sc Hon (2A), University of Queensland.

Present Directorships

- Keppel Corporation Limited* (Chairman)
- Keppel Care Foundation Limited (Chairman)
- Singapore Press Holdings Foundation Limited (Chairman)
- Jilin Food Zone Pte. Ltd. (Chairman)
- Jilin Food Zone Investment Holdings Pte. Ltd. (Chairman)

Major Appointments (other than Directorships)

Nil

Directorships over the past 5 years (1/9/15 - 31/8/20)

Nil

NG YAT CHUNG, 58

Chief Executive Officer

Executive and Non-Independent Director

Date of first appointment as a director

1 August 2016

Date of last re-election as a director

29 November 2019

Board Committee(s) served on

- Executive Committee
- Board Risk Committee

Academic & Professional Qualifications

- Bachelor of Arts (Engineering Tripos) and Master of Arts, Cambridge University
- Master of Military Art and Science (General Studies), US Army Command & General Staff College, USA
- MBA, Stanford University

Present Directorships

- SPH REIT Management Pte Ltd (as manager of SPH REIT*) (Director)

Major Appointments (other than Directorships)

- Singapore Institute of Technology (Chairman, Board of Trustees)

Directorships over the past 5 years (1/9/15 - 31/8/20)

- Neptune Orient Lines Ltd* (Director)

* Public-listed company

Further Information on Board of Directors

JANET ANG GUAT HAR, 61 Non-Executive and Independent Director

Date of first appointment as a director

17 October 2014

Date of last re-election as a director

3 December 2018

Board Committee(s) served on

- Audit Committee
- Nominating Committee[#]
- Board Risk Committee[@]

Academic & Professional Qualifications

- Business Administration (Honors), National University of Singapore

Present Directorships

- SISTIC.com Pte Ltd (Chairman)

Major Appointments (other than Directorships)

- Singapore Polytechnic Board of Governors (Chairman)
- Home Team Science and Technology Agency (Board Member)
 - Finance & Risk Committee (Chairman)
- The Esplanade Company Ltd (Board Member)
- Singapore Business Federation Foundation (Deputy Chairman)
- Council for Board Diversity (Member)
- Caritas Agape Fund, Board of Trustees (Chairman)
- Singapore Business Federation (Council Member)
 - Digitalisation Committee (Chairman)
- NUS Institute of Systems Science (ISS) (Chairman)

Directorships over the past 5 years (1/9/15 - 31/8/20)

- International Women's Forum Singapore (President)
- National Volunteer & Philanthropy Centre (Board Member)
- InfoCommunications Media Development Authority of Singapore (Board Member)
- Public Utilities Board (Board Member)
 - Audit Committee

BAHREN SHAARI, 58 Non-Executive and Independent Director

Date of first appointment as a director

1 April 2012

Date of last re-election as a director

1 December 2017

Board Committee(s) served on

- Executive Committee
- Nominating Committee (Chairman)

Academic & Professional Qualifications

- Bachelor of Accountancy, National University of Singapore

Present Directorships

- Bank of Singapore Ltd. (Director)

Major Appointments (other than Directorships)

- Council of the Presidential Advisers (Member)
- Internal Security Act Advisory Board (Member)
- Corporate Governance Advisory Committee (Member)
- Institute of Systems Science (Member, Management Board)
- Wakaf Masyarakat Singapura (Advisory Panel Member)

Directorships over the past 5 years (1/9/15 - 31/8/20)

- BOS Korea Securities Co. Ltd (Director)

* Public-listed company
 @ appointed on 29 November 2019
 # stepped down on 29 November 2019

ANDREW LIM MING-HUI, 59

Non-Executive and Independent Director

Date of first appointment as a director

1 January 2017

Date of last re-election as a director

1 December 2017

Board Committee(s) served on

- Audit Committee
- Nominating Committee
- Board Risk Committee (Chairman)

Academic & Professional Qualifications

- Bachelor of Law (Honours) and Masters of Law, National University of Singapore

Present Directorships

- Singex Holdings Pte. Ltd. (Director)
- Jurong Engineering Limited (Director)

Major Appointments (other than Directorships)

- Allen & Gledhill LLP (Partner)
- National University of Singapore, Board of Trustees (Trustee)
- Sentosa Development Corporation (Member)

Directorships over the past 5 years (1/9/15 - 31/8/20)

- Committee for Private Education (a Committee of the SkillsFuture Singapore Board) (Member)
- Board of Governors of St Andrew's Junior College (Member)
- Community Chest of Singapore (Committee Member)
- Monetary Authority of Singapore Financial Centre Advisory Panel (Member)

LIM MING YAN, 57

Non-Executive and Independent Director

Date of first appointment as a director

3 June 2019

Date of last re-election as a director

29 November 2019

Board Committee(s) served on

- Remuneration Committee
- Board Risk Committee[#]
- Nominating Committee[@]

Academic & Professional Qualifications

- Mechanical Engineering and Economics (1st Class Hons), University of Birmingham
- Advanced Management Program, Harvard Business School

Present Directorships

- DLF Cyber City Developers Limited (India) (Director)
- Central China Real Estate Limited (Director)

Major Appointments (other than Directorships)

- Singapore Business Federation (Chairman)
- Business China (Director)
- Singapore-China Foundation Ltd (Governor)
- Chinese Development Assistance Council (Board of Trustees)
- Future Economy Council (Co-Chairman of its Built Environment Sub-Committee)
- Workforce Singapore Agency (Chairman)

Directorships over the past 5 years (1/9/15 - 31/8/20)

- CapitaLand Limited* (President & Group CEO)
- CapitaLand Mall Asia Limited (as manager of CapitaLand Mall Asia Trust*) (Chairman & Director)
- CapitaLand Commercial Trust Management Limited (as manager of CapitaLand Commercial Trust*) (Deputy Chairman & Director)
- CapitaLand Retail China Trust Management Limited (as manager of CapitaLand Retail China Trust*) (Deputy Chairman & Director)
- CapitaLand Mall Trust Management Limited (as manager of CapitaLand Mall Trust*) (Deputy Chairman & Director)
- Ascott Residence Trust Management Limited (as manager of Ascott Residence Trust*) (Deputy Chairman & Director)

* Public-listed company
 @ appointed on 29 November 2019
 # stepped down on 29 November 2019

Further Information on Board of Directors

QUEK SEE TIAT, 66

Non-Executive and Independent Director

Date of first appointment as a director

1 September 2013

Date of last re-election as a director

1 December 2017

Board Committee(s) served on

- Executive Committee
- Audit Committee (Chairman)

Academic & Professional Qualifications

- Honours (Second Class Upper), Economics, London School of Economics & Political Science
- Fellow, Institute of Chartered Accountants in England and Wales

Present Directorships

- Singapore Technologies Engineering Ltd* (Director)
- Pavilion Energy Pte Ltd (Director)
- Pavilion Energy Spain S.A.U. (Director)
- Temasek Foundation Connects CLG Limited (Director)

Major Appointments (other than Directorships)

- Monetary Authority of Singapore (Board Member)
- Council of Estate Agencies (President)
- Accounting Standards Council (Chairman-Designate)
- Temasek Foundation Limited (Audit & Risk Committee) (co-opted)

Directorships over the past 5 years (1/9/15 - 31/8/20)

- Building and Construction Authority (Chairman)
- Neptune Orient Lines Ltd* (Director)
- Energy Market Authority (Board Member)

TAN CHIN HWEE, 49

Non-Executive and Independent Director

Date of first appointment as a director

1 March 2014

Date of last re-election as a director

3 December 2018

Board Committee(s) served on

- Audit Committee
- Remuneration Committee

Academic & Professional Qualifications

- Bachelor of Accountancy (2nd Class Upper Hons), Nanyang Technological University
- MBA, Yale University
- Postgraduate course, Harvard Kennedy School
- Chartered Financial Analyst (CFA)
- Certified Public Accountant (CPA), Australia and Singapore

Present Directorships

- Trafigura Holdings Pte Ltd (Director)
- Trafigura Pte Ltd. (Director)
- Nayara Energy Ltd (India) (Director and Chairman of Banking & Finance Board Committee)
- Grab Inc (Advisory Board member)

Major Appointments (other than Directorships)

- Emerging Stronger Taskforce under the Future Economy Council (FEC)/PMO (Member)
- Trade & Connectivity Standards Committee under the Singapore Standards Council (SSC)/MTI (Member)
- Nanyang Technological University (Trustee)
- SingHealth Fund Limited (Institution Fund Committee Member & Audit Committee Member)
- Maritime and Port Authority of Singapore's International Maritime Centre (IMC) 2030 Advisory (Committee Member)

Directorships over the past 5 years (1/9/15 - 31/8/20)

- International Olympic Council (Independent Advisor)
- Keppel REIT Management Limited (as manager of Keppel REIT*) (Director)
- Lighthouse (Mauritius) Ltd (Director)
- Apollo Management Singapore Pte. Ltd. (Director)
- CFA Singapore (President & Director)
- Panel for Government Parliamentary Committee for Finance and Trade and Industry (Member)
- Advisory Panel for Volunteer Youth Corp, Ministry of Community, Culture and Youth (Member)
- Lien Aid Limited (Director)

* Public-listed company

TAN YEN YEN, 55

Non-Executive and Independent Director

Date of first appointment as a director

1 April 2012

Date of last re-election as a director

29 November 2019

Board Committee(s) served on

- Remuneration Committee
- Board Risk Committee

Academic & Professional Qualifications

- Computer Science, National University of Singapore
- Executive MBA, Helsinki School of Economics Executive Education

Present Directorships

- Oversea-Chinese Banking Corporation Limited* (Director)
- ams AG*# (Director)

Major Appointments (other than Directorships)

- Singapore Science Centre (Chairman)
- National University of Singapore's School of Computing (Member)
- TNF Ventures (Advisor Mentor)

Directorships over the past 5 years (1/9/15 - 31/8/20)

- Defence Science & Technology Agency (Director)
- Cap Vista Pte Ltd (Director)
- Gemalto NV*[@] (Director)
- Singapore Institute of Directors (Director)

TRACEY WOON, 64

Non-Executive and Independent Director

Date of first appointment as a director

1 July 2020

Date of last re-election as a director

NA

Board Committee(s) served on

- Executive Committee[^]
- Board Risk Committee[^]

Academic & Professional Qualifications

- Bachelor of Law (Hons), National University of Singapore

Present Directorships

Nil

Major Appointments (other than Directorships)

- National University Health System Pte Ltd (Director)
- Investment Committee, MOH Holdings Pte Ltd (Member)
- Securities Industry Council (Member)
- LAC Committee, Singapore Exchange Ltd (Member)
- IBF Distinguished Fellow Member (Member)
- Red Cross Singapore (Council Member)

Directorships over the past 5 years (1/9/15 - 31/8/20)

Nil

* Public-listed company

listed on SIX Swiss Stock Exchange

@ listed on Euronext Amsterdam, and Euronext Paris

^ appointed on 1 July 2020

Senior Management

Anthony Tan



Mable Chan



Chua Hwee Song



Ignatius Low



Glen Francis



Janice Wu



Ginney Lim



Chua Wee Phong



Julian Tan



Lim Swee Yeow



Warren Fernandez



Gaurav Sachdeva



Lee Huay Leng



Joseph Sewi



Goh Sin Teck



Senior Management

ANTHONY TAN Deputy Chief Executive Officer

Anthony joined SPH in February 2015 and was appointed to his current role as Deputy Chief Executive Officer on 1 July 2016.

He oversees the group's media business which includes titles such as The Straits Times, Lianhe Zaobao, Berita Harian, Tamil Murasu, as well as SPH magazines and the SPH Radio network.

Anthony also manages the group's aged care business across Singapore and Japan.

Anthony currently chairs several SPH subsidiaries (The Seletar Mall and SGCarMart), and sits on the board of SP Group as well as several nonprofit/community organisations. He is also Chairman, External Relations Committee of the Singapore Chinese Chamber of Commerce & Industry (SCCCI).

Prior to joining SPH, Anthony was Deputy Secretary (Policy), Ministry of Health and concurrently Special Assistant to the late Mr Lee Kuan Yew (2011-2014). During his career with the Singapore Public Service spanning more than 15 years, he served in various organisations including the Ministry of Finance, Home Affairs, Manpower as well as the People's Association.

Anthony graduated from the National University of Singapore in 1997 with a Bachelor of Social Science (Honours) in Political Science. He also has a Master of Science (Management) degree from the Stanford Business School.

CHUA HWEЕ SONG Chief Financial Officer

Hwee Song was appointed to the role of Chief Financial Officer of SPH on 1 April 2018. That year, he spearheaded the Group's entry into the PBSA (purpose-built student accommodation) sector. He continues to oversee the PBSA business and its subsequent expansion.

Hwee Song sits on the board of SPH REIT Management Pte Ltd, the manager of SPH REIT.

Prior to joining SPH, he was a director and Group CFO of listed CWG International Ltd from 2015 to 2018. Hwee Song started his career with the Singapore Economic Development Board, where he led the promotion of technology entrepreneurship and development of the enterprise financing infrastructure in Singapore, focusing on the industry development of the venture capital and private equity industry.

Hwee Song graduated in 1989 with a Bachelor of Engineering (First Class Honours) in Electrical and Electronics Engineering from King's College London, University of London. He is also a Chartered Financial Analyst and Chartered Accountant.

GLEN FRANCIS Chief Technology Officer

Glen is the Chief Technology Officer of SPH. Glen is connected, and enjoys creativity and innovation. He is also well-respected by his peers in the industry.

Glen founded CIO Academy Asia and was its past President. At CIO Academy Asia, he helped develop its brand and a thriving community of CIOs and IT leaders across the Asia region.

Prior to CIO Academy Asia, Glen co-founded IDEationEdgeAsia as a non-profit association and served as its President for 4 years. He was also Vice President for the IT Management Association where he served for a period of 5 years.

Glen was the CIO for Global Logistic Properties Limited (GLP) and Regional Head of IS, Asia Pacific, RS Components Pte Ltd (RS). Prior to RS, he worked at Aon as Regional Director for the Asia Pacific, leading the development of a newly formed corporate initiative called Revenue Engine, and he has also worked at Intel.

Glen is the ICT Programme Advisory Chairman for the Singapore University of Social Sciences (SUSS) and a member of the Industry Advisory Committee for Digital Communications and Integrated Media (DCIM) at Singapore Institute of Technology (SIT). He also serves as a member of the President's Technology Award Committee and as a Mentor at the Center of Technology Management for Columbia University (NYC).

Glen is a Director on the Board of Fastco Pte Ltd, a tech startup for a non-executive recruitment platform across the region. Glen is also a Director on the Board of Straits Digital Pte Ltd, Memphis1 Pte Ltd and Chairman of Straits Digital Innovation Co Ltd.

Glen has an MBA degree from the University of Adelaide.

GINNEY LIM

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

Ginney heads the Secretariat/ Legal Division and oversees the Corporate Communications & CSR Division of SPH. She is also the General Manager of Singapore Press Holdings Foundation Limited, an Institution of Public Character established in 2003 by SPH.

When she joined SPH in 1991, she was tasked to set up the Secretariat/ Legal Division. She is responsible for the corporate secretarial, legal, compliance, insurance and corporate communications functions in the SPH Group and sits on several steering and senior management committees.

Ginney is a director of Times Development Pte Ltd, Orchard 290 Ltd, SPH REIT Management Pte Ltd and SPH Reit (Investments) Pte Ltd, all of which are wholly-owned property subsidiaries of SPH. She is also a member of the NUS Law Advisory Council and Temasek Junior College Advisory Committee. She is also a specialist mediator of the Singapore International Mediation Centre.

Prior to joining SPH, Ginney was heading the Legal & Secretariat department as well as the public relations arm of NTUC Income. Ginney was admitted as an advocate and solicitor of the Supreme Court of Singapore and holds a Bachelor of Law (Honours) degree from the National University of Singapore. She is also a Fellow in the Institute of Chartered Secretaries and Administrators and an Associate of the Chartered Insurance Institute.

MABLE CHAN

Executive Vice-President, Human Resources, Administration and Times Properties

Mable has been with SPH since 1997. Before taking over as Head of Human

Resources Division in June 2006, she was Senior Vice-President, Customer Service Department, Marketing Division. The Administration Division and Times Properties were added to her portfolio in 2014 and 2015 respectively.

Prior to joining SPH, Mable was the Executive Director of the Marketing Institute of Singapore.

She holds a Bachelor of Applied Science degree from the South Australian Institute of Technology and a Masters in Business Administration from the National University of Singapore.

IGNATIUS LOW

Chief Commercial Officer
Media Solutions Division

As Chief Commercial Officer, Ignatius leads the team that sells and executes advertising and content marketing solutions across SPH's print, digital, radio and outdoor media platforms.

After 17 years in The Straits Times newsroom, Ignatius crossed over to media sales in 2016 to lead the merger of what were previously separate sales teams for each of the four platforms. Today, the team is a one-stop integrated sales unit that handles about \$1 million in ad bookings daily. The next phase of transformation will see SPH better leverage its unique position as a multi-platform and multi-lingual media owner with premium paying audiences, in order to offer more impactful and efficient ad solutions that are both online and offline.

Ignatius graduated from Oxford University in 1994 with a degree in Philosophy, Politics and Economics. A government scholar, Ignatius started his career in the Ministry of Finance and the Monetary Authority of Singapore where he was mostly involved in a major policy review of Singapore's financial sector in the late 1990s.

During his time in the newsroom, Ignatius was business editor and

news editor at The Straits Times. He also wrote a fortnightly column in Sunday Life that ran for more than 12 years and has written or co-written four books. In his last role as managing editor of the newspaper, he was responsible for newsroom operations including staff recruitment and deployment, budget and project management, strategic partnerships and business development. He was also part of the core team that planned and executed the newsroom's digital transformation.

JANICE WU

Executive Vice-President
Corporate Development

Janice heads the Corporate Development Division. She oversees mergers and acquisitions, property tenders/acquisitions, corporate planning and risk management. Janice has held various positions across functions in SPH, with active involvement in legal advisory work, M&A transactions, joint ventures, property tenders/ acquisitions, corporate planning and analytics.

She sits on the board of several companies, including SGX listed iFast Corporation Ltd and MindChamps Preschool Limited. She is also a director of M1 Limited, SGCM Pte Ltd, The Seletar Mall Pte Ltd, The Woodleigh Residences Pte Ltd and The Woodleigh Mall Pte Ltd.

Janice holds a Bachelor of Law (Honours) degree from the National University of Singapore and is qualified as an advocate and solicitor of the Supreme Court of Singapore. Prior to joining SPH as a legal counsel, she was in private legal practice and legal counsel in the Ministry of Defence.

CHUA WEE PHONG
Chief Circulation Officer
Circulation

Wee Phong has been with SPH since 1994. He joined Circulation in May

Senior Management

1994 and was appointed Division Head in May 2005. He is currently the Executive Chairman of Sphere Exhibits Pte Ltd.

Prior to joining SPH, Wee Phong served in the Singapore Armed Forces (SAF) for a period of 13 years.

He was promoted to the rank of Full Colonel (NS) in 2005. He was awarded the Public Administration Medal (Bronze) (Military) in August 2007.

Wee Phong graduated from the National University of Singapore with a Bachelor of Arts (Honours) in Sociology on an SAF scholarship.

JULIAN TAN Chief of Digital Business

Julian is the Chief of Digital Business for Singapore Press Holdings (SPH). He manages SPH's digital businesses and investments, and leads the initiative to transform and expand SPH's digital businesses into the region.

From 2008 to 2015, Julian was the Chief Executive Officer of 701Search Pte Ltd, a regional online classifieds joint venture company between SPH, Norway's Schibsted and Telenor. He grew the business from a start-up in a single location to a leading developer of online marketplaces in the region, with footprints in Malaysia, Vietnam, Indonesia, Philippines, Thailand and Myanmar.

Julian oversees SPH's \$100m Corporate Venture Fund, SPH Ventures, which invests in early-growth technology companies globally. He also sits on the Boards of various consumer and

technology companies like M1, Qoo10, sgCarMart, Singapore Media Exchange (SMX), Magzter, Asiaone, OctoRocket and Silver Indonesia. He is also the Chairman of FastCo Pte Ltd, where he drives a team of 50 to grow FastJobs – a non-executive recruitment platform – across the region.

Julian graduated with First Class Honours in Economics from the London School of Economics and Political Science and earned two Executive Masters of Business Administration (EMBA) degrees from INSEAD and Tsinghua University in 2009.

WARREN FERNANDEZ Editor-in-Chief, English/Malay/ Tamil Media Group and Editor, The Straits Times

Warren Fernandez is Editor-in-Chief of English/Malay/Tamil Media in Singapore Press Holdings. He is also Editor of The Straits Times, Singapore's biggest selling English daily newspaper. He joined the paper in 1990 as a political reporter and rose to become News Editor. He later also served as Foreign Editor and Deputy Editor. He left to join Royal Dutch Shell in 2008 as a Global Manager for its Future Energy project, before returning to the paper in February 2012 as its editor.

He graduated with First Class Honours from Oxford University, where he read Philosophy, Politics and Economics, and also has a Masters in Public Administration from Harvard University's John F. Kennedy School of Government. Both degrees were obtained on Singapore Press Holdings scholarships.

He is a board member of SPH (Overseas) Ltd, The Straits Times Press (1975) Limited, Asia News Network (ANN), Singapore Symphony Group (SSO), National Arts Council and Chairman of The Straits Times School Pocket Money Fund.

He is also the President of World Editors Forum (WEF), the leading network for print and digital editors of newspapers and news organisations, within the World Association of Newspapers and News Publishers (WAN-IFRA).

LEE HUAY LENG Head Chinese Media Group

Huay Leng was appointed Head of the Chinese Media Group of SPH on 1 December 2016. The Chinese Media Group includes Lianhe Zaobao, Lianhe Wanbao, Shin Min Daily News, Student Publications, the digital platforms zaobao.sg, zaobao.com, ThinkChina.sg and radio stations UFM100.3 and 96.3 Hao FM.

Huay Leng started her journalistic career in Lianhe Zaobao in 1994 upon graduation. She was with the paper for 20 years in different roles as sports reporter, political reporter, Hong Kong Correspondent, Beijing Bureau Chief, China Editor, News Editor and Deputy Editor. In January 2014, she took the helm of Lianhe Wanbao and was appointed concurrently as Senior VicePresident (New Growth) of Lianhe Zaobao in November 2015.

For public service, Huay Leng currently serves as a member of the Public Transport Council and Founders' Memorial Committee. She is a board director at the National

Kidney Foundation and Governor at the Singapore International Foundation.

She graduated from the National University of Singapore in 1994 with an honours degree in Chinese Studies, and a Masters of Arts degree in Southeast Asian Studies from the School of Oriental and African Studies, University of London. She was a visiting scholar at the University of California, Berkeley and the John F. Kennedy School of Government at Harvard University.

GOH SIN TECK

Editor

Lianhe Zaobao & Lianhe Wanbao

Sin Teck joined Lianhe Zaobao, Singapore Press Holding's Chinese flagship paper, in 1987 upon graduating from the National University of Singapore with a Bachelor of Arts in Sociology. He started as a crime reporter before assuming his current role as the Editor of Lianhe Zaobao & Lianhe Wanbao.

Sin Teck has served in various committees including HDB, URA Board, Public Transport Council, Primary Education Review and Implementation Committee, Singapore 21 Subcommittee on Foreign Talent, Charity Council, National Integration Council, Political Films Consultative Committee, Committee to Promote Chinese Language Learning, and many more.

At present, he is a member of NTU's Board of Trustees, and National Translation Committee.

LIM SWEE YEOW

Senior Vice-President
Production

Swee Yeow has been with SPH for 20 years. He joined Production in January 2000 as Production Manager. Throughout his career with SPH, he

helmed various sections in operations, engineering, materials and newsprint purchases. He was appointed Division Head in September 2011.

The Production Division of SPH prints all the physical newspaper titles under SPH, and three foreign publications with a total of 196 million copies printed last year. Swee Yeow also oversees the printing of commercial products in SPH by the digital press.

Swee Yeow graduated with a Bachelor of Science in Industrial and Manufacturing Engineering from Oregon State University, USA. He also holds a Higher National Diploma in Printing and Publishing Production from London College of Printing, UK.

GAURAV SACHDEVA

Chief Product Officer

Gaurav joined SPH as Chief Product Officer in May 2018 heading the Digital Media Products Division. He also oversees the Information Resource Centre.

As Chief Product Officer, Gaurav is driving the vision, strategy, design, development and monetization of SPH's digital media content and products.

Prior to joining SPH, Gaurav was the Head of Product for Growth team at Grab. Before that, he was Product Leader at Autodesk & Adobe driving their respective products portfolios, whilst defining the next generation strategy and steering core thinking for these products through business model transformation. He has 18 years of experience in technology, business strategy and product management.

Gaurav has a MBA from Indian School of Business (India), and a background in computer science and engineering from Cambridge University (UK) and Delhi College of Engineering (India). Outside of work, he dwells in

photography and music, and is the lead singer of two Indian rock bands, which he co-founded.

JOSEPH SEWI CHUAN EN

Head of Internal Audit

Joseph heads the Internal Audit Division of SPH. He reports functionally to the Audit Committee and administratively to the Chief Executive Officer. He is responsible for managing the group internal audit activities and ensuring continued alignment with the International Standards for the Professional Practice of Internal Auditing ("ISPPA") set by The Institute of Internal Auditors. He does so by partnering the organisation towards excellence in their internal controls through regular engagements with the business units to understand their concerns and provide practical, value-added recommendations.

A Chartered Accountant by training, Joseph is a member of the Chartered Accountants Australia and New Zealand ("CA ANZ") and Institute of Singapore Chartered Accountants ("ISCA"). Joseph has 22 years of experience in both external and internal auditing. His career stints with major public accounting firms (KPMG and Ernst & Young) as well as with multinational conglomerates in the areas of manufacturing, information technology, energy, and aerospace have provided him with the opportunities and experience gained working on various challenging assignments across Asia, Australasia, Europe and Americas.

Joseph holds a Bachelor of Commerce in Accounting and Business Law from Curtin University, Perth, Australia.

Daily Average Newspapers Circulation

August 2020

DAILY AVERAGE NEWSPAPERS CIRCULATION ¹	AUG 2020	AUG 2019
The Straits Times / The Sunday Times		
Print + Digital	458,200	386,100
Print	160,400	203,900
Digital	297,800	182,200
The Business Times		
Print + Digital	39,500	42,600
Print	18,000	24,400
Digital	21,500	18,200
Berita Harian / Berita Minggu		
Print + Digital	26,700	28,500
Print	22,400	26,500
Digital	4,300	2,000
Tamil Murasu / Tamil Murasu Sunday		
Print + Digital	7,700	8,400
Print	6,500	7,700
Digital	1,200	700
Lianhe Zaobao		
Print + Digital	144,000	154,900
Print	99,500	118,700
Digital	44,500	36,200
Lianhe Wanbao		
Print + Digital	64,100	67,700
Print	39,600	53,500
Digital	24,500	14,200
Shin Min Daily News		
Print + Digital	83,700	89,500
Print	59,500	75,700
Digital	24,200	13,800
zbComma²		
Print + Digital	104,900	105,800
Print	53,500	54,000
Digital	51,400	51,800
Thumbs Up²		
Print + Digital	31,300	21,100
Print	16,100	11,000
Digital	15,200	10,100
Thumbs Up Junior²		
Print + Digital	18,200	9,400
Print	9,200	5,000
Digital	9,000	4,400
Thumbs Up Little Junior²		
Print	39,300	35,500
Cilik Cerdik (BH Smart Kids)²		
Print	7,000	0

Notes:

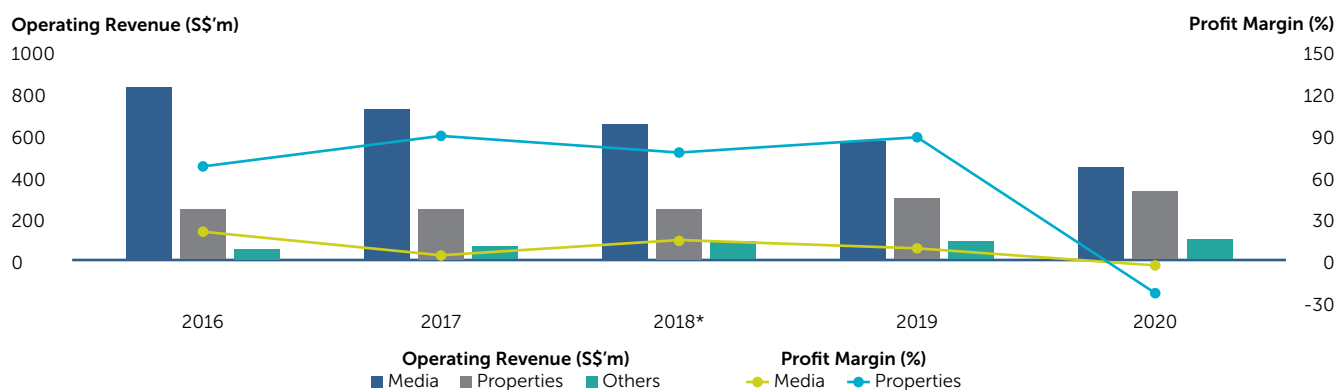
- Total print and digital circulation numbers reported are in accordance with the rules set by Audit Bureau of Media Consumption Singapore (ABC) in 2016.
- Figures are reported on per issue basis.

Financial Review

GROUP SIMPLIFIED FINANCIAL POSITION

	2020 S\$'000	2019 S\$'000	2018* S\$'000	2017 S\$'000	2016 S\$'000
ASSETS					
Property, plant and equipment	225,626	188,023	190,649	235,042	219,523
Investment properties	6,420,294	5,014,896	4,155,122	4,034,771	3,963,000
Investments [#]	796,552	784,537	710,613	972,586	1,134,961
Intangible assets	131,754	141,197	176,028	204,443	149,312
Cash and cash equivalents	864,693	554,435	359,498	312,647	312,894
Trade and other receivables	390,545	398,745	539,424	323,356	142,684
Inventories	20,063	23,472	22,636	21,892	21,225
Other assets	200	2,085	239	1,673	289
Total	8,849,727	7,107,390	6,154,209	6,106,410	5,943,888
Shareholders' interests	3,313,520	3,488,456	3,430,279	3,488,398	3,517,326
Perpetual securities	452,493	150,512	-	-	-
Non-controlling interests	1,185,933	1,068,180	761,152	734,926	724,078
LIABILITIES					
Borrowings					
Non-current	2,191,173	1,646,008	1,312,507	528,044	1,197,399
Current	1,286,045	411,001	294,853	971,695	99,954
Trade and other payables					
Non-current	55,736	40,475	39,362	37,556	43,444
Current	285,540	228,328	230,527	241,352	245,665
Taxation					
Deferred	42,052	34,431	33,093	49,190	47,372
Current	22,622	36,099	47,682	46,591	56,271
Other liabilities	14,613	3,900	4,754	8,658	12,379
Total	8,849,727	7,107,390	6,154,209	6,106,410	5,943,888

SEGMENTAL OPERATING REVENUE AND PROFIT MARGIN[^]



* The Group's financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) with effect from 2019. The change was applied retrospectively to the 2018 financial figures. Financial figures for 2016 and 2017 were prepared in accordance with Singapore Financial Reporting Standards.

[#] Comprised interests in associates and joint ventures, and investments.

[^] Computed based on (loss)/profit before taxation

Value Added Statement

For The Financial Year Ended 31 August 2020

	2020 S\$'000	2019 S\$'000
Sale of goods and services	865,662	959,255
Purchase of materials and services	(275,356)	(295,423)
Value added from operations	590,306	663,832
Non-production income and expenses:		
Net income from investments	17,382	9,834
Share of results of associates and joint ventures	3,418	19,119
Gain on divestment of a property	25,712	-
Impairment of an associate	(10,008)	-
Allowance on trade receivables	(9,844)	(690)
Allowance on cash and cash equivalents	(1,956)	-
Bad debts recovery	19	46
Profit on disposal of property, plant and equipment	507	75
Impairment of property, plant and equipment	(4,458)	-
Impairment of goodwill and intangibles	(17,451)	(23,603)
(Loss)/Gain on divestment of interests in subsidiaries	(98)	396
Gain/(Loss) on divestment of interests in associates	477	(426)
Net foreign exchange differences from operations	1,937	1,965
Total value added	595,943	670,548
Distribution:		
Employees' wages, provident fund contributions and other benefits	305,881	342,782
Corporate and other taxes	54,924	63,538
Finance costs	65,065	49,272
Donation and sponsorship	752	844
Directors' fees	1,442	1,530
Net dividends to shareholders	128,842	201,728
Perpetual securities holders	28,673	1,688
Total distributed	585,579	661,382
Retained in the business:		
Fair value change on investment properties	232,013	(82,407)
Depreciation and amortisation	48,368	35,443
Non-controlling interests	(32,997)	46,335
Retained earnings	(237,020)	9,795
	595,943	670,548
Productivity ratios:		
	S\$	S\$
Value added		
Per employee	145,611	162,346
Per \$ employment costs	1.93	1.94
Per \$ investment in property, plant and equipment (before depreciation)	0.65	0.68
Per \$ operating revenue	0.68	0.69

Corporate Information

EXECUTIVE COMMITTEE

Lee Boon Yang *Chairman*
 Bahren Shaari
 Ng Yat Chung
 Quek See Tiat
 Tracey Woon

AUDIT COMMITTEE

Quek See Tiat *Chairman*
 Janet Ang Guat Har
 Andrew Lim Ming-Hui
 Tan Chin Hwee

BOARD RISK COMMITTEE

Andrew Lim Ming-Hui *Chairman*
 Lim Ming Yan
 Ng Yat Chung
 Tan Yen Yen
 Tracey Woon

NOMINATING COMMITTEE

Bahren Shaari *Chairman*
 Janet Ang Guat Har
 Lee Boon Yang
 Andrew Lim Ming-Hui

REMUNERATION COMMITTEE

Lee Boon Yang *Chairman*
 Lim Ming Yan
 Tan Chin Hwee
 Tan Yen Yen

AUDITORS

KPMG LLP
 16 Raffles Quay #22-00
 Hong Leong Building
 Singapore 048581
 Audit Partner: **Ang Fung Fung**
 (Appointed in FY2018)

COMPANY SECRETARIES

Ginney Lim May Ling
 Khor Siew Kim

REGISTERED OFFICE

1000 Toa Payoh North
 News Centre
 Singapore 318994
 Tel : (65) 6319 6319
 Fax : (65) 6319 8282
 Email: sphcorp@sph.com.sg
 Co.Reg.No. 198402868E

SHARE REGISTRATION OFFICE

Tricor Barbinder Share Registration Services
 (A division of Tricor Singapore Pte Ltd)
 80 Robinson Road, #02-00
 Singapore 068898
 Tel : (65) 6236 3333

Investor Relations

INVESTOR RELATIONS CALENDAR

1ST QUARTER 2020 (SEPTEMBER – NOVEMBER 19)

- 2019 Full Year Financial Results Announcement, Media Conference, Analysts' Briefing and Annual General Meeting
- CIMB Investor Luncheon
- SGX-CS Real Estate Corporate Day
- SIAS Dialogue Session
- Conference calls, meetings with analysts and investors

2ND QUARTER 2020 (DECEMBER 19 – FEBRUARY 20)

- Payment of 2019 Final Dividends
- Announcement of 1Q FY2020 Financial Results
- Announcement of Corporate Presentation
- Media & Analysts' Briefing
- Evolve-AFS Investment Forum
- OCBC Investor Non-Deal Roadshow
- Conference calls, meetings with analysts and investors

■ Investor conferences and events attended

3RD QUARTER 2020 (MARCH – MAY 20)

- Announcement of 2Q FY2020 Financial Results
- Announcement of Corporate Presentation
- Media & Analysts' Briefing
- UBS Corporate Week
- CLSA Investor Non-Deal Roadshow
- DBS Investor Non-Deal Roadshow
- Phillip Securities Webinar
- Conference calls with local and overseas institutional investors

4TH QUARTER 2020 (JUNE – AUGUST 20)

- Announcement of Corporate Presentation
- Analysts' Briefing
- Macquarie Investor Non-Deal Roadshow
- Conference calls with local and overseas institutional investors

FINANCIAL CALENDAR

FY2020

13 October	Announcement of FY2020 Results
4 December	Record Date for Dividend Entitlement
18 December	Proposed Payment of 2020 Final Dividends

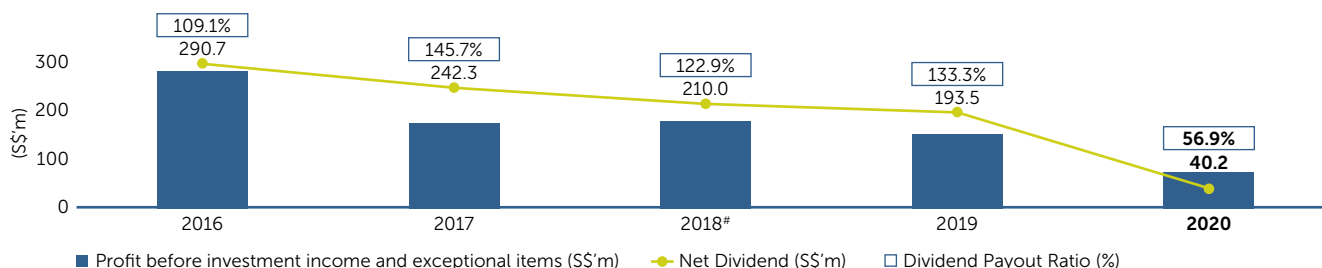
FY2021*

7 April	Announcement of 2H FY2021 Results
12 October	Announcement of FY2021 Results

* The dates are indicative and subject to change. Please refer to SPH website <https://corporate.sph.com.sg/>, for the latest updates.

Investor Reference

OPERATING PROFIT LESS NCI[®] AND DIVIDEND PAYOUT RATIO⁺

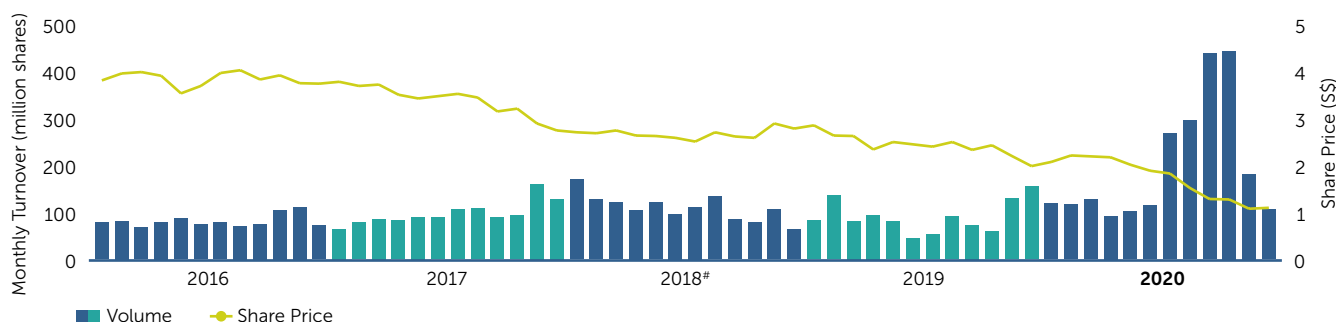


[®] Non-controlling interests of property segment.

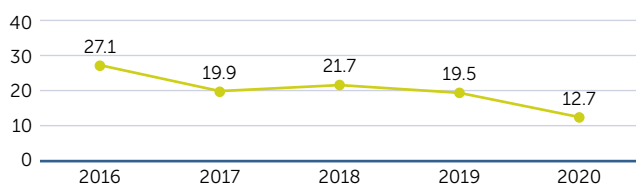
⁺ Computed based on Group operating profit net of non-controlling interests of property segment.

[#] With effect from this financial year, the Group's financial statements were prepared in accordance with Singapore Financial Reporting Standards (International). The change was applied retrospectively to the 2018 financial figures. Financial figures for 2015 to 2017 were prepared in accordance with Singapore Financial Reporting Standards.

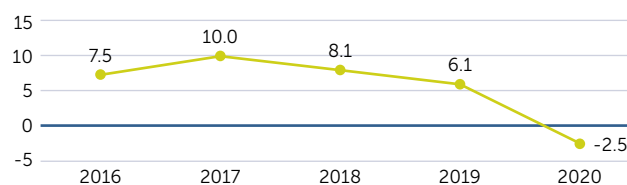
SHARE PRICE AND VOLUME



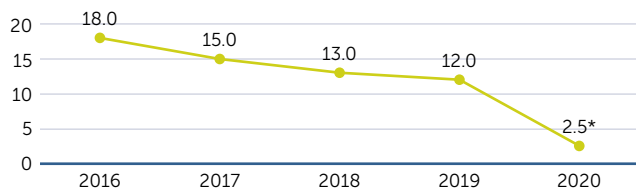
OPERATING MARGIN⁺ (%)



RETURN ON SHAREHOLDERS' FUNDS (%)



DIVIDENDS PER SHARE (CENTS)



⁺ Computed based on Group recurring earnings.

* Included interim dividend of 1.5 cents per share, and proposed final dividend of 1 cent per share. The proposed dividend is subject to approval by shareholders at the Annual General Meeting on 27 November 2020.

	2016 S\$	2017 S\$	2018 S\$	2019 S\$	2020 S\$
Highest closing price	4.15	3.87	2.92	2.88	2.34
Lowest closing Price	3.50	2.76	2.44	1.93	1.05
August 31 closing price	3.77	2.76	2.80	1.99	1.09
Price/Earnings Ratio based on August 31 closing price	23.56	12.55	16.47	15.31	N/A

Sustainability Report



ONE-MINUTE READ

AT SPH, WE ARE CONTINUALLY FORGING TOWARDS OUR VISION FOR SUSTAINABILITY.

UNDERPINNED BY OUR FIVE PILLARS, OUR SUSTAINABILITY REPORT AIMS TO COMMUNICATE THE HEADLINES ON OUR PROGRESS AND HOW WE ARE MAKING HEADWAY TOWARDS OUR DESIRED OUTCOMES IN SUPPORT OF OUR LOCAL AND GLOBAL GOALS ON SUSTAINABLE DEVELOPMENT. AMID THE COVID-19 CRISIS, WE REMAIN STEADFAST TOWARDS OUR SUSTAINABILITY AGENDA AND HAVE MADE PROGRESS IN EMBEDDING SUSTAINABLE PRACTICES THROUGHOUT OUR FOUR BUSINESS SEGMENTS.

In 2020, Singapore Press Holdings Limited received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.



Note: The use by SPH of any MSCI ESG research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of SPH by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

FORGING AHEAD TOWARDS OUR SUSTAINABILITY GOALS

CONTRIBUTE TO FIVE KEY UN SDGS



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

4 QUALITY EDUCATION

HEADLINES ON OUR PROGRESS

Upholding our responsibility as a **credible** and **trusted** news source

- Media as a check against fake news
- Presenting issues in a balanced and accurate manner
- Promoting ethical business conduct

Progressing towards **innovation** and **digital transformation**

- Collaborating with partners on digital platforms
- Product innovation through partnership to engage readers
- Providing digital interactive learning and experiences for all

HEADWAYS IN GLOBAL SUSTAINABLE DEVELOPMENT

- 5 awards at the 10th Asian Digital Media Awards
- 0 cases of corruption
- 0 legal suits resulting in significant damages

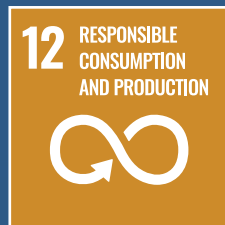
- 0 reported cases of discrimination
- 4,820 hours of training clocked by Orange Valley staff
- 110 new training programmes on digital literacy



BUILD ETHICAL AND TRANSPARENT BUSINESSES



DEVELOP FUTURE-FIT SKILLS AND KNOWLEDGE FOR OUR STAKEHOLDERS



Providing **safe** and **vibrant spaces** to live, work and play

- Safeguarding well-being and safety of employees, shoppers, students and residents
- Providing support through relief and care packages
- Passing on property tax rebates in full and providing rental waivers

0 significant non-compliance to health and safety laws and regulations

279 Orange Valley staff vaccinated

51 Orange Valley staff sent for CERT training

Growing our business through **environmental stewardship**

- Educating the public and raising awareness on sustainable development
- Promoting biodiversity conservation
- Embracing environment-friendly lifestyle

100% sustainably sourced paper pulp

16% energy reduction at Print Centre from FY2016 baseline

27% water saved at Print Centre from FY2016 baseline

Supporting our communities through the power of media

- Providing subsidies and raising funds for charitable causes
- Supporting local businesses to tide through challenging period
- Promoting the arts, culture and sports

142 local community engagement programmes

134 assistive devices and **2,000** reusable masks donated to elderly and preschoolers respectively by Orange Valley

About \$1.6m donated to various social and charitable causes by SPH and SPH Foundation



PROMOTE WORKPLACE WELLNESS AND ENSURE SAFETY OF OUR STAFF AND CUSTOMERS



ADOPT ENVIRONMENT-FRIENDLY PRACTICES



CARE FOR OUR COMMUNITY

Sustainability Report

FIVE-MINUTE READ

WE RECOGNISE THE UNIQUE ROLE WE MUST PLAY IN PROMOTING CONVERSATIONS AROUND SUSTAINABLE DEVELOPMENT.

THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT SETS OUT A ROADMAP TO TRANSFORM OUR WORLD TOWARDS PEACE AND PROSPERITY FOR PEOPLE AND THE PLANET. AT ITS HEART ARE 17 SDGs (SUSTAINABLE DEVELOPMENT GOALS) – AN URGENT CALL FOR ACTION BY ALL COUNTRIES IN A GLOBAL PARTNERSHIP TOWARDS SUSTAINABLE DEVELOPMENT.






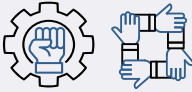






OUR PRIORITY SDGS

While we support all 17 SDGs, we have identified five SDGs where we can contribute to most, and which we have the greatest impact on. These SDGs are also directly supported through the aims of our five Sustainability Pillars.

COVID-19 OUTBREAK



Despite the pandemic, we remain committed to our sustainability agenda and have implemented measures within our five Sustainability Pillars to help us navigate this global crisis. The pandemic has not hindered our perception of the importance of sustainability. Rather, it has further affirmed our belief in sustainable development.

	<p>4 QUALITY EDUCATION</p>  <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p>  <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>10 REDUCED INEQUALITIES</p>  <p>Reduce inequality within and among countries</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  <p>Ensure sustainable consumption and production patterns</p>	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>  <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>
SPH'S SUSTAINABILITY PILLARS					
HOW WE CAN CONTRIBUTE	<ul style="list-style-type: none"> ■ We provide newspapers to reading corners in 24 schools including JCs, ITEs and other tertiary institutions ■ We support children from low-income families to help them through school via The Straits Times School Pocket Money Fund (STSPMF) ■ We develop our employees with skills required for the future 	<ul style="list-style-type: none"> ■ We strive for sustainable economic growth in a manner that reduces negative impacts on society and environment ■ We provide decent work that fosters creativity and innovation ■ We protect our employees with a safe and secure working environment 	<ul style="list-style-type: none"> ■ We promote conversations on inclusion of people from all walks of life ■ We support underprivileged communities through our outreach programmes ■ We empower our employees with equal opportunities based on meritocracy 	<ul style="list-style-type: none"> ■ We promote awareness on sustainable development among the general public through the power of media ■ We strive for sustainable use of resources through resource efficiency ■ We strive for circularity through sustainable waste management 	<ul style="list-style-type: none"> ■ We act as a check against fake news ■ We work with partners that are environmentally and socially responsible ■ We have zero tolerance towards corruption and all its forms

Sustainability Report


OUR KEY INITIATIVES

THE DAILY UPDATE HAS TAUGHT US HOW TO BETTER FUNCTION IN A DIGITAL-FIRST NEWS LANDSCAPE. WE PREPARE FOR DIFFERENT SCENARIOS BEFORE MOH'S UPDATE COMES IN SO WE CAN WRITE REPORTS QUICKLY TO INFORM READERS IN A TIMELY MANNER. // – *The Straits Times (ST) breaking news reporter, Clement Yong*

PILLAR	KEY INITIATIVES
 <p>BUILD ETHICAL AND TRANSPARENT BUSINESSES</p>	<p>Media as a check against fake news</p> <ul style="list-style-type: none"> askST: combating fake news during Covid-19 pandemic Breaking News Team bringing timely and accurate updates such as new Covid-19 cases and active virus clusters within minutes of confirmation by the Ministry of Health (MOH) Cross-checking, drawing linkages, tracking information and communicating among team members to keep up to speed with latest developments <p>Presenting issues of national interest in a balanced and accurate manner</p> <ul style="list-style-type: none"> Role of newsrooms critical amid Covid-19 outbreak Special coverage on Covid-19 to keep readers informed and understand pertinent issues of the pandemic Feature on foreign worker dormitory in Lianhe Zaobao (ZB) Collaboration between SPH and Infocomm Media Development Authority (IMDA) to fund co-produced video content <p>Promoting ethical business conduct</p> <ul style="list-style-type: none"> Suite of policies and procedures guiding employees on ethical and responsible business conduct Group-wide Supplier Code of Conduct conveying expectations of SPH's values and ethical standards to suppliers and business partners Educating internal stakeholders on procurement processes and mandatory supplier declaration form to manage suppliers' performance
 <p>DEVELOP FUTURE-FIT SKILLS AND KNOWLEDGE FOR OUR STAKEHOLDERS</p>	<p>Collaborating with partners on digital platforms</p> <ul style="list-style-type: none"> Partnership with Google to grow digital advertising revenue, boost subscriptions on new platforms and develop SPH's digital video content business <p>Product innovation through partnership – introduction of news tablets and new digital content to engage readers</p> <ul style="list-style-type: none"> Partnership with Samsung to introduce the news tablets to our readers and launched the Tamil Murasu + The Straits Times news tablet bundle for bilingual readers <p>Providing digital interactive learning and experiences for all</p> <ul style="list-style-type: none"> "Come 'n Live @ zaobao.sg" programmes – in collaboration with People's Association "Play and Learn with Thumbs Up" online programmes providing students access to arts and craft videos and activities to supplement Chinese language learning at home #StayHomewithSPH featuring lifestyle content from ST, ZB, SPH Magazines and SPH Radio, and specially curated videos from various partners

PILLAR	KEY INITIATIVES
 <p>PROMOTE WORKPLACE WELLNESS AND ENSURE SAFETY OF OUR STAFF AND CUSTOMERS</p>	<p>Safeguarding general well-being and safety of employees, workers, shoppers, students and residents</p> <ul style="list-style-type: none"> ■ Activation of Business Continuity Plan at SPH Group which included split-team operations and additional precautionary measures such as telecommuting prior to Covid-19 circuit breaker ■ Across Properties and Aged Care, implementation of safe distancing measures, contact tracing and temperature taking as stipulated by the authorities ■ Timely updates on the evolving Covid-19 situation provided to all residents, enforcing safe-distancing measures and increased cleaning and disinfecting across all purpose-built student accommodation (PBSA) properties to ensure safety and wellness of residents. <p>Providing support through relief and care packages</p> <ul style="list-style-type: none"> ■ Chinese Media Group (CMG) prepared care packs for our Malaysian production colleagues who were "stuck" in Singapore ■ Funds and care packages were provided to over 100 cleaners at News Centre and Print Centre. ■ News tablets and reading material were donated to Covid-19 patients and those quarantined in isolation wards at various healthcare institutions ■ CMG raised \$55,000 from readers and staff and partnered BreadTalk, Gongcha, Shanghai Pudong Bank and Yikowei to organise volunteers to pack and deliver food to migrant workers under the Alliance of Guest Workers Outreach campaign ■ Complimentary digital news access to healthcare professionals in appreciation of their tireless work and dedication during the Covid-19 pandemic <p>Passing on property tax rebates in full and giving rental waivers and rebates</p> <ul style="list-style-type: none"> ■ In addition to passing on property tax rebates in full to tenants, further engagement was done to provide enhanced assistance to help them through the tough period
 <p>ADOPT ENVIRONMENT-FRIENDLY PRACTICES</p>	<p>Educating the public and increasing awareness on sustainable development</p> <ul style="list-style-type: none"> ■ Rolled out a Climate of Change special feature that delved into various aspects of climate change over six months ■ Launched Green Pulse, a podcast series focusing on environmental issues ■ Appointment of veteran climate journalist David Fogarty as Climate Change Editor in 2019 whose works included the pivotal 2015 United National Climate Change Conference in Paris, He published three special climate reports on 1.5°C warming, climate change and land use, and oceans and the cryosphere. He also published an article on land use in relation to the Covid-19 situation ■ Contextualising technical findings through use of local voices and examples to help readers better identify with climate change and sustainability ■ Expanding coverage of solutions to climate change and enhancing investigative reporting at ST ■ An interview with Benjamin Horton, the climate expert from Earth Observatory of Singapore, on the impact of global warming and rising sea level on Singapore. The piece was published in ZB print and digital in April 2020 and also features an infographic factsheet ■ Organised sustainability exhibitions with Terra SG, showcasing content by the ST Climate Change team, at the Sustainable Singapore Gallery from end-August 2020 ■ Held a photography contest with the theme of Sustainability from July to August 2020 <p>Promoting biodiversity conservation in Singapore</p> <ul style="list-style-type: none"> ■ Exclusive coverage on NParks' efforts towards protection of critically endangered species such as hawksbill and green sea turtles – turtle hatchery at Sisters' Island Marine Park available on ST and ZB Home in focus: A haven for turtles <p>Embracing environment-friendly lifestyle</p> <ul style="list-style-type: none"> ■ Achieved 16% energy reduction at Print Centre from FY2016 baseline; 27% reduction in water consumption at Print Centre from FY2016 baseline ■ Featuring various green initiatives rolled out across SPH Group ■ Greenery formed by staff volunteers in SPH to champion green initiatives for SPH and our community ■ #gogreenwithSPH campaign to celebrate World Environment Day and promote a green lifestyle

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PILLAR	KEY INITIATIVES
 <p data-bbox="158 734 325 786">CARE FOR OUR COMMUNITY</p>	<p data-bbox="400 595 1023 622">Providing subsidies and raising funds for charitable causes</p> <ul data-bbox="400 629 1453 869" style="list-style-type: none"> ■ Donated about \$1.6m to various social and charitable causes by SPH and SPH Foundation ■ Providing support for those in need. STSPMF provided nearly \$11m in assistance this year, including \$1.9m of matching grant to help about 45,000 students from low-income families with meals during the May school holidays. ■ Raising funds for charitable organisations – Community Chest, Singapore Red Cross, various ST and BT charities through events ■ Garnering support from local celebrities through campaigns for the Invictus Fund, which supports about 80 social service agencies serving various vulnerable communities <hr/> <p data-bbox="400 904 1074 931">Supporting local businesses to tide through challenging period</p> <ul data-bbox="400 938 1453 1055" style="list-style-type: none"> ■ Launched Shop For Good, an e-commerce platform offering complimentary listings for brands and eateries, offering discount vouchers and promotional codes for consumers ■ Berita Harian organised a discussion via Facebook for Home-Based Businesses to express their concerns and discuss regulations surrounding Home-Based Business <hr/> <p data-bbox="400 1090 879 1117">Shedding light on the homeless in Singapore</p> <ul data-bbox="400 1124 1254 1151" style="list-style-type: none"> ■ A digital interactive long-form story on the homeless in Singapore on zaobao.sg <hr/> <p data-bbox="400 1187 810 1214">Promoting the arts, culture and sports</p> <ul data-bbox="400 1220 1422 1346" style="list-style-type: none"> ■ Sponsoring tickets for charities to enjoy local productions through SPH Foundations Arts Fund ■ CMG partnered the National Arts Council to produce a 4-part series featuring arts performances online to help freelancers in the arts community financially ■ Sponsored the SPH Foundation National Primary Schools Tchoukball Championships

OUR APPROACH TO SUSTAINABILITY

WE ALIGN OUR FOCUS WHERE IT SHOULD BE, WITHOUT LOSING SIGHT OF THE BIGGER PICTURE.

OUR SUSTAINABILITY PILLARS

At SPH, five mutually reinforcing pillars underpin our vision for sustainability. At SPH, our goals are to:



BUILD
ETHICAL AND
TRANSPARENT
BUSINESSES



DEVELOP
FUTURE-FIT SKILLS
AND KNOWLEDGE
FOR OUR
STAKEHOLDERS



PROMOTE
WORKPLACE
WELLNESS AND
ENSURE SAFETY OF
OUR STAFF AND
CUSTOMERS



ADOPT
ENVIRONMENT-
FRIENDLY
PRACTICES



CARE
FOR OUR
COMMUNITY

OUR SUSTAINABILITY TARGETS
















Our five Sustainability Pillars guide the development of our targets across our material factors.


The table below provides an overview of FY2020's performance highlights and targets we have set for FY2021.

SPH'S PILLARS/ GOALS	MATERIAL FACTORS	FY2020 TARGETS		FY2021 TARGETS ¹
		Status	Performance	
	1 Anti-corruption		No confirmed incidents of corruption	Zero confirmed incidents of corruption
	2 Compliance with laws and regulations		No significant fines and non-monetary sanctions for non-compliance with laws and regulations	Prevent any non-compliance of laws and regulations, including Personal Data Protection Act (PDPA) via PDPA Steering Committee, Data Protection Officers, and PDPA manual and standard operating procedures
	3 Content creation		Zero legal suits resulting in significant damages for copyright infringement or defamation Achieved growth in market reach for English, Malay, Tamil Media (EMTM) Group and the Chinese Media Group (CMG)	Zero legal suits resulting in significant damages for copyright infringement or defamation English, Malay, Tamil Media (EMTM) Group and the Chinese Media Group (CMG) to grow market reach
	4 Non-discrimination and equal opportunity		Zero incidents of discrimination	Zero incidents of harassment of or unlawful discrimination against employees
	5 Training and development		Implemented 267 unique programmes for employees to acquire and upgrade their skills	Provide more than 250 unique programmes yearly for employees to acquire and upgrade their skills

¹ The FY2021 targets were established at the point of writing, and may be revised depending on the progression of the Covid-19 situation.

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SPH'S PILLARS/ GOALS	MATERIAL FACTORS	FY2020 TARGETS		FY2021 TARGETS ¹
		Status	Performance	
	6 Health and safety of our staff and customers		Accident Frequency Rate (AFR) and Workplace Injury Rate 1.3 and 274 respectively No significant non-compliance with health and safety laws and regulations	 Achieve lower AFR and maintain a Workplace Injury Rate below the national all-time industry average Zero significant non-compliance with health and safety laws and regulations
	7 Energy and emissions		Total energy consumption: 111,294,935 kWh Energy Intensity: 220.30 kWh/m ²	 Maintain same level of total energy consumption for the media and property businesses
	8 Water		Total water consumption: 684,292 m ³ Water intensity: 1.37 m ³ /m ²	 Maintain same level of total water consumption for the media and property businesses
	9 Effluents and waste		Achievement of 100% compliance with National Environment Agency (NEA) regulations regarding wastewater management Wastewater treated at waste treatment plant and discharged to sewage: 1,966 m ³ Untreated wastewater collected by licensed disposal vendor: 45,000 litres Weight of recycled waste: 2,468 tonnes	 Achieve 100% compliance with National Environment Agency (NEA) regulations regarding wastewater management
	10 Materials		100% of newsprint derived from sustainably sourced paper pulp Inks used in Production are produced under European Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Australian National Industrial Chemicals Notification and Assessment Scheme (NICNAS) compliant standards	 Obtain newsprint from suppliers with newsprint fibre from sustainable sources Continue to use inks that comply with internationally accepted safety standards.
	11 Local communities		Implemented 142 local community engagement and development programmes	 Support and organise more than 100 programmes under our five Corporate Social Responsibility (CSR) pillars of, Charity & Community, Nature & Conservation, Education, Arts & Culture and Sports

 Achieved  On Track

¹ The FY2021 targets were established at the point of writing, and may be revised depending on the progression of the Covid-19 situation.

OUR COVID-19 RESPONSE

SUPPORTING OUR STAKEHOLDERS IN TIMES OF NEED

SPH has announced that the Group's performance in FY2020 is expected to bear the brunt of the Covid-19 pandemic due to the various disruptions to SPH's business segments in media, properties and PBSA. The table below provides a summary of SPH Group's Covid-19 response across its four business segments in areas of health and safety, stakeholder support and business continuity. For more information, please refer to the page references and the links within.

FULFIL SPH'S CORE ROLE AS TRUSTED MEDIA SOURCE

CONTENT CREATION

PROVIDING TIMELY, ACCURATE AND CREDIBLE NEWS FOR ALL THROUGH THE COVID-19 CRISIS AND COMING UP WITH INNOVATIVE WAYS TO KEEP THE COMMUNITY ENGAGED AND MOTIVATED THROUGH LIFESTYLE CONTENT

COMBATING FAKE NEWS

- **January 2020:** An askST platform was launched to combat fake news during the pandemic (page 66)
 - Coronavirus: Not sure if something is fake news? Ask ST (Jan 27, 2020)

COVERAGE ON COVID-19

- **April 2020:** The Courage and Invictus Fund raised donations to help those affected by the pandemic
 - Courage Fund raises over \$5.9m to support those affected by virus (Mar 20, 2020)
 - Coronavirus pandemic: Supplementary budget debate - New fund to channel private donations to social agencies, Over 100k have also applied for Temporary Relief Fund since applications opened (Apr 8, 2020)
 - NCSS' Courage Fund and Invictus Fund to help those directly affected by Covid-19 (Apr 29, 2020)
- **April 2020:** SPH provided coverage on #clapforSG and #singtogetherSG to show solidarity with the front-line and migrant workers. (page 66)
 - Covid-19 Special - Clapping for coronavirus front-line fighters: 'Why I started it' (Apr 5, 2020)
 - Sing along to Home on Saturday to thank front-line, migrant workers (Apr 24, 2020)
- **May 2020:** SPH covered the Love Translated initiative to show support and encouragement for migrant workers during the pandemic
 - Coronavirus: Message for foreign workers – translated with love (May 11, 2020)
- Tamil Murasu created a dedicated section on their website to provide timely updates on Covid-related news to the Indian community (page 66)
- Berita Harian engaged the Muslim community through a series of Facebook Live and podcast episodes for Covid-19 updates (page 66)



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FULFIL SPH'S CORE ROLE AS TRUSTED MEDIA SOURCE

CREATING CONTENT FOR COMMUNITY

- **March 2020:** CMG launched a video series "Come 'n Live @ zaobao.sg" to encourage Singaporeans to stay active via online learning (page 66 and 99)
 - Zaobao video series aims to keep seniors active amid Covid-19 outbreak (Mar 15, 2020)
- **April 2020:** SPH launched a platform with a variety of lifestyle content called #StayHomeWithSPH to help the community tide through the circuit breaker (page 66)
 - SPH and AsiaOne launch new digital content to tide readers over extended circuit breaker period (Apr 22, 2020)
- **April 2020:** \$205,000 was raised for ST and BT charities after a catchy remake of Stay At Home, which is a collaboration between local music veteran Clement Chow and The Straits Times
 - Stay at home, Singapore: Sing along, give with your heart, to those hit hard by Covid-19 (Apr 11, 2020)
- **April 2020:** With prizes sponsored by Prudential, ST launched a week-long colouring challenge to fight Covid-19 blues by bringing some colour to readers' lives
 - ST colouring challenge kicks off, with \$5k cash prize up for grabs (Apr 20, 2020)
 - ST colouring contest is back, with 70 winners to get \$500 each this time round (May 17, 2020)
- **May 2020:** In partnership with NETS, ST launched a challenge where participants had to create a short song, rap or jingle with the phrase "in this together" to lift the community's spirit
 - Compose, sing and you may win \$1,000 (May 12, 2020)
 - Singers Tay Kewei and Alfred Sim's toddler among contestants for 'In This Together' Singalong Challenge (May 15, 2020)
- **May 2020:** Berita Harian partnered MUIS to produce lifestyle content for SalamSG TV during the month of Ramadan (page 66)
 - No Hari Raya visiting during circuit breaker period: MUIS (May 16, 2020)
- **June 2020:** ST launched the ST Schools' Making Sense of the Pandemic for Young Readers campaign, which, through news articles, quizzes, and explainers about the pandemic, educated young and rallied young readers to be ambassadors within their networks (page 68)
 - ST wins global award for campaign tailoring news on virus for students (Jun 3, 2020)



ENSURE RESILIENCE OF BUSINESS

BUSINESS CONTINUITY PLANNING

As far as possible maintaining the business-as-usual scenario in the core media business segment

- SPH commenced split-team operations and telecommuting prior to Covid-19 circuit breaker
- From January 2020, a series of travel and quarantine policies were put in place
- Personal protective equipment such as surgical masks issued to frontline staff and isolation rooms set up
- Mandatory temperature screening at News Centre's main lobby with safe distancing measures implemented
- Since the start of Phase 1 and 2, physical inspections were conducted by IMDA on Covid-19 precautionary measures taken

For more information, refer to page 80

HEALTH AND SAFETY OF STAKEHOLDERS

A series of precautionary measures rolled out to safeguard health and safety of stakeholders across our four business segments

Media

- Provided care packs with face masks and shields to employees
- Safe distancing, temperature taking, contact tracing

Properties

- Safe distancing, temperature taking, contact tracing

Orange Valley

- Visitor control, staff zoning, limitation to contractors
- Covid-19 swab training for nurses (page 75)

PBSA

- Strict adherence to National Health Service (NHS) guidelines to ensure the safety of residents and staff across all PBSA assets in the UK
- Timely updates on Covid-19 situation provided to all PBSA residents

For more information, refer to page 77

SUPPLY CHAIN MANAGEMENT

Minimising supply chain disruption during the crisis

Media

- Diversified sources of production and shipment routes
- Adopted proactive supplier management

Orange Valley

- Established alternative sources for all critical products
- Ensured close communication with suppliers to obtain first-hand information on supply disruption
- Established a list of local wholesalers who carry similar products

For more information, refer to page 92

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SUPPORT OUR STAKEHOLDERS

COMMUNITY SUPPORT

Providing support to frontline workers and the community through monetary and in-kind donations

Supporting the community

- **April 2020:** SPH Magazines offered readers a 3-month free digital subscription for all magazines
- **May 2020:** 96.3 Hao FM created videos in various dialects to make Covid-19 information accessible to the elderly (page 99)
- **May 2020:** SPH launched the #sphwithyou social media giveaway to bring up the spirits within the community during the lockdown
- **August 2020:** SPH launched Shop For Good, an e-commerce platform offering complimentary listings for brands and eateries to support local businesses (page 99)
- Berita Harian organised discussions via Facebook for Home-Based Businesses to raise concerns and engage in discussions

Supporting frontline workers and patients

- **March 2020:** Samsung, SPH's partner in the News Tablet project, donated SPH News Tablets to Covid-19 patients and those quarantined. SPH also donated reading material, magazines and books to patients (page 98)
- **June 2020:** SPH provided complimentary digital news access to healthcare professionals to express our appreciation to them (page 98)

Supporting the migrant workers community

- CMG raised \$55,000 from readers and staff and partnered BreadTalk, Gong Cha, Shanghai Pudong Bank and Yikowei to organise volunteers to pack and deliver food to migrant workers under the Alliance of Guest Workers Outreach campaign (page 99)

Donations

- Donated about \$1.6m to various social and charitable causes by SPH and SPH Foundation throughout FY2020
- **February 2020:** CMG raised \$ 300,000 from online donations to show appreciation to frontline workers. (page 92)
- **February 2020:** SPH made a \$15,000 donation to Singapore Red Cross
- **March 2020:** SPH Foundation donated \$100,000 to The Courage Fund to support families, individuals and those at the frontline who are affected by Covid-19 (page 98)
- **April 2020:** Philanthropist Dr Tahir donated \$500,000 through CMG to help needy individuals and families affected by the pandemic (page 98)
- **May 2020:** STSPMF commitment of \$2mil for meal subsidies continues during the period of home-based learning
- **June 2020:** SPH Foundation donated \$300,000 to the Community Chest to support seniors, disadvantaged families and the disabled, among others (page 98)

For more information, refer to pages 98-99

EMPLOYEE SUPPORT

Providing help and support to employees through distributing care packages and virtual events

- CMG prepared care packs to our Malaysian production colleagues
- Gave out care packs to more than 100 cleaners at News Centre and Print Centre
- Club Zest's online activities to ensure the health and well-being of staff

For more information, refer to page 79

TENANT SUPPORT

Helping our tenants tide through tough times brought about by the circuit breaker

- Full rental waiver provided for April and May 2020 for eligible non-trading retail and medical tenants.
- Fully passed on the Government's enhanced property tax rebates to tenants.
- Working with JV partners in Australia to assist eligible tenants in accordance with the Code of Conduct

For more information, refer to page 98

STUDENT SUPPORT

Ensuring help and support extended to UK PBSA residents during the crisis

- Provided option to leave tenancies early and refunds to residents to mitigate Covid-19 impact on students' study plans and finances
- Contactless check-in
- Providing round the clock support to residents who needed to self-isolate
- Enforcing safe-distancing measures and increased cleaning and disinfecting across all PBSA properties to ensure safety and wellness of residents



BUILD ETHICAL AND TRANSPARENT BUSINESSES

SDG
SUPPORTED



MATERIAL FACTORS IN THIS PILLAR



ANTI-CORRUPTION

Corruption can result in significant damage to the organisation, such as loss of financial and social capital. We adopt a 'zero tolerance' approach towards corruption.



COMPLIANCE WITH LAWS AND REGULATIONS

Non-compliance with laws and regulations may subject SPH to liabilities such as monetary penalties, reputational damage, suspension or the revocation of our licence to operate. SPH remains compliant with up-to-date laws and regulations, in particular to restrictions enforced due to Covid-19.



CONTENT CREATION

As media content has a profound influence on how individuals think, speak and act, SPH has the responsibility to ensure that the content we produce is accurate, credible and responsible. Especially during the Covid-19 pandemic, providing credible and reliable updates on the situation is vital in ensuring order among the public.

MANAGEMENT TOOLS

- Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Policy
- Global Anti-Bribery and Anti-Corruption Policy
- Conflict of Interest Policy
- Whistle Blowing Policy
- Ethical Media and Journalism Policy
- Ethical Procurement Policy
- Fraud Risk Management Policy
- Intellectual Property Protection Policy
- Trade Control and Anti-Competition Policy
- Information Technology Security Policy
- Physical Security Policy
- Personal Data Protection Policy
- Corporate Gifts & Hospitality Policy

HIGHLIGHTS

0

cases of corruption

ST won

5

awards at the
**10th Asian Digital
Media Awards**

0

legal suits resulting in significant damages

SPH won

8

awards at the
**19th Asian Media
Awards**

Sustainability Report

ANTI-CORRUPTION 205-3

Ethics and integrity are the bedrock of our success. We believe that every employee is a reflection of ourselves and it is vital that all employees embody our values and conduct themselves in a professional and ethical manner at all times. Strong emphasis is placed on adherence to all our organisational policies and this is communicated to our employees through onboarding programmes and periodic refresher training. This includes mandatory training on our Anti-Bribery and Anti-Corruption Policy.

The Human Resources Division is also implementing eLearning for the SPH Code of Ethics from April 2020 to March 2021.

SPH's whistle-blowing channels (via a hotline number, email address or online form) are accessible via our corporate website <https://corporate.sph.com.sg/> by all stakeholders. These secure platforms enable stakeholders to raise concerns about any suspected improprieties at SPH, including matters involving fraud, corruption and employee misconduct. Concerns raised are channelled directly to the Internal Audit (IA) team, which reports to the Chairman of the Audit Committee (AC). Should there be a substantiated case, disciplinary action will be taken accordingly.

Our Corporate Gifts and Hospitality Policy serves to protect SPH and employees from any perceived or actual conflict of interest associated with gifts and hospitality received or given by employees. This policy upholds SPH's position on anti-bribery and anti-corruption.

Our PBSA operations located in the UK are required to comply with the UK Bribery Act 2010, and a risk assessment of our PBSA operations has been conducted under the guidance of UK consultants. With the inclusion of five more assets, we have a total of three operators managing the day-to-day operations. They are Host, CRM and Fresh. In the past year, relevant employees from all three operators have attended training on topics such as the UK Anti-Bribery Act, compliance, data protection as well as information security. Moving forward, such training will be refreshed annually and employees will also have to sign off on the respective compliance and ethics policies as part of an annual declaration exercise.

Our Australian property under SPH REIT, Figtree Grove Shopping Centre (Figtree Grove), is managed by a third party property manager. A similar suite of policies

governing anti-corruption and compliance-related matters have also been drawn up in accordance with the national laws and regulations. These policies extend to the employees working at the shopping mall.

In line with our duty to conduct our business responsibly, our commitment towards good governance extends across our procurement process. We work with suppliers and business partners who uphold SPH's values and ethical standards. Internal controls are also integrated in our operations to facilitate fair, transparent and independent sourcing practices, such as compulsory block leave and annual rotation of portfolio for our procurement team.

More information on our supplier performance management process can be found on Page 102.

In FY2020, there were zero incidents of corruption, a track record we aim to maintain in the coming year.

COMPLIANCE WITH LAWS AND REGULATIONS 418-1 / 419-1

It is imperative for SPH to comply with all applicable laws and regulations. Instances of non-compliance may subject us to warning letters, fines, suspension and/or revocation of licences. To ensure compliance with the various statutory and regulatory requirements, we have a comprehensive compliance framework to monitor key compliance risks and ensure appropriate entity processes and controls are in place. Any major non-compliance has to be reported to management immediately. Due diligence exercises are also conducted for all our acquisitions to manage our compliance exposure in any new market and sector.

SPH has also ensured its compliance with the government advisories on Covid-19 restrictions such as social distancing measures. These measures have since been embedded into our daily operations to ensure business continuity in the changing operational landscape. Other mandatory measures have also been instituted, such as temperature screening, split operations and work-from-home arrangements as a default. As at the publication of this report, SPH has no instance of non-compliance with the Covid-19 laws and regulations.

Likewise, Properties, Aged Care and PBSA sectors have also introduced relevant Covid-19 measures and continue to comply with all relevant statutory and regulatory requirements in their countries of operations.

Data privacy

Today, we live in a highly digitised world. As information technology grows in scale and complexity, so too do the risks. We recognise that every individual has a right to safeguard their personal data and that the onus is on us to ensure that all data entrusted to us is only used for legitimate and reasonable purposes. We continually strengthen our controls for data management to ensure the appropriate collection, use and disclosure of data.

Various tests are conducted on a regular basis to ensure that our systems remain robust and in full compliance with regulatory requirements such as Singapore's Personal Data Protection Act 2012 (PDPA) and the European Union General Data Protection Regulation (EU GDPR).

- Our PDPA Policy and Manual were revised in March 2020 to incorporate new updates from PDPA and Personal Data Protection Commission (PDPC). Our Data Protection Steering Committee and Data Protection Officers have been updated and trained accordingly.
- We implemented a new EU GDPR Policy and Manual for PBSA's operations in the UK in March 2020. Our operations team and Data Protection Officer located in the UK have also been updated and trained accordingly.
- For Figtree Grove in Australia, the property manager ensures its operations remain compliant with the Privacy Act 1988 (Privacy Act).

Continual training to build awareness and strengthen knowledge on data privacy are also conducted for our people. During the year, we conducted an online training and quiz on our PDPA Policy for our Board of Directors, CEO and employees. Data protection training courses by law firms were conducted across Properties, Aged Care and PBSA this year.

In FY2020, a financial penalty of \$26,000 was imposed by the PDPC on SPH Magazines for failing to put in

place reasonable security arrangements to prevent the unauthorised access of personal data of members of the HardwareZone forum site. This related to an incident in September 2017 where a hacker accessed a senior moderator's account to perform 704,764 attempted views of members' user profiles. The breach was notified to all users of the forum. In 2018, a series of corrective measures were swiftly implemented to prevent recurrence.

There were also 12 substantiated complaints received from outside parties regarding the removal of certain content, personal information and subscription from various media streams. SPH took action to address all cases and they were all closed during the year. Follow-up measures have been taken to prevent such recurrences.

In September 2019, Orange Valley was fined \$2,000 by the Ministry of Health (MOH) for failing to keep and maintain proper medical records for a 12-day period in 2016. Orange Valley has since reinforced filing procedures, and Nurse Managers/Nurse Clinicians conduct frequent audit checks on documentation.

These fines are not considered significant and we will continue to minimise and prevent non-compliance, moving forward. At PBSA, there was one incident of data breach, impacting a resident and involving an external party. This was the result of the accommodation applicant providing a wrong email address via the booking portal when applying for accommodation at Clifton & Stewart House. When responding to the applicant, the data was sent to the provided email. The recipient of the email, an external party, contacted the property to inform of this and based on CRM-Student Data Protection Officer, this was resolved and no fines were meted out.

Any feedback or enquiries relating to SPH's collection of personal data can be addressed to our Personal Data Protection Officer at dataprotection@sph.com.sg, 6319 8555 or via post.



COVID-19 HIGHLIGHT BOARD OVERSIGHT THROUGH TIMES OF UNCERTAINTY

The Covid-19 pandemic emphasises the need for effective board governance and oversight over unprecedented events. Even as the number of Covid-19 cases has declined in Singapore, uncertainty still looms across several other regions with the potential of a second wave in Covid-19 infections. As such, it is critical for the board to provide strategic insights to tackle both short- and long-term impacts

brought about by the pandemic. Closely supported by SPH's management, they play an active role in ensuring that our businesses continue to operate with minimal disruption and in safeguarding the health and safety of our stakeholders.

The Board also continues to manage risks and look out for opportunities to ensure the company remains resilient and sustainable. It is the Board's mission to ensure the company emerges stronger from the crisis and continues to grow in the "new normal".

Sustainability Report

CONTENT CREATION G4-M2

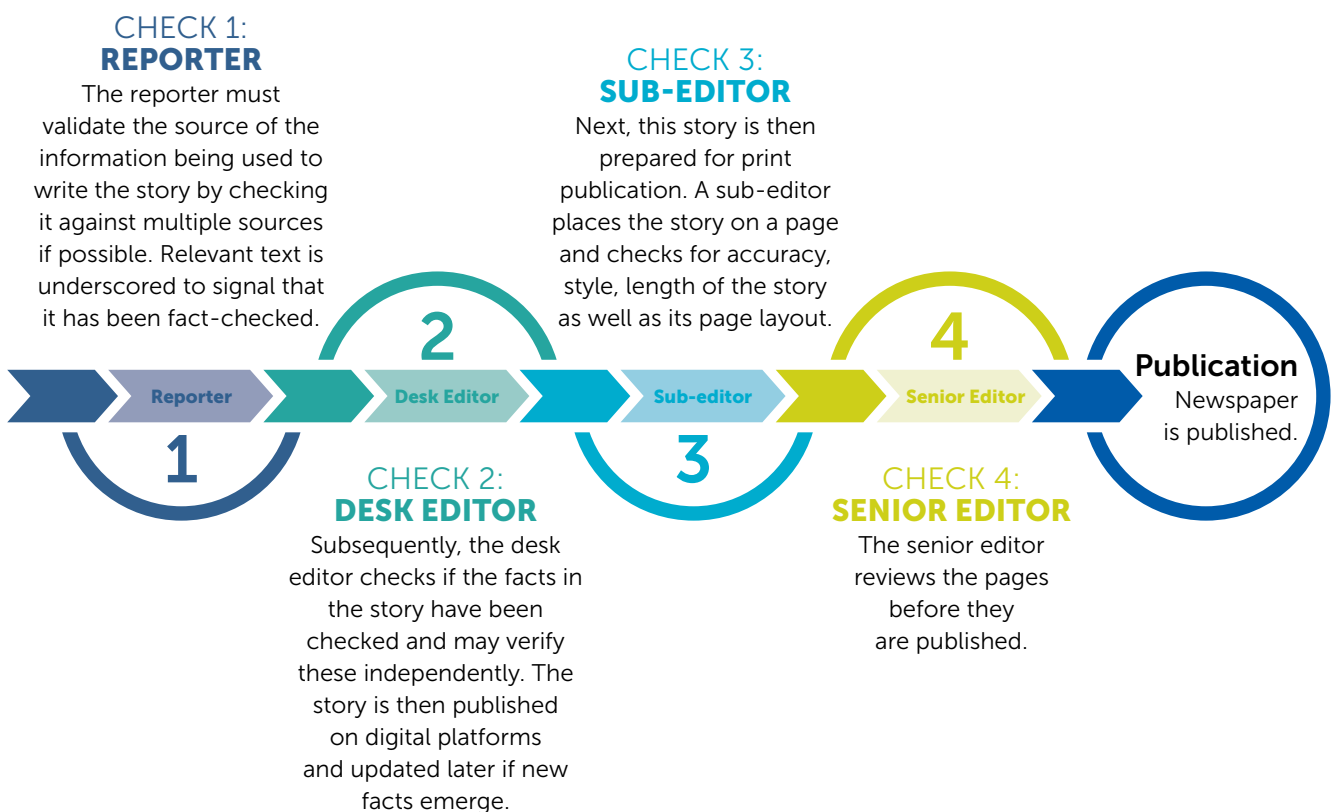
As one of Asia's leading content providers, we have the responsibility of delivering quality journalism in an accurate, balanced and timely manner. With an expanded internet of things and the advent of new media, we recognise the growing importance of embracing values such as media pluralism and diversity for our stakeholders. While our platforms give users the freedom to share our content, generate ideas and spark conversations, it must be managed fairly to protect vulnerable audiences and help stakeholders make informed, fact-based decisions. SPH does not condone the spread of fake news and has put in place measures to curb it. The Covid-19 pandemic has underscored the importance of delivering credible and reliable news to the public to prevent triggering panic among the community.

Our newsrooms focus on consistently providing accurate and timely news reports as well as fair and balanced

coverage when opinions are published. Both the EMTM Group and CMG are guided by principles of ethical journalism as detailed in our Ethical Media and Journalism Policy: accuracy and accountability, independence, fairness and objectivity, and awareness of the impact of words and images for the readers.

Accuracy is a core value that we expect all our journalists to uphold. All incoming information – from media releases to tip offs – must be checked with reference to alternative sources where possible. Checking is incorporated at several stages in the newsroom workflow, as shown in the figure below. Besides accuracy, editors also look out for content that may be sensitive, such as culture, race, religion, diplomacy and those that involve libel. Our journalists are expected to assess the reasons for publication and avoid offensive or unjustifiable statements.

FACT-CHECKING IN THE NEWSROOM WORKFLOW



Monitoring and analysing the performance of our content over both short- and long-term periods is important for us to measure the desired outcomes and fine-tune our content offerings to better meet our stakeholders' needs and interests. For instance, ST uses Chartbeat to track the real-time performance of our articles published online, tracking indicators such as page views, sources of traffic, geography and engaged time. The Sisense dashboard is also used to track daily new subscriptions from articles. Our Google Analytics historical data enables us to track longer-term trends in content performance.

In FY2020, article categories with highest number of web pageviews include Singapore Health, Singapore Courts & Crime, Entertainment, Southeast and East Asia, and Singapore Politics.

TOP CONTENT CATEGORIES FOR FY2020



In FY2020, there were two legal suits arising from content produced by our journalists. Both legal suits have been settled with no significant damages.

Sustainability Report



COVID-19 HIGHLIGHT THE ROLE OF NEWSROOMS AMID COVID-19

“WE FEEL THAT WITHOUT GOOD, CREDIBLE, RELIABLE INFORMATION, THE KIND OF DEBATES AND DISCUSSION WE’RE HAVING TODAY – REASONED AND RATIONAL DEBATE ON WHAT TO DO WITH THE PANDEMIC AND HOW TO TAKE OURSELVES FORWARD – WON’T BE POSSIBLE.”

– Mr Warren Fernandez, editor-in-chief of Singapore Press Holdings’ English/ Malay/Tamil Media Group and chairman of the Asia News Network.



“IN FACT, WE HAVE A ROLE TO PLAY TO LEND CALM, AMID THE ANXIETIES AND FEARS STOKED BY THE SPREAD OF MISLEADING INFORMATION. IN A CRISIS SITUATION, WE NEED TO RELAY AUTHENTIC AND CREDIBLE INFORMATION, INJECT POSITIVITY, PROVIDE SUPPORT AND CURB HOSTILITIES.”

– Ms Lee Huay Leng, Head of Chinese Media Group, in her welcome address at the group’s annual Chinese New Year gathering on 5 February.



THE STRAITS TIMES

Providing coverage on Covid-19

The Breaking News Team has been bringing timely and accurate updates on Covid-19 cases. SPH has also provided coverage on national campaigns such as #clapforSG and #singtogetherSG to bring the community together and boost the morale of frontline workers. We also have a feature on the migrant worker dormitories to bring awareness to this community.



askST
you ask. we answer.

Combating fake news during the Covid-19 pandemic

SPH has launched the askST platform to combat the spread of fake news during the Covid-19 pandemic to prevent triggering any unnecessary panic and stress within the community.

Updates on Covid-19 through various platforms

Tamil Murasu has a dedicated section for Covid-19 related news and features special stories on Sundays on Covid-19 related impacts to the Indian community such as Little India businesses and religious gatherings updates. Berita Harian has similar initiatives through their Facebook platform, providing coverage on mosque closures and Hari Raya visitations. Chinese radio station, 96.3 Hao FM, created a series of videos in various dialects to make Covid-19 information accessible to the elderly.

Creating content for the community

Berita Harian partners MUIS to produce lifestyle content for SalamSG TV during month of Ramadan. SPH launched #stayhomewithSPH, a platform with a variety of lifestyle content to help the community get by the circuit breaker period. CMG has also launched a video series “Come ‘n Live @ zaobao.sg” to encourage Singaporeans to stay active via online learning.



Training

SPH has a dedicated training unit that supports our continual goal to deliver quality journalism content. All new editorial staff undergo a basic reporting skills course, and we offer a variety of additional courses for our employees to hone their skills and knowledge. Our training options include workshops, media conferences, on-the-job experiences, all of which are complemented with online videos and material to support learning and growth. Some specific courses include news gathering and interviewing techniques, photography and videography skills, and pursuing court and crime news.

In FY2020, we introduced several workshops held by various industry and educational institutes to further expand our staff's knowledge and skills. Some of these unique courses include reporting from hostile environments, understanding financial reports as well as a Google News Initiative Design Accelerator. We also provided training on climate-change reporting and other technical topics through the Science in the Newsroom: Building Journalist Skills for Future Health Crisis organised by World Editors Forum Asia chapter and World Association of News Publisher (WAN-IFRA).

Our journalists have also attended following the workshop and courses to build on their expertise and skills

- Mobile Journalism
- Media Laws
- Building Loyal News Audiences
- Harnessing Social Media for News
- Data Journalism
- Studio Presentation and On-camera Skills
- Video Editing
- Teeline web-based training
- Crisis Reporting

Amid the Covid-19 pandemic, most of our trainings have been shifted online. 40% newsroom staff attended 72 unique local courses and at least one training course in FY2020. Five went for overseas training in four unique course titles prior to Covid-19 and 209 did web-based training in 27 unique course titles.



CASE STUDY

BUILDING PUBLIC AWARENESS ON CLIMATE CHANGE

Since the appointment of veteran climate journalist David Fogarty as Climate Change Editor in 2019, he and his team have set out to deliver content to build awareness and spark conversations around climate change. The team focuses on contextualising technical findings through use of local voices and examples to help readers better identify with climate change and sustainability. Additionally, the team also looks to expand coverage and enhance investigative reporting at ST.



THE STRAITS TIMES IS SERIOUS ABOUT THE SUBJECT; IT WANTS TO BE A VOICE OF AUTHORITY AND A GO-TO SOURCE OF NEWS AND ANALYSIS. — *ST Climate Change Editor, David Fogarty*

Sustainability Report



CASE STUDY

RECOGNITION FOR QUALITY JOURNALISM

SPH emerged as the biggest winner at the 19th Asian Media Awards in July 2020. ST won five awards, including a Silver award for Breaking News Article and Newspaper Infographics. Chinese Media Group (CMG) garnered three awards, including a Silver for Feature Photography.

ST won five prizes at the 10th Asian Digital Media Awards, organised by the World Association of Newspapers and News Publishers – two golds, two silvers and one bronze – held in Hong Kong on Oct 30, 2019.

Besides the five awards won by ST, The Business Times (BT) also won gold in the Best Digital News Start-up category for Garage, an online portal that provides news and analyses about the region's thriving start-up landscape.

SPH bagged a bronze award in the Best Paid Content Strategy category for a news tablet app launched in March that provides Chinese newspaper readers with a seamless no-login and auto-update digital experience.



(From left) ST editor Warren Fernandez with award recipients ST senior executive content producer Denise Chong; Stomp editor Azhar Kasman; product manager in digital media products Joash Yeo; business development manager in the Chinese Media Group Lim Ruo Qi; senior UX designer in digital media products Shan Yihong; assistant vice-president in publishing systems Lau Siang Kiang; and head of project management office and value engineering Jensen Boey.

ST won six awards – two silvers, one bronze and three awards of excellence – at the 2019 Best of Digital Design competition, which saw entries from more than 100 organisations across 26 countries. ST also notched five wins for news design, information graphics and illustrations at the 41st edition of the SND's Best of News Design creative competition.



ST Schools' "Making Sense of the Pandemic for Young Readers" campaign (left) to tailor Covid-19 news for schoolchildren clinched first place in the new Best Initiative in response to Covid-19 at the 84th International News Media Association (INMA) Global Awards. SPH also received honourable mention in the category for Best Idea to Acquire or Retain Advertising Clients for a campaign which used The New Paper to drive readers online for special deals in partnership with Gain City.



zaobao.sg's Mission:SG video series (above) bagged a Silver Award in the Talkshow/Interview Series category at this year's The Telly Awards. The series offers a sneak peek into the secret world of

foreign ambassadors over seven episodes.

Head of CMG Lee Huay Leng received the Hsing Yun Journalism Award for her contributions to society through journalism in November. Shin Min Daily News Editor Choo Chee Wee received a special award at the same event.

Our journalists also bagged five awards at the 20th SIAS Investors' Choice Awards.

ST senior correspondent Joyce Lim received a Special Award in financial journalism at the SIAS 20th Investors' Choice Awards. BT senior correspondent Angela Tan won the Financial Journalist of the Year prize while the paper's deputy news editor Kenneth Lim won the Financial Story of the Year award. Chinese Media Group NewsHub's associate business editor Hu Yuan Wen won the Investor Education Award while its business correspondent Lai Oi Lai won a Special Award.

ST clinched a silver medal for its multimedia project "Inside The Istana" and three bronze medals this year in its best showing at the Malofiej 28th International Infographics Awards, known as the Pulitzers for infographics.



ST senior correspondent Joyce Lim won a Special Award in financial journalism for her article on a loophole relating to people's purchase of supercars



DEVELOP FUTURE-FIT SKILLS AND KNOWLEDGE FOR OUR STAKEHOLDERS

SDGs
SUPPORTED



MATERIAL FACTORS IN THIS PILLAR



NON-DISCRIMINATION AND EQUAL OPPORTUNITY

Our diversity is our strength as it promotes creativity and innovation. It also enhances our ability to reach different segments in society.



TRAINING AND DEVELOPMENT

Human capital is our key resource. Investing in training and developing our people is critical to building up and retaining our talent pipeline to meet current and future needs. We have shifted most of our trainings to web-based and virtual training in light of the Covid-19 pandemic.

MANAGEMENT TOOLS

- Anti-Harassment and Anti-Discrimination Policy
- Workplace Conduct Policy
- Fair Employment Policy
- Diversity Policy
- Orange Valley Training and Development Framework

HIGHLIGHTS

0
reported cases of
discrimination

230
employees trained
in Google Analytics

110
new training
programmes
on digital literacy

Orange Valley staff
clocked
4,820
hours of training

Sustainability Report

PROFILE OF OUR WORKFORCE 102-7 / 102-8 / 401-1 / 405-1

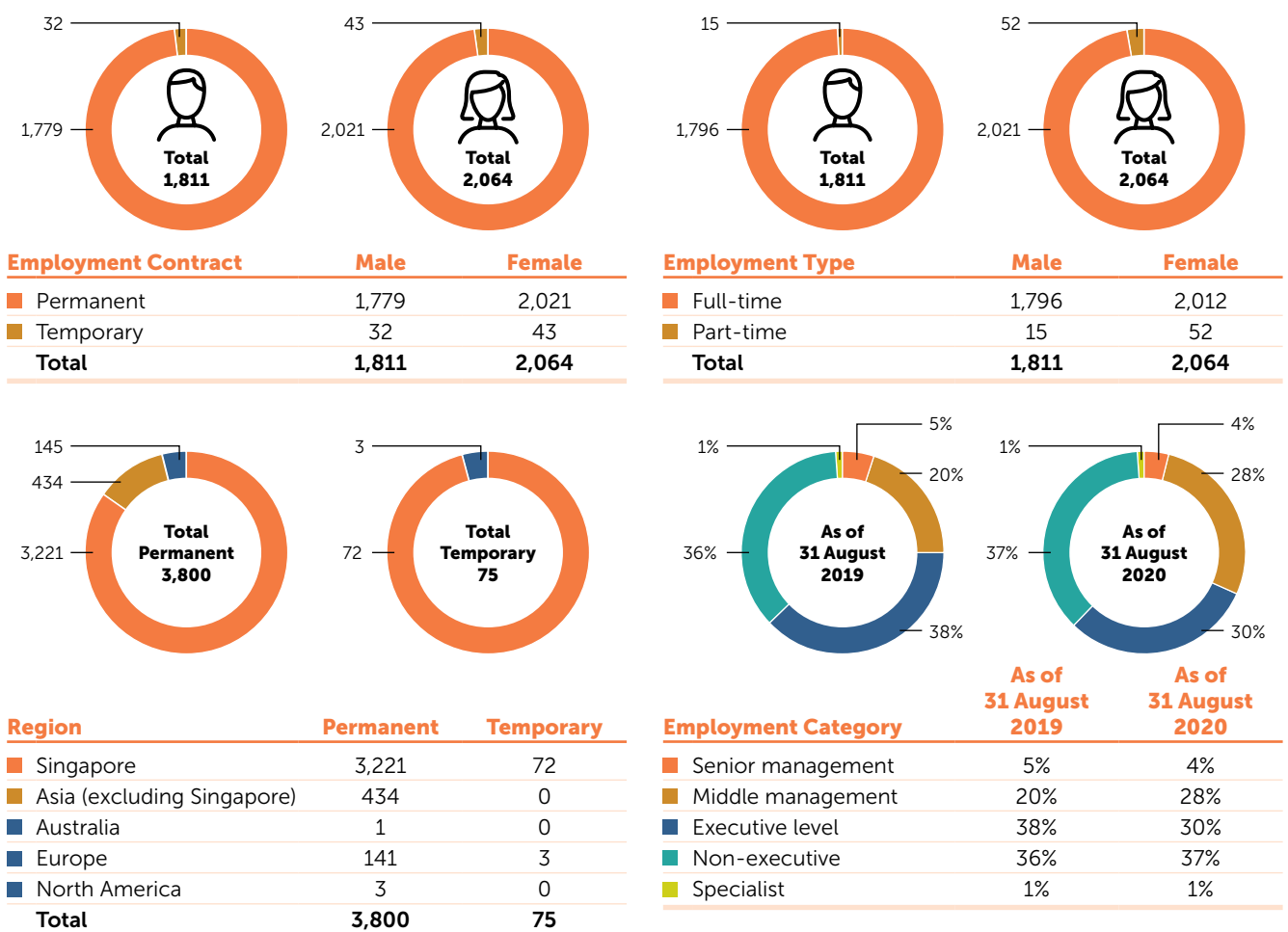
SPH Group hires a diverse workforce across our media, property and aged care segments, and our total headcount stands at 3,875 employees in FY2020 (FY2019: 4,177), with 98% of employees working with us full-time on a permanent contract.

In the Media business, we have a global network of full-time correspondents residing in countries including the

UK, the United States of America, China, Japan, Malaysia and Indonesia. Due to the nature of the media industry, we work with freelancers who provide services covering copywriting, photography, editorial, video and image processing as well as hairstyling and makeup.

For our Property segment, both the Manager and the appointed Property Manager are from SPH Group. The Property Manager (SPH Retail Property Management Services Pte Ltd or RPMS) consists of experienced staff who oversee the management of commercial properties

WORKFORCE PROFILE² BY GENDER, CATEGORY, EMPLOYMENT CONTRACT, REGION AND EMPLOYMENT TYPE



² Workforce profile disclosed is for the whole of SPH Group.

in SPH REIT's Singapore portfolio as well as The Seletar Mall. Other activities such as security and cleaning services are outsourced to third-party vendors across all malls.

The PBSA segment is operated by our property manager (Student Castle Property Management Services or SCPMS) and external operators Host, CRM and Fresh. The services provided by the external operators are in the process of being brought in-house under SCPMS. As part of the process, employment of the ground teams operating each property is transferred from the operators to the respective properties. SCPMS and each property under PBSA employ experienced staff in the UK and in Germany. Together with a team of permanent employees in Singapore, they manage the entire PBSA portfolio.

At Orange Valley, our manpower requirement is mainly for elder care, and a management team is dedicated to run day-to-day operations. In FY2020, our total headcount of permanent Singaporean employees at Orange Valley stands at 98. The majority of Orange Valley's nursing care employees work full-time on shifts and hold permanent positions.

Trade unions

SPH supports our employees' rights to freedom of association and membership in trade unions and strives to create a progressive working environment for all. In Singapore, SPH takes guidance from the Industrial Relations Act that allows employees to be represented by trade unions for collective bargaining. We have fostered a strong and harmonious partnership with the Creative Media and Publishing Union (CMPU) to give our employees a wider and holistic representation. 100% of our bargainable workforce is covered by collective agreements and more than half of SPH staff are union members.

In FY2020, SPH continued to organise various activities to raise the employees' awareness on trade union activities and their benefits. Initiatives include sharing with new hires about CMPU during the Joint Induction Programme and the Administration Division facilitating CMPU roadshows at our cafeteria prior to the Covid-19 pandemic. With the current work-from-home arrangements, the Joint Induction Programme has been adjusted.

FY2020 NEW EMPLOYEE HIRE AND TURNOVER RATE³

	New Hire	Rates	Turnover	Rates
Total	426	11%	973	25%
By Gender				
Male	175	5%	398	10%
Female	251	6%	575	15%
By Age Group				
< 30 years	162	4%	402	10%
30-50 years	238	6%	380	10%
> 50 years	26	1%	191	5%
By Region				
Singapore	315	8%	883	23%
Asia (excluding Singapore)	111	3%	90	2%
Australia	0	0%	0	0%
Europe	0	0%	0	0%
North America	0	0%	0	0%

³ The total employee number as at 31 August 2020 was used as the denominator to calculate the respective new hire and turnover rates by age group, gender and region.

Sustainability Report

SPH'S DIVERSITY WITHIN ORGANISATION'S GOVERNANCE BODY (BOARD OF DIRECTORS)

Number of individuals within BOD BY AGE GROUP



Number of individuals within BOD – by age group	As of 31 August 2019	As of 31 August 2020
< 30 years old	0	0
30 – 50 years old	1	1
>50 years old	9	9
Total	10	10

Number of individuals within BOD BY GENDER



Number of individuals within BOD – by gender	As of 31 August 2019	As of 31 August 2020
Male	7	7
Female	3	3
Total	10	10

NON-DISCRIMINATION AND EQUAL OPPORTUNITY 406-1

SPH strives to establish a safe, inclusive and vibrant working environment for all employees. We have been a signatory of Tripartite Guidelines on Fair Employment Practices (TGFEPP) since 2007 and our employment practices abide by the principles set out.

We reinforce our stance on inclusivity in our employees through an annual mandatory refresher and endorsement of the SPH Diversity Policy. Clear guidelines on workplace abuse, harassment, bullying and disciplinary matters are established and communicated to employees across all subsidiaries. Employees are encouraged to raise grievances through their Union or their immediate supervisor and are escalated to the Human Resources Division if necessary.

SPH won the Singapore Corporate Governance Award (Diversity) at the SIAS 20th Investors' Choice Awards, which recognises our commitment to upholding strong corporate governance and board diversity.

SPH is also a strong advocate of providing equal opportunity to work productively and provides family-oriented and various types of work arrangements that include flexible hours, part-time work and tele-commuting. To better support young parents, we

extended no-pay leave arrangements and provided nursing rooms for new mothers.

Orange Valley adopts similar fair employment practices, accommodating the local workforce's requests for flexible work arrangements when possible and operationally feasible. These arrangements include conversion to part-time work as well as different start and end times in working hours. Orange Valley is also collaborating with Centre for Seniors, a non-profit organisation in Singapore that helps to train older workers and place them in relevant jobs, supporting the transition of older Singaporean workers into roles in our caregiving facilities.

In FY2020, there were no incidents of discrimination at SPH. We strive to upkeep this performance in FY2021.

TRAINING AND DEVELOPMENT 404-1

SPH continues to dedicate resources towards developing our human capital and embrace the theme of 'Future-Proof' training in order to prepare our employees in view of future trends within our respective business units.

Training needs are planned for each business unit separately, with support from the Human Resources Division, depending on the specific skillset and knowledge required. These training and development programmes

cover on-boarding and induction programmes, on-the-job training, and managerial and leadership development programmes.

An online performance management system provides a platform for employees to track their learning journey and receive guidance on areas which require improvement. This promotes a transparent assessment of work performance by allowing two-way communication for supervisor and employee to align on expectations and performance. In light of the Covid-19 pandemic, some of the courses have been taken online and virtual trainings were conducted instead to ensure our employees remain safe while building their skills even in this crisis. As a result, the total number of web-based training hours have increased sizably in 2020.

Media

SPH's training framework is aligned with the SkillsFuture Media Framework (SFw for Media), a joint-initiative that seeks to promote skills mastery and lifelong learning, an integral component of the Media Industry Transformation Plan. Employees are informed of the various types of training available on a training calendar available on the staff portal. These trainings cover orientation workshops, leadership and management training, office skills and personal effectiveness skills.

We remain steadfast in shaping our workforce to be one that is future-ready and purpose-led. As we embrace new ways of working in the digital economy, we recognise too the importance of sustaining meaningful engagement with our audiences. In FY2020, we have expanded our focus from 'Digital-First' towards an 'Audience-First' approach, equipping employees with new skills that will enable them to deliver content and solutions that not only resonate with audiences but also foster lasting connections with them.

In 2020, our employees have enrolled in the SkillsFuture for Digital Workplace workshops, sponsored under the Infocomm Media Development Authority (IMDA) Critical Infocomm Technology Resource Programme Plus (CITREP+) and Talent-Assistance programme (T-Assist) schemes. Specifically, journalists acquire basic coding skills to facilitate the strategic shift towards online media platforms. Our Circulation Division is also sending its call centre employees for workshops in Customer Experience Management, Marketing Strategy and Content Creation for Social Media, Search Engine Optimisation and Digital & Social Media Analytics. Our digital training is also extended to the digital consumer behaviour. We have trained 230 employees on Google Analytics, a tool which maximises the data and knowledge of our online consumer market. The new capabilities benefit the way in which we design and innovate new products for the reading and advertising markets. The table below showcases the top 10 future-



CASE STUDY

ON-SITE PARTNERSHIP PROGRAMME WITH THE ASSOCIATION OF PERSONS WITH SPECIAL NEEDS (APSN)

Since November 2019, Orange Valley has been collaborating with APSN to provide training and employment opportunities for APSN students, trainees and alumni with mild intellectual disabilities.

This 6-month programme is framed by a train-and-placement model at Orange Valley's nursing home facilities in order to simulate work training environment and eventually lead to employment. We hope that this programme provides opportunities for persons with special needs to be trained in practical vocational skills (such as housekeeping jobs within nursing home environment), to help them integrate into society.



proofing courses and business-as-usual courses attended by our staff in FY2020. A total of 688 employees attended at least one future-proof course during the year.

A total of 110 new training programmes on digital literacy were rolled out in FY2020, and this number is set to increase further in the coming years.

Media Solutions Division (MSD) has also conducted product training and levelled up the knowledge of its employees, given that the Division was reorganised with the inclusion of employees from SPH Magazines. Many knowledge-sharing sessions were conducted so that MSD employees could gain a common understanding of the products, tools and platforms that could be packaged for their advertising and campaign proposals to customers.

Sustainability Report

TOP 10 FUTURE-PROOFING COURSES ATTENDED IN FY2020

- 1 Marketing Strategy and Content Creation for Social Media (virtual learning)
- 2 Business Presentation – ST Masterclass (virtual learning)
- 3 Customer Experience Management (virtual learning)
- 4 Transformational Leadership in the Digital Age (blended learning)
- 5 How to Deliver Effective Virtual Presentation (virtual learning)
- 6 AWS Business Essentials Day (virtual learning)
- 7 TikTok workshop
- 8 Digital and Social Media Analytics (virtual learning)
- 9 SEO and Organic Search (virtual learning)
- 10 Google News Initiative Design Accelerator – Design Thinking workshop

TOP 10 BUSINESS-AS-USUAL COURSES ATTENDED IN FY2020

- 1 Emotional Quotient using MBTI (virtual learning)
- 2 HR: New Staff Induction
- 3 Procurement Fundamentals (virtual learning)
- 4 Colour and Quality Training for Printers
- 5 SCDF Company Emergency Response Team (CERT) Training
- 6 Matter of the Mind
- 7 Risk Assessment for a Safe Workplace (ACOP) workshop
- 8 Media Law (Module: 1-4) (virtual learning)
- 9 Cents-ible Retirement workshop
- 10 Talk by Asian Journalism Fellows on Covering Conflicts in the Region

Cyber-security training is one of our priorities in FY2020, and the SPHTech Division has aligned its training framework to the SkillsFuture Skills Framework for Infocomm Technology. To date, we have sent 38 staff from SPHTech to be upskilled in cybersecure coding, which ensures that our digital products and platforms are adequately secured and coded with the necessary protection.

SPH has placed more emphasis on leadership development in FY2020. In our three-day People Leadership Programme (PLP), the editorial leaders joined their counterparts in the support functions to encourage the exchange of ideas. Further, we organised two runs of Transformational Leadership for the Digital Age (TLDA), a leadership programme for Senior Managers and above designed to build leadership competencies in SPH's digital transformation journey for such senior personnel. Lessons designed for the busy executive were delivered via online learning on mobile digital devices and four intensive face-to-face workshops.

Production Division staff continue to receive On-The-Job Training (OJT) for the various operational and maintenance roles performed by employees. As a Certified On-The-Job Training Centre by the Institute for Technical Education (ITE), SPH is committed to using OJT as a means of training new technicians and refreshing the skills of existing ones.

Our focus for FY2021 will strive to continue building our capabilities in digital and other future-proof skills in

support of the 'Audience-First' strategy, as well as to build leadership capabilities in the Newsroom. We will continue to upskill our staff and managers to support remote, virtual working culture, especially amid the Covid-19 pandemic, to ensure our resilience for the future.

Properties

In FY2020, 149 employees clocked a total of 838 training hours. They mostly attended external courses, including Company Emergency Response Team (CERT) training, and seminars related to real estate regulations, industry trends and statutory requirements.

PBSA

In FY2020, PBSA employees received received continuous training on the operations of the properties, IT systems and programmes as well as policies and procedures. The training is provided by in-house trainers as well as external vendors.

Orange Valley

Orange Valley has established a comprehensive Training & Development Framework that aims to build the necessary competencies of our staff to meet current and future business needs. We have a large pool of in-house clinical instructors and training resources which allows for the various training programmes to cater towards different needs.

All new hires go through a structured training programme, comprising a six-month induction and On-the-Job training. Peer level buddies are assigned to them during this period to facilitate their development. The reporting supervisor is responsible for ensuring that all new hires have completed the required training programmes and familiarised themselves with the Enhanced Nursing Home Standards (ENHS), relevant SOPs and Orange Valley's internal quality standards. Training programmes are renewed every three years.

Apart from the orientation and induction programme, Orange Valley care staff also participate in other care-related training programmes. These include a comprehensive range of clinical and general care courses that cover specific subject topics, equipment and technology-related workshops, as well as seminars and conferences to boost understanding of developments in the healthcare and nursing industry. Training on handling compliments and complaints is another critical element of our staff training. Through our Customer Feedback Management System, insights gathered can help further enhance current training programmes. All feedback received is analysed, and further discussed if necessary. The following are some of the courses and trainings available to our care staff:

- Continuous Ambulatory Peritoneal Dialysis (CAPD)
- Tracheostomy
- Portable Ventilatory Support
- Cough Assist Machine
- Catheterisation
- Dementia courses
- End-of-life courses
- Emergency preparedness
- Customer service training

Due to the Covid-19 outbreak, our nurses underwent Covid nasopharyngeal and throat swab trainings and in-service talks on the pandemic. Staff training and awareness on the use of PPE, isolation protocol, swabbing protocol, social distancing and zoning, management of suspected cases and escalation process were provided. This is to ensure that our nurses are kept up to date with the latest health and safety protocol for managing the outbreak.

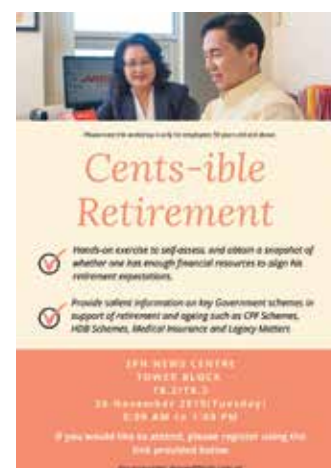
In FY2020, a total of 419 employees clocked 4,820 hours of training. As a testament to our training capability, Orange Valley is recognised as an Approved Training Centre and a Certified On-the-Job Training Centre for the ITE Skills Certificate (ISC) in Healthcare (Homecare). Plans to become an Approved Training Centre for the ISC in Healthcare (Dementia Care) has been delayed by Covid-19.



CASE STUDY

Career Transition

In the area of pre-retirement planning, SPH organises financial planning talks and workshops from service providers approved by the Monetary Authority of Singapore. We have also brought in-house the Cents-ible Retirement Programme Workshop by Credit Counselling Singapore. SPH is currently collaborating with a non-profit organisation, Ready Or Not? Singapore, that helps pre-retirees prepare for their next phase of life, to deliver pre-retirement courses on healthy living and retirement planning.



Performance

With the introduction of Circuit Breaker measures, training was significantly affected and courses had to be re-designed to adapt to the current situation. In FY2020, average training hours per employee and category fell by almost half from FY2019. This is largely due to re-designing of all face-to-face full day courses into bite-sized segments of 90 minutes to half-a-day each time. Moving forward, we will continue to explore ways to enhance learning and development in the new normal.

SPH'S AVERAGE TRAINING HOURS⁴ PER EMPLOYEE BY GENDER AND EMPLOYEE CATEGORY

	FY2019	FY2020
By Gender		
Male	19	9
Female	14	10
By Employee Category		
Senior management level	18	11
Middle management level	19	12
Executive	20	9
Non-executive	15	9

4 Training hours disclosed is for the whole of SPH Group.

Sustainability Report



COVID-19 HIGHLIGHT ENSURING JOB SECURITY AND RESKILLING OF EMPLOYEES

The economic downturn brought about by the Covid-19 pandemic has threatened livelihoods, with job security being one of the key concerns for our employees. SPH looks towards implementing training which will upgrade and reskill employees, enabling them to take on the challenges ahead. Some of the current initiatives for the various departments are detailed below:

- **Production:** Employees who are mainly in engineering and technical roles in newspaper printing are given opportunities to attend training in Security, Facilities Management, Landscaping, Digital Desktop Publishing, Food Handling and Safety. This support extended to them will allow them to be re-deployed to other businesses within the SPH Group if the need arises.
- **Circulation:** Employees in the Circulation department are also given reskilling opportunities to enhance their digital skills in, for example, Customer Experience, Social Media Analytics and Online Marketing. This will allow them to remain relevant in Industry 4.0 where many functions have gone digital and virtual.
- **SPHTech:** SPHTech employees continue to receive training and certifications in relevant IT skills such as cyber security, cloud computing, and agile ways of working and AR/VR, among many other topics. This allows them to remain relevant and current in the Infocomm industry.
- **Human Resources (HR):** HR employees upskilled by attending courses like Certified Career Advisor, funded through WSG (Workforce Singapore), in order to expand their skills to remain employable and continue adding value to SPH.

Impact of Covid-19 on training

In the earlier days of Covid-19 when SPH had just commenced split-team operations (Team A and Team B), we re-designed our training sessions such that they were held via videoconference using software such as

Zoom and Google Meets. Teams were put in separate locations, and video cameras and Bluetooth speakers were set up for the trainer in another location to conduct the classes for the whole cohort.

When the Circuit Breaker came into effect, all physical face-to-face training at the News Centre were halted and replaced with virtual training classes. This required training providers to re-design their courseware to suit the virtual mode of delivery, which caused some delays in the training schedule.

EMTM Inc also had to suspend all public Masterclass courses in order to abide by the government's directive to minimise physical contact between trainees. After the Circuit Breaker measures were eased, EMTM Inc resumed public courses, but limited the number of trainees per class.

The re-designing of all face-to-face classes for virtual delivery also impacted employees attending virtual instructor led training (VILT). Focusing on computer screens and switching on computer cameras for long durations required getting used to. In view of this, we adapted by breaking up full-day courses into bite-sized segments of 90 minutes to half-a-day each time.



Workshop - Transformational Leadership in the Digital Age (TLDA)
This was during the earlier Covid-19 days when SPH implemented split-team operations. Half the class attended the workshop in-person whereas half the class logged in via Google Meet



PROMOTE WORKPLACE WELLNESS AND ENSURE SAFETY OF OUR STAFF AND CUSTOMERS

SDG
SUPPORTED



MATERIAL FACTORS IN THIS PILLAR



HEALTH AND SAFETY OF OUR STAFF AND CUSTOMERS

We have a duty to provide a safe environment for all at our premises; especially so in our properties, aged care and student accommodation business segments where we have significant influence on our customers' health and safety.

In addition to our usual workplace safety and health measures, we have taken extra precautionary measures in our fight against the Covid-19 outbreak. The health and safety of our staff and customers remain the utmost priority to us, especially during this pandemic.

MANAGEMENT TOOLS

- Workplace Safety and Health Policy
- Total Workplace Safety and Health Framework
- Employee Workplace Safety and Health Handbook

HIGHLIGHTS

0

significant non-compliance to health and safety laws and regulations

51

Orange Valley staff sent for CERT training

279

Orange Valley staff vaccinated

Achieved

LOWER

Workplace Injury Rate than National All Industry rate (274 vs. 396)

Sustainability Report

HEALTH AND SAFETY OF OUR STAFF AND CUSTOMERS 403-1 to 403-7 / 403-9 / 416-2

The health of our staff and customers is of utmost importance. Across our divisions, effective policies and frameworks are put in place to guide implementation of initiatives that promote healthy and safe spaces. In light of the Covid-19 pandemic, additional precautionary measures have also been put in place to ensure the safety of our staff and customers.

Media

Since FY2019, SPH has fully implemented a Total Workplace Safety and Health (TWSH) framework which guides the implementation of our initiatives to promote healthy and safe spaces. All employees are expected to be familiar with the Employee Workplace Safety and Health Handbook, which emphasises potential hazards in the workplace and risk control measures. Our employees are also engaged in various safety-related courses during the year.



CASE STUDY

Reporting from Hostile Environments

From 22 to 23 January 2020, a two-day workshop on 'Reporting from Hostile Environments' was conducted for 20 foreign correspondents, photojournalists and journalists who are deployed across the region to cover disasters and crises.

The workshop was led by Roger Renni, a former Australian special forces staffer who has been conducting risk assessments and trainings for media organisations for more than a decade. The co-lecturer

was a medic from the British Helicopter Services who taught the journalists how to deal with medical emergencies in the field and discussed with them the reality of mental trauma that can result from reporting from disaster and conflict zones. Renni also conducted a half-day workshop on risk assessment for editors. Such workshops are an important investment in the safety of our journalists in the field, where new threats often emerge, and change is constant.



Reporters operating with Personal Protective Equipment (PPE)



Journalists roleplaying as rioters during the workshop



Learning to cross water safety obstacles safely

As part of the WSH Management System (WSHMS), SPH has also implemented the following programmes:

PERMIT-TO-WORK SYSTEM

The SPH Permit-To-Work system requires external and internal parties to conduct detailed risk assessment for any maintenance or upgrading works to be carried out within SPH premises.

Types of work/services requiring a permit-to-work includes general works (maintenance, services), hazardous work-at-heights and hot works.

The SPH safety manager, a qualified WSH officer (WSHO), will peruse the submission and issue a start-work permit for works to be carried out. The checks also include training and qualification of the workers, and relevant insurance coverage for the works.

On average, the SPH safety manager processed over 200 permit-to-work requests annually.

SAFE WORKPLACE HAZARD REPORTING SYSTEM

The SAFE Workplace Hazard Reporting System is a bottom-up system for SPH employees to report safety hazards at their workplace to SAFE@sph.com.sg

S	A	F	E
Security & Safety	Administration & office support	Facilities	Environment

Jointly managed by the Security & Safety department, Times Properties and Office Services, the system escalates all reports received to the relevant department depending on the nature of the report. The department will then respond and follow up promptly. Since the introduction of this system, it has received an average of 90 reports annually.

To strengthen WSH capability at the Production plants, a new WSHO was appointed to take charge of WSH matters at Print Centre in October 2019. The WSHO had initiated safety risk management training for all the Production WSH Committee members and published a new employee safety handbook for Production staff. In order to ensure the WSHMS is kept abreast of the latest development, a WSHMS audit was conducted during the year and recertified SPH's bizSAFE 3 status for another three years. The scope of the new bizSAFE 3 certification now includes SGSecure implementation as part of the WSHMS.

On 3 October 2019, Print Centre CERT was audited by Singapore Civil Defence Force (SCDF) and was commended for a job well done. On 18 July 2020, News Centre conducted a weekend fire drill for about 50 weekend staff. Although only a handful of staff were involved due to the Covid-19 restriction measures, stringent Safe Management Measures (SMM) were put in place to ensure participants maintained a safe distance from each other. As advised by SCDF, SPH conducted table-top exercises for the other emergency drills for the year which involved a large number of staff.



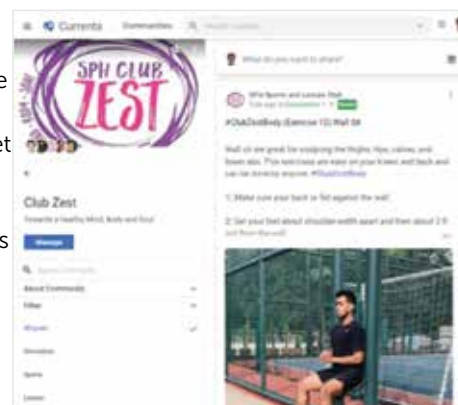
Print Centre CERT in action

SPH also has in place a comprehensive healthcare and wellness support programme that includes medical and dental benefits. Employees are encouraged to take part in regular health screenings, and we have a Chronic Disease

Management Programme (CDMP) that assists those with chronic diseases to follow up regularly with the clinics in Toa Payoh and Jurong Point for News Centre and Print Centre staff respectively.

SPH Club Zest aims to promote healthy leisure activities to meet the physical, mental and emotional needs of SPH staff. A wide range of wellness activities were conducted to promote health and well-being

in the workplace. Employees are encouraged to attend talks on stress management and health issues, financial management and exercise classes, and leisure activities. Due to the Covid-19 situation, several programmes such as weekly exercises and SPH Inter-Division Challenge were suspended. With majority of the employees on a work-from-home arrangement, Club Zest continued to engage with employees by sharing health tips and exercise regimes through Google Currents. The community page also organised various contests and campaigns.



SPH Club Zest Community Page

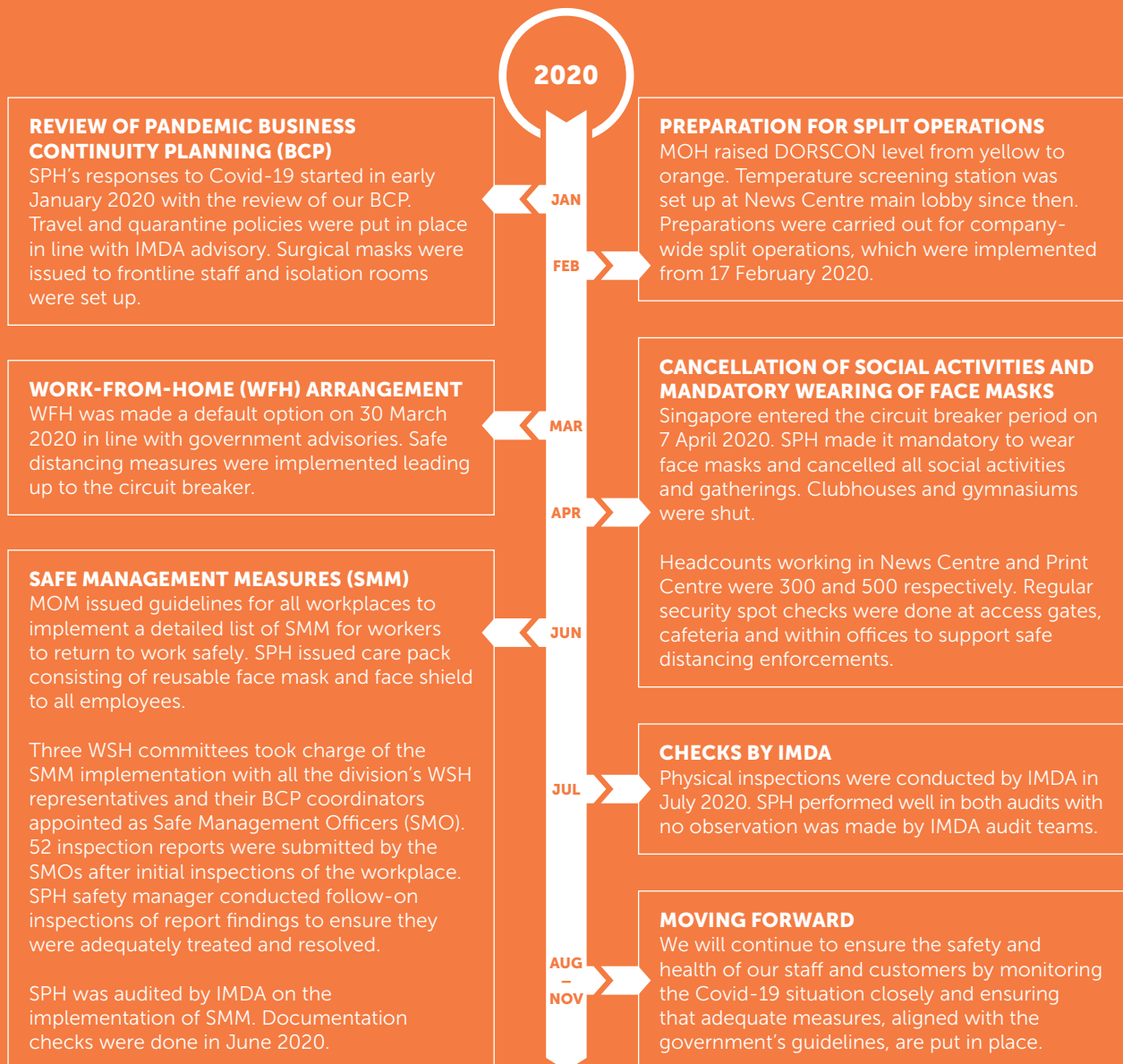
The SPH Inter-Division Steps Challenge 2020 held between 13 January 2020 and 26 April 2020 allows staff to join in at their own time, in their homes. A total of 400 staff participated with 142 staff achieving over 10,000 daily average steps. SPH also issued a care pack consisting of a reusable face mask and face shield to all employees between 1 and 5 June 2020.

Sustainability Report



COVID-19 HIGHLIGHT HEALTH AND SAFETY MEASURES ACROSS NEWS CENTRE AND PRINT CENTRE

The first case of Covid-19 was reported as early as November 2019. Since then, Singapore's government has taken a series of precautionary measures to tackle Covid-19. A multi-ministry taskforce was set up in January 2020 and has since provided regular updates to the public on wide ranging precautionary measures, restrictions including the circuit breaker, as well as a series of support measures comprising cash grants, payouts and tax deferments. SPH has been closely following guidelines and advisory released by the government and its ministries. A timeline of the health and safety measures taken is detailed below.





CASE STUDY

Club Zest's collaboration with 42Race during Covid-19

Club Zest collaborated with 42Race, an SPH Ventures company, to launch SPH Tribe Challenge 2020 which leverages on the 42Race mobile application to organise an e-race to encourage staff to clock steps to stay healthy. The collective objective was for participants to clock enough steps to walk one round around the globe in 30 days. Staff were given the option to select either the 150,000 or 300,000 steps challenge.

A charitable cause option was also added for staff to donate their cash/ voucher rewards to make a personal donation to the STSPMF. The e-race was held between 9 July and 9 August 2020 with 227 staff clocking over 49 million steps. The Club donated \$10 on behalf of the staff for every 300,000 steps clocked, and with other personal donations from staff, a total of \$3,717 was donated to STSPMF.

SPH Tribe Challenge 2020 (walk to support STSPMF)

Let's clock steps as a SPH Tribe to walk one round of the equator in 30 days!
 Start Date: 9 Jul 2020
 End date: 9 Aug 2020

Participate in this FUN challenge to keep fit and stay healthy. Complete the challenge to win SPH mall vouchers and donate your rewards to the beneficiaries of STSPMF. This challenge is made possible with the support from 42Race, one of our SPH Ventures' companies.

Sign up with your SPH email address:

1. Online registration opens from 1 Jul to 7 Aug.
2. If you use personal email account, fill in your **SPH Staff ID** on the registration form for identification purposes.
3. If you use SPH email, input a different password; do not use your active password.
4. Clock steps using your mobile phone during challenge period.

SPH Sports & Leisure Club

Properties

Across our Singapore properties, fire drills that involve management and tenants are conducted annually, usually in the second or fourth quarter of the year. During the year, employees have undergone relevant first aid training courses conducted by accredited training providers.

Concierge or customer service counters are located conveniently at each mall to address shoppers' needs. Shoppers and members of the public can also get in touch via the "Contact Us" pages on each mall's respective website to raise relevant queries or provide feedback.

In order to mitigate health and operational risks posed by Covid-19, we are committed to ensure a safe environment for all our stakeholders including tenants, employees, shoppers and contractors. Other than safe distancing measures, we have also stepped up on safety and hygiene measures such as intensifying the cleaning and disinfecting in the malls, especially at common touch points such as toilets, lifts, refuse bins and handrails.

In Australia, the property manager has instituted Workplace Safety and Health (WSH) policies and procedures which include mandatory WSH training upon induction, covering first aid, emergency preparedness and safe work practices specific to their roles.

Sustainability Report

Orange Valley

At Orange Valley, a resident-first attitude is inculcated in all employees, and we are committed to delivering service excellence to the people in our care, with their health and safety as our highest priority. Robust procedures are in place to guide all employees on their roles and responsibilities, including measures to be taken during daily operations or in times of emergency. Flu vaccinations

are regularly administered to our employees to reduce the potential for spread of illnesses within the compound. Some 279 staff were vaccinated in FY2020.

Orange Valley organises various activities for our residents and staff that promote interaction and encourage health and well-being within our care facilities. Prior to Covid-19, themed carnivals would be held twice a year and the four major festivals would be observed, providing opportunities for residents and their families to spend time together through the performances, health awareness talks and even participating in game booths. Amid the Covid-19 pandemic, Orange Valley managed to organise Zoom calls with residents and their loved ones, allowing family members to deliver food to celebrate these festivities.

In response to the Covid-19 pandemic, Orange Valley conducted daily temperature taking for all staff and visitors. Visitor control measures were also put in place such as limiting face-to-face visitors by regulating visitation timing, number of visitors and restricted venues. Donning of PPE such as face mask and face shield was required of all visitors and residents. Staff zoning, where staff and residents were assigned to permanent zones, was also implemented to avoid potential cross-contamination. Limitation to contractors doing repair and maintenance in the nursing homes was also implemented to reduce exposure.

In FY2020, Orange Valley achieved its target of zero significant non-compliance concerning the health and safety impacts of products and services.

PBSA

Currently, there are over 7,000 beds under the PBSA portfolio. Prior to acquisition, we engaged consultants to perform a thorough environmental, health and safety due diligence on the assets. Visual surveys of the environment, mechanical and electrical aspects were taken into consideration. Various compliance documentation and fire risks assessments were also reviewed to ensure their validity.

The daily operations are fully handled by SCPMS and appointed operators Host, CRM and Fresh, which are responsible for maintenance of the buildings, registration of students and booking of the accommodation. An operations team is located on-site to oversee maintenance, security and caretaking.



CASE STUDY

Company Emergency Response Team (CERT)

CERT is a group of in-house first responders identified by a company to be competently trained in preventing any emergency from escalating into a major disaster. The primary objective is to mitigate and control an emergency situation during the initial stages prior to SCDF's arrival and also to ensure operational synergy between the CERT and SCDF.

CERT training was started in June 2019. In FY2020, we sent 51 employees across our Orange Valley nursing homes to attend the 2-day WSQ Response to Fire Emergency in Buildings training session. Moving forward, we aim to continue sending staff for similar trainings and workshops such as the WSQ Implement Incident Management Processes workshops. We are also looking into the procurement of CERT team equipment to facilitate quick response to potential hazards in the workplace.



In the UK, the Health & Safety Act of 1974 governs the management of the health and safety of our stakeholders. Host is also a registered member of the Institution of Occupational Safety and Health (IOSH) and fully qualified under the National Examination Board in Occupational Safety and Health (NEBOSH). Although we do not directly manage all three operators, they each have in place a regular monitoring and reporting process that ensures all local regulations relating to building safety are complied with to promote a positive health and safety culture on our premises.

Fresh adopts the recognised "Managing for health and safety" HSG65 model to oversee health and safety arrangements at their managed PBSAs. It uses a Plan, Do, Check, Act principle to govern its health and safety management system. Relevant Standard Operating Procedures (SOPs) are detailed within Fresh's health and safety policy. Lastly, CRM uses an online Health and Safety management platform where all compliance tasks for Health and Safety are detailed. All three operators also conduct risk assessments on a regular basis where it will be updated and reviewed internally by the team onsite as part of audit processes.

Each asset is fitted and equipped with a fully addressable fire detection system, an integrated sprinkler system alongside a fully maintained and operational wet or dry riser, and fire prevention and mitigation measures such as passive fire stopping. Our sites are monitored 24/7 on CCTV and all systems are maintained in accordance with the British Standard through a British Approvals for Fire Equipment (BAFE) accredited maintenance provider. We

conduct weekly and monthly fire system functionality checks, and yearly audits on compliance and the validity of relevant certification (e.g. energy performance and fire cladding).

Students are encouraged to reach out to the site team for any matter from a health and safety standpoint. Our efforts in entering a collaborative partnership with our three operators help ensure that students residing in our PBSA network enjoy a pleasant and safe experience in their university and college years.

In FY2020, there were no identified non-compliance from the audits conducted. There were also zero non-compliance concerning the health and safety impacts of products and services by PBSA. During the year, non-compliance concerns were raised across an asset managed by Host. They included concerns such as fire compartmentation issues, inoperative firefighting lift as well as combustible cladding. Host has since taken corrective actions to ensure that they have been rectified.

Performance

We have in place robust procedures for responding, reporting and investigating of incidents and accidents.

SPH Group's Accident Frequency Rate (AFR) for FY2020 is lower than previous year by 0.5 units. This is attributed to the lower workplace accidents reported. We will work with all entities to continue to achieve a lower AFR in FY2021 and maintain a lower Workplace Injury Rate compared to the National All Industry rate.

Accident Rate	FY2018	SPH FY2019	FY2020	National All Industry Accident Rates for 2019
Workplace Injury Rate ⁵	NA	NA	274	396
Accident Frequency Rate (AFR) ⁶	0.8	1.8	1.3	Not available

5 A workplace injury is any personal injury or death resulting from a workplace accident, including work-related traffic injuries. It is calculated by no. of fatal and non-fatal workplace injuries/ no. of workers x 100,000.

6 AFR measures how often work incidents occur. (AFR = No. of workplace accidents reported/ No. of man hours worked x 1,000,000).

Sustainability Report

Employees⁷

There were a total of 11 work-related injuries, most of which arose from minor accidents. One of the accidents resulted in a high-consequence work-related injury where one of our staff had the tip of his fingers amputated. Follow-up actions taken by SPH include implementing safety time-outs and ad-hoc safety briefings for staff closely involved in similar workplaces. Portable protection viewer for all unmitigated testing/checking of machines was also implemented after the incident. All incidents were shared at WSH Committee meetings, of which the learning points brought up are then communicated with all staff. There were no fatalities recorded.

Total no. of employees	Fatalities		Recordable work-related injuries		High-consequence ⁸ work-related injuries		Number of hours worked
	Number	Rate	Number	Rate	Number	Rate	
3,652	0	0	11	1.3	1	0.1	8,235,105

Workers who are non-employees

Workers are non-employees whose work or workplace is controlled by the organisation. This includes workers who provide cleaning, security, F&B, delivery services (mails, newspaper and magazines) within its premises, employees from operators, Host and CRM for our PBSA division and employees managing Figtree Grove in Australia. There were no fatalities or high-consequence work-related injuries recorded. However, there was one case of work-related injury where an employee of Host sustained an ankle fracture falling from the stairs. This is considered a RIDDOR-reportable (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) incident and was reported to the Health and Safety Executive in UK. The employee had an air cast fitted and the site was investigated to prevent future occurrences.

Total no. of workers	Fatalities		Recordable work-related injuries		High-consequence work-related injuries		Number of hours worked
	Number	Rate	Number	Rate	Number	Rate	
363	0	0	0	0	0	0	552,661

⁷ Safety statistics were disclosed only for employees from Media, Properties, Orange Valley and PBSA.

⁸ A high-consequence work-related injury is a work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.



ADOPT ENVIRONMENT-FRIENDLY PRACTICES

SDG
SUPPORTED



MATERIAL FACTORS IN THIS PILLAR



ENERGY AND EMISSIONS

The media industry generally has a low impact on the environment, relative to its scale. However, our own commitment to environment protection and resource conservation is critical to promote environmental stewardship to the public. For our Properties, Aged Care and PBSA businesses where the majority of the resource consumption comes from tenants, shoppers, residents and students, SPH makes a conscious effort to raise awareness and educate them on responsible consumption so as to advocate for a sustainable lifestyle. As we expand our business, our impact grows. We work to minimise our environmental footprint.



WATER



EFFLUENTS AND WASTE



MATERIALS

Paper and ink are the key materials used by our media business. Our stakeholders are concerned about where we source these materials from.

MANAGEMENT TOOLS

■ Environmental Protection Policy

■ Ethical Procurement Policy

HIGHLIGHTS

100%

compliance with National Environment Agency (NEA) regulations regarding wastewater management

16%

energy reduction at Print Centre from FY2016 baseline

27%

water saved at Print Centre from FY2016 baseline

100%


sustainably sourced paper pulp

Sustainability Report

SPH adopts a best practice approach to environmental stewardship as we reduce our environmental impact across our business divisions. Through frequent monitoring, we are kept conscious of our carbon footprint, resource consumption patterns and amount of generated waste; we therefore consistently aim to minimise our environmental impact while encouraging our stakeholders to think and act green every step of the way too.

ALIGNMENT TO SUSTAINABLE SINGAPORE BLUEPRINT (SSB)

The SSB was launched in November 2014 with the vision to create a Liveable and Endearing Home, a Vibrant and Sustainable City, and an Active and Gracious Community. It sets out Singapore's 2030 targets towards achieving sustainable development through its six main areas. Of the six target areas under the SSB, SPH has identified three to align our current practices with. Our initiatives are detailed in the infographics below.



RESOURCE SUSTAINABILITY

Green Buildings
Green Mark Gold: The Clementi Mall and The Seletar Mall
Green Mark Certified: Paragon

Reduction in Energy Consumption
 Print Centre achieved a 16% reduction in energy consumption from our FY2016 baseline

Reduction in Water Consumption
 In FY2020, Print Centre saw a 27% reduction in water consumption from our FY2016 baseline.

E-waste recycling
 Staff can also dispose of their old electronics at the e-waste recycling bin located at the Green Corner in News Centre.

GREENING OUR SPACE

Orange Valley
 We place emphasis on creating a liveable environment for residents. Compounds are decorated with plants, trees and water features to promote oxygen creation and reduce heat absorbed by the infrastructure, increasing its energy efficiency.

Orange Valley also practises composting methods to convert garden waste and certain food waste into fertilisers.

COMMUNITY STEWARDSHIP

Greenergy
 Greenergy is a group formed by staff volunteers in SPH to champion green initiatives for SPH and our community. They organised the inaugural clothes swop and bi-monthly "Ditch the Disposables Day", which were well-received by staff.

Clothes recycling
 SPH Foundation Green Fund was launched to support innovative conservation ideas and campaigns that will benefit the community. In FY2019, this fund supported Greensquare, an organisation committed to textile recycling through free recycling services and education.

Partnership with Terra SG
 SPH Foundation partnered NGO Terra SG on a nationwide project – National Engagement With Sustainability (N.E.W.S.) – which is a series of initiatives to educate and engage the public on the effects of climate change, and what we can do to address the issue.

Community in Bloom Gardens
 The biennial Community in Bloom awards recognise and reward gardening efforts of local gardening groups for (1) garden quality, (2) level of community involvement and inclusiveness and (3) biodiversity and environmental friendliness.

In FY2019, Orange Valley's community gardens were awarded:
Gold Banding: Sims Avenue
Silver Banding: Clementi, Marsiling, Simei

ENERGY AND EMISSIONS 302-1 / 302-3 / 305-1 / 305-2 / 305-4

Total energy consumption in SPH consists of about 99% electrical consumption and 1% from fuel consumption. The fuel consumption includes diesel for forklifts at Print Centre and transportation in Orange Valley's operations. The total fuel consumption in Singapore for FY2020 is 1,640 GJ.

Due to the high energy consumption levels at Print Centre relative to other operations, a dedicated Energy Manager is

appointed to monitor energy performance and to identify any improvement opportunities. We submit our Energy Use report and Energy Efficiency improvement plan to NEA annually.

For the other businesses, most energy usage stems from the buildings' electricity consumption. Specific energy-saving initiatives are therefore implemented in each building to cater to their specific operational requirements.

Energy-saving initiatives

BUSINESS	ENERGY-SAVING INITIATIVES
Media	<ul style="list-style-type: none"> ■ News Centre: Continued replacement of non-energy saving lamps with energy-efficient LED lamps which were not covered during the retrofitting project ■ News Centre: Review of air-conditioning operating hours and daily routine checks to switch off under-utilised lighting and air-conditioning units ■ Print Centre: Optimised Air Handling Units (AHU) operation in air-conditioning and mechanical ventilation (ACMV) system for energy savings ■ Print Centre: Installation of Chiller Monitoring System at PC2 Building Chiller Plant to monitor chiller plant performance. ■ Print Centre: Conducted an Energy audit for Energy Efficiency Opportunities Assessment (EEOA) mandated by NEA
Properties	<ul style="list-style-type: none"> ■ Achieved Green Mark Certification for Paragon, and Green Mark Gold for The Clementi Mall and The Seletar Mall since May 2018, October 2018 and March 2014 respectively. ■ Completed replacement to energy-efficient LED across all Singapore properties ■ Completed replacement of 14 sets of AHUs at Paragon office tower ■ Training on operation of Building Management System (BMS) and optimising equipment usage conducted for the property manager's employees in Australia
Orange Valley	<ul style="list-style-type: none"> ■ Ongoing initiative to replace existing fluorescent lights to LED lights by installing an LED conversion kit when existing lights wear out.
PBSA	<ul style="list-style-type: none"> ■ Energy Performance Certificates (EPCs)⁹ rating of D (on a scale of A-G), an average score in the UK. ■ Daily system checks to ensure maximum functionality and operation efficiency ■ Regular maintenance of facilities and amenities ■ Annual audits conducted by UK Government ■ Engagement activities with students to encourage energy-saving behaviour to reduce energy consumption – a Sustainable Living Guide made available to students at Fresh-managed assets which sets out guidelines and tips on reducing energy, water, waste and carbon footprint

9 Energy Performance Certifications are a rating scheme to summarise the energy efficiency of buildings in the European Union.

Sustainability Report

Performance

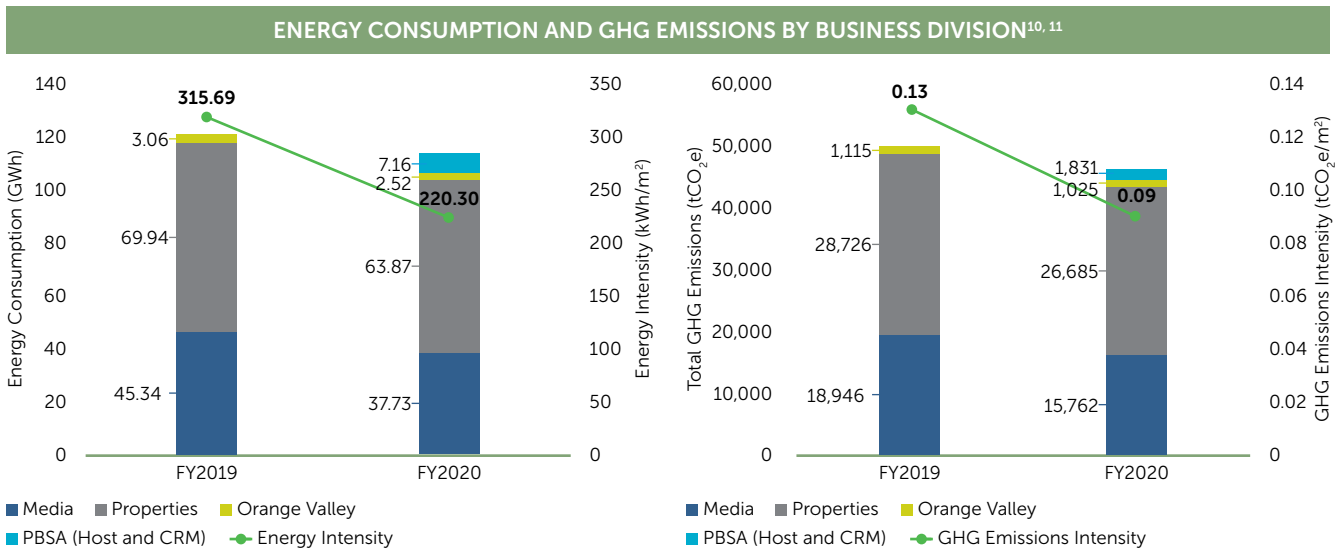
For most of FY2020, SPH Group's operations were significantly affected by Covid-19. With the onset of office closures, lowered production rates as well as mall closures, energy use levels were expected to be lower when compared against prior year's consumption. To that end, the respective facility management teams still continued with the respective energy-saving initiatives throughout the year.

In FY2020, total direct (Scope 1) GHG emissions is 121.8 tCO₂e and total indirect (Scope 2) GHG emissions is 45,180 tCO₂e.

News Centre and Media Centre aim to maintain their total energy consumption based on a five-year moving average, and Print Centre (Production) targets to maintain its total energy consumption based on FY2016 levels. Paragon, The Clementi Mall and The Seletar Mall strive to maintain

current energy and GHG emissions intensities from previous year's levels. News Centre and Media Centre managed to achieve reduction in energy consumption in FY2020 (9,228,969 kWh) compared with the five-year moving average as of FY2019 (19,510,431 kWh). Print Centre also reduced energy consumption in FY2020 (28,239,857 kWh) from FY2016 levels (33,584,178 kWh). Despite the low energy consumption levels recorded due to lowered activities across Media, respective energy saving initiatives were still implemented throughout the year.

For Properties, there was also a slight decrease in energy intensity in FY2020 (425.05 kWh/m²) from FY2019 (473.91 kWh/m²) brought about by the two-month circuit breaker where non-essential services had to stop operations as a form of Covid-19 precautionary measures. This comparison excludes the newly added Figtree Grove in FY2020. PBSA had disclosed its first full year of performance data and will present comparable data in the next report.



WATER 303-1 / 303-2 / 303-3

Water consumption across all premises is closely monitored, and regular maintenance is conducted to ensure the integrity of our water supply networks. We conduct investigations upon detection of any anomalies.

To raise awareness about water conservation, we engage our employees and tenants/residents on various water management initiatives like providing training on water-saving practices for our employees, and displaying signs in prominent areas to serve as a reminder to adopt water-saving habits.

10 GHG emissions for Media and Orange Valley are computed based on emission factors derived from Greenhouse Gas (GHG) Emissions Measurement and Reporting Guidelines published by National Environment Agency and electricity grid emission factor published in Singapore Energy Statistics by Energy Market Authority. GHG emissions for PBSA (Host and CRM) are computed based on emission factors derived from UK Government GHG Emissions Factor for Company Reporting. GHG emissions for Properties are provided by the appointed energy management firm servicing our properties.

11 Energy consumption and GHG emissions for Properties exclude The Rail Mall as it is insignificant to total consumption. The respective data for PBSA includes Host and CRM only. Information for Fresh is unavailable.

Water-saving initiatives

BUSINESS	WATER-SAVING INITIATIVES
Media	<ul style="list-style-type: none"> ■ News Centre: Use of water-efficient fittings and PUB-recommended flowrates for flushing systems ■ Print Centre: Rainwater harvesting facility at our PC2 production plant uses the collected rainwater in the cooling tower water tank to reduce water consumed. This year water meters have been installed to better track rainwater usage. ■ Daily checks on water supply installation for undetected leaks across both News Centre and Print Centre
Properties	<ul style="list-style-type: none"> ■ All three malls in Singapore are certified under the Public Utilities Board's (PUB) Water Efficient Building (WEB) Certification Programme which uses water efficient fittings and recommended flowrates recommended by PUB ■ External consultant was engaged to monitor and manage water use data at Figtree Grove. A water group assessment was also conducted during the year which identified opportunities for water savings
Orange Valley	<ul style="list-style-type: none"> ■ Rotating water sprinklers are used in the garden to help in the daily watering of plants. This method helps to distribute and control the watering, minimising wastage and runoffs caused by over- or under-watering.
PBSA	<ul style="list-style-type: none"> ■ With water consumption mainly driven by students' activities, education on water conservation remains key. Water-saving tips displayed across PBSAs through posters to encourage water saving habits among students

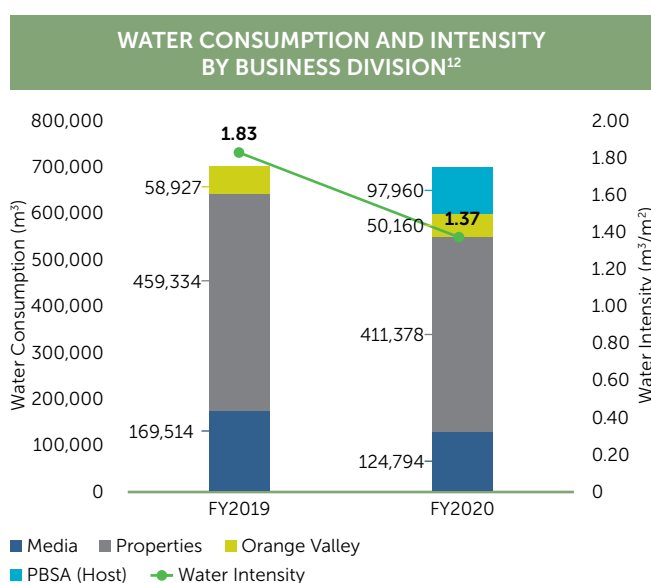
Performance

With the onset of Covid-19 precautionary measures, such as regular handwashing, increased cleaning and disinfection frequency across all four business segments, an increase in water consumption would be expected. However, with low activities across Media, an overall reduction was recorded at the end of the year. Nonetheless, respective water saving initiatives were still implemented throughout the year.

News Centre and Media Centre aim to maintain their total water consumption based on a five-year moving average, and Print Centre (Production) targets to maintain its total water consumption based on FY2016 levels. This year, News Centre and Media Centre saw a decrease in water consumption in FY2020 (61,329 m³) compared with the five-year moving average as of FY2019 (114,685 m³). Print Centre also saw a drop in water consumption in FY2020 (63,463 m³) from FY2016 levels (86,690 m³).

Paragon, The Clementi Mall and The Seletar Mall strive to maintain current water intensity from previous year's levels. Water intensity for properties dropped in FY2020 (2.50 m³/m²) from FY2019 (3.11 m³/m²) brought about by

the two months of the circuit breaker where non-essential services had to stop operations as a form of Covid-19 precautionary measures. This comparison excludes the newly added Figtree Grove in FY2020. PBSA had disclosed its first full year of performance data and will present comparable data in the next report.



12 Water consumption for Properties excludes The Rail Mall as it is insignificant to total consumption. The respective data for PBSA includes Host only. Information for Fresh and CRM is unavailable.

Sustainability Report

EFFLUENTS AND WASTE 303-4 / 306-2

We strive for proper segregation, treatment and disposal of our effluents and waste. Quantities of waste disposed and recycled by different properties are recorded for mandatory reporting. SPH's waste classification and corresponding management plans are outlined below.

Waste Classification and Management Plans

TYPE OF WASTE GENERATED	DESCRIPTION	MANAGEMENT PLAN
MEDIA		
Trade Effluent	All cleaning liquids used for the presses' rollers	<p>Effluent is treated at on-site wastewater treatment plant to meet allowable limits for trade discharge relating to Environmental Protection and Management (Trade Effluent) before it is discharged into the public sewer.</p> <p>The remaining sludge is collected and disposed of by a licensed disposal company approved by NEA.</p>
Non-Treatable Waste	Waste chemical, ink and developer	<p>Collected and disposed of by a licensed waste disposal company approved by NEA.</p> <p>Waste chemical/ink: Sent for treatment at waste disposal company and will be discharged into PUB sewage only after a sample of the treated waste passes the Trade Effluent test and meets all of NEA requirements</p> <p>Developer: Sent for incineration and the bottom ash will be sent for cementation before conducting a Toxicity Characteristic Leaching Procedure (TCLP) test. Finally, it is sent to the landfill.</p>
Recyclable Waste	Newsprint, aluminium printing plates, carton boxes, metal drums, and plastic containers	Collected and sold to recycling facilities.
PROPERTIES AND PBSA		
Recyclable Waste	Aluminium cans, plastic containers, paper-based packaging and glass	Collected and sold to recycling facilities.
General Waste	General waste collected from malls and student accommodation which are not recycled	<p>Collected and disposed of by licensed waste disposal company approved by NEA, relevant UK authorities and local environmental regulator in Australia</p> <p>Operators in UK have a waste management plan prepared in accordance with the guidelines set by the local authorities. This plan comprises the number of bins and space required to provide capacity for the residents living within the premises. Plans will be reviewed internally by the team to ensure that it is operationally effective for each PBSA.</p>

TYPE OF WASTE GENERATED	DESCRIPTION	MANAGEMENT PLAN
ORANGE VALLEY		
Biohazardous Waste	Infectious waste, pharmaceutical waste and sharps waste	Guided by Orange Valley's Waste Management guidelines, they are separated and contained on-site prior to collection by ISO 14001-certified disposal companies.
Non-Hazardous Waste	General waste	Collected and disposed of by licensed waste disposal company approved by NEA.
	Plastic containers, waste wood and aluminium	Where applicable, they are upcycled and used at our gardens.

Our offices have also switched to printers with print-on-demand and double-sided printing features to reduce paper wastage. Staff can also dispose of their old electronics at the e-waste recycling bin located at the Green Corner in News Centre.

Performance

The following summarises the effluent and waste discharge values in FY2020. We continue to seek 100% compliance with NEA's regulations regarding wastewater management in FY2021.

Effluents and Waste Statistics for SPH Group in FY2020^{13,14}

	FY2019	FY2020
MEDIA (PRINT CENTRE AND NEWS CENTRE)		
Treated waste water discharged to sewer (m ³)	2,556	1,966
Untreated waste water disposed by licenced vendor (litre)	49,000	45,000
Sludge disposed of by licenced vendor (kg)	26,140	59,530
Recycled waste (kg) (Print Centre)	3,275,540	2,467,530
Non-hazardous waste discharged by licenced vendor (kg) (News Centre)	Data unavailable	246,982
ORANGE VALLEY		
Hazardous waste disposed of by licenced vendor (kg)	19,262	28,448
Non-hazardous waste discharged by licenced vendor (kg)	5,219,500	4,328,280

¹³ Scope of all effluents and waste data includes only SPH Print Centre and Orange Valley.

¹⁴ Non-hazardous waste discharged by licenced vendor under Media includes News Centre only. Data shown is from January 2020 onwards as data for September 2019 to December 2019 is unavailable. Data for Media Centre unavailable as it did not receive notice from NEA for mandatory waste reporting.

Sustainability Report

MATERIALS 301-2

SPH is committed to minimising the social and environmental consequences of our business operations. We work only with suppliers and business partners that uphold SPH's values and ethical standards.

Vendors are subject to a rigorous qualification process to ensure that they adhere to environmental and social responsibilities. SPH contractually requires vendors to comply with our procurement guidelines which encompass ethical business dealings, workforce labour, health and safety, human rights and discrimination, environmental protection and conservation, and personal data and confidentiality. In February 2020, we held our first Procurement Fundamentals workshop that trained employees on procurement ethics as well as the sourcing and evaluating the suitability of potential suppliers. A total of 152 employees attended three sessions of such workshops in February, March and August 2020.

For major newspaper printing supplies such as paper and ink, a best-sourcing approach is adopted.

Only the following types of paper pulp are used for newsprint production:

- 100% sustainably sourced paper pulp. In FY2020, our newsprint produced comprised 60% recycled pulp and 40% virgin fibre pulp
- Hybrid newsprint: A mixture of recycled paper pulp and virgin fibre pulp
- Virgin fibre pulp sourced from sustainable plantations compliant with internationally recognised sustainable forest management standards. These include Sustainable Forestry Initiative (SFI), Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC)

Similarly, we only use inks with minerals or are soy-based, produced in compliance with REACH or NICNAS.



COVID-19 HIGHLIGHT MANAGING SUPPLY CHAIN DISRUPTIONS DURING THE PANDEMIC

The Covid-19 pandemic has brought about major disruptions to supply chains globally as flight travel ceases and lockdowns are enforced. However, there were no material disruptions to our Media supply chain due to measures that have already been ingrained into our practice. For example, SPH takes a proactive approach toward supplier management. We ensure diversification in our supplier sources and countries of production, and our delivery and shipment routes to guard against any event of disruption. Such measures allow us to remain resilient even in times like this pandemic.

For Orange Valley, we have established alternative supply sources for all critical products and ensured close communication with suppliers to obtain first-hand information on any disruption. To further ensure our resilience against supply shocks, we have established a list of local wholesalers who carry similar or alternative products. We also ensure that we have a good understanding of the monthly consumption of our products to enable us to estimate the surged percentage.



CARE FOR OUR COMMUNITY

SDGs SUPPORTED



MATERIAL FACTORS IN THIS PILLAR



LOCAL COMMUNITIES

Community investment is a valuable way to engage staff and ensure thriving local communities.

To help the community tide through the Covid-19 pandemic, several initiatives and campaigns have been launched. Even as Singapore has taken positive steps to reopen its economy in Phase 2, the impacts may continue to be felt by the society. SPH will continue to provide support to the community in maintaining positivity and hope as we emerge from the tough times.

MANAGEMENT TOOLS

- Corporate Social Responsibility (CSR) Policy

HIGHLIGHTS

Donated about
\$1.6M
to various social and charitable causes by SPH and SPH Foundation

Orange Valley donated
134
assistive devices and
2,000
reusable masks to elderly and preschoolers respectively

Implemented
142
local community engagement and development programmes

Chinese Media Group raised
\$55,000
for the migrant workers community

Sustainability Report

CORPORATE SOCIAL RESPONSIBILITY PILLARS 413-1

SPH is committed towards enriching the lives of the communities in which we operate through our Corporate Social Responsibility (CSR) initiatives and partnerships. Underpinning our efforts is a Group-wide CSR policy that details the process used to assess and review all proposed community involvement initiatives.

SPH collaborates with reputable organisations, meaningful causes and activities across five identified CSR pillars. Besides the SPH Staff Volunteers Club, employees are invited to participate in our events like Bags of Love and Charity Carnival, where various divisions and subsidiaries gather to raise funds for their adopted charities.

This year, we witnessed the world grapple with one of the worst pandemics that has affected the lives of many as businesses and communities struggle to get through this difficult time. To lend our support to those that have been gravely affected by Covid-19, SPH has implemented various initiatives to help the community through this crisis. We have provided financial and emotional support to those that have been affected by the pandemic. Although the advent of the Covid-19 outbreak has resulted in the postponement of some of our CSR initiatives, we managed to keep to our target of supporting and organising 142 programmes, including sponsorships, donations and company organised events.





CASE STUDY

Celebration of our CSR journey

FY2020 earmarks milestones in our CSR journey:

- SPH Staff Volunteers Club turns 10 this year. To commemorate this milestone, the SPH Virtual Charity Fest was held from 17 to 21 August. Fifteen charity organisations including the Down Syndrome Association Singapore, Feiyue Community Services and Cat Welfare Society as well as internal divisions and subsidiaries took part in the festival, which featured 10 live events such as live sales and webinars. About \$14,000 was raised during the week-long festival. A special logo for the Staff Volunteers Club was also unveiled to mark the special occasion.
- We continued to support the Special Projects to Understand Nature (SUN) Club programme for the 15th year. The programme allows students with special needs to appreciate nature through tailor-made, interactive sessions, and has benefited more than 700 participants from 7 schools in 2019.

CHARITY AND COMMUNITIES

Annual collaboration with the Boys' Brigade and its Share-a-Gift initiative

The Boys' Brigade Share-a-Gift Project was started in 1988 as an annual community service project that promotes the spirit of caring and sharing among the local community during the Christmas season. In December 2019, more than 130 SPH staff, including from management, contributed gifts with an estimated value of \$20,000, adopting and granting about 300 wishes of beneficiaries from 11 charities including Marymount Centre – Good Shepherd Place and Singapore Corporation of Rehabilitative Enterprise (SCORE).

SPH Cares with Bags of Love

As part of SPH Staff Volunteers Club's annual "SPH Cares with Bags of Love" outreach event, our staff brought festive cheer to more than 60 senior citizens at Care Corner Senior Activity Centre at Woodlands in January. They entertained with music performances, distributed fortune bags and did a "lo-hei" of healthy "yusheng" with the seniors.

Functional Health Screenings (Orange Valley)

Throughout the year, various health screenings for the elderly were conducted in our nursing homes with external collaboration from other healthcare providers such as the Singapore National Eye Centre. Examples of the screenings conducted include blood pressure measurement, blood glucose level, vision/hearing assessment, dental screening and dietary screening and consultation.

Public Lunch Talks (Orange Valley)

Public Education is an integral component in Orange Valley's community outreach programmes. Orange Valley staff conduct health talks for both residents in the nursing homes and local residents in the community. This helps to promote health awareness and active ageing and encourages social interactions.

As part of our initiative to promote a healthy lifestyle to the public, we have also been participating in corporate lunch talks with companies within the vicinity of our facilities. In these sessions, our healthcare team share knowledge such as basic nursing care and healthy eating habits.

Sustainability Report

NATURE AND CONSERVATION

Greenery

Greenery is a group formed by staff volunteers in SPH to champion green initiatives for SPH and our community. The inaugural clothes swap and bi-monthly "Ditch the Disposables Day" were well-received by staff.

SPH Foundation Green Fund

SPH Foundation Green Fund was launched to support innovative conservation ideas and campaigns that will benefit the community. Staff can also apply for the fund if they have proposals to make SPH more "green". We continued to sponsor Singapore's largest sustainability festival, EarthFest, for the third year running.

Partnership with Terra SG

SPH Foundation also partnered Terra SG on a nationwide project – National Engagement With Sustainability (N.E.W.S.) – which is a series of initiatives to educate and engage the public on the effects of climate change, and what we can all do to address the issue. The N.E.W.S Exhibition featuring content curated by the ST climate team was launched at the Sustainable Singapore Gallery (SSG) in August 2020. It will feature six different thematic displays, tackling issues such as waste, rising sea levels and carbon emissions. Due to the Covid-19 situation, the exhibition is also made available virtually on the SSG microsite.



EDUCATION

Nurturing Younger Audiences

The Straits Times Schools team has grown its News in Education Programmes to include junior colleges, polytechnics and Institutes of Technical Education. Some of these institutions will be purchasing subscriptions of The Straits Times digital for more than 120,000 students to encourage reading up on current affairs.

The ST Schools team works with the Ministry of Education, teachers, lecturers and course coordinators to curate content for these student subscribers so as to nurture a habit of reading news content from credible sources. We also use ST content to educate the students on the dangers of fake news, teach skills such as critical thinking, help them stay updated on developments in areas such as Artificial Intelligence and entrepreneurship, and raise awareness on key issues such as mental health.

SPH Foundation Photography Competition

SPH Foundation launched its inaugural photography contest titled A Sustainable Tomorrow on 13 July. It attracted over 800 submissions based on the theme of sustainability, including photos of green spaces, urban farming, biodiversity, healthy living and home recycling ideas. The Instagram competition aims to showcase storytelling talents and raise awareness on climate change and eco-friendly lifestyles through photography.

Scholarships and Awards

13 recipients were awarded the SPH Foundation Lim Kim San Memorial Scholarship this year. The bond-free scholarships have helped some 134 deserving students from modest family backgrounds further their degree programmes in languages, linguistics and the humanities at local universities since 2006.

SPH is also a co-sponsor of Singapore Management University's Valedictorian Award.

Figtree High GenZ-2Work Programme

Through a partnership with Figtree High School, the GenZ-2work programme provided students with learning opportunities with the Centre Management Team or with tenants at the shopping centre. Twenty-five Year 10 students went through the programme where they learnt the basics of mall management from the property manager's employees and retail management from the respective tenants.

ARTS & CULTURE

SPH Foundation Arts Fund

We continued to sponsor tickets for charities to enjoy local productions by the likes of The Runaway Company and Decadence Co before the outbreak of Covid-19. In July 2020, charities were sponsored to watch an online performance by The Theatre Practice, which consists of three episodes aired over a week. This event has been postponed due to the Covid-19 situation.

Patron of the Arts

SPH, for the 28th consecutive year, and SPH Radio were honoured with the 2020 Patron of the Arts award by the National Arts Council for our contributions to the local arts scene.

Singapore Bicentennial Fashion

From 4 to 13 October 2019, Paragon collaborated with Raffles Design Institute (RDI) and HP Indigo to present a special Bicentennial Fashion Showcase at the mall's Atrium 2. RDI students created 14 original apparel designs inspired by Singapore's heritage. The designs were put on showcase as a fashion tribute to Singapore's heritage, culture and people over the past 200 years. Paragon was the venue sponsor for the 10 days of the Fashion Showcase.

SPORTS

SPH Foundation National Primary School Tchoukball Championships

It was double delight for Junyuan Primary School, which clinched both the boys and girls' titles at the 8th SPH Foundation National Primary School Tchoukball Championships in November 2019.

Healthy Living – Mass Workouts

The Clementi Mall partnered Singapore's Health Promotion Board (HPB) to cultivate an active and healthy lifestyle among residents in the neighbourhood. Through the programme, regular mall workout sessions led by professionals were held on every 1st and 3rd Wednesday of the month, excluding public holidays. The sessions were consistently well-received with about 20 participants per class.

Sustainability Report



COVID-19 HIGHLIGHT SUPPORTING COMMUNITIES

SUPPORT THROUGH THE COURAGE FUND

SPH Foundation donated \$100,000 to The Courage Fund to support dependents of individuals who have succumbed to Covid-19; healthcare workers, frontline workers and community workers who have contracted Covid-19 in the line of duty; lower-income households affected by Covid-19.

COVID-19 SUPPORT TOWARDS COMMUNITY CHEST

In FY2020, about \$1.6million was donated to various social and charitable causes by SPH and SPH Foundation. Of which, as part of its annual giving, \$300,000 was disbursed to 20 charitable programmes under the Community Chest and the Special Education Financial Assistance Scheme (SPED FAS) to support seniors, disadvantaged families and the disabled, among others. The donation was brought forward to June this year in recognition of the need for earlier aid amid tougher economic conditions during the Covid-19 outbreak. Of this amount, \$200,000 will go towards the 20 programmes serving the elderly, disadvantaged families, underprivileged children and the disabled, while the remaining \$100,000 will go towards SPED FAS.

SUPPORTING TENANTS

In addition to passing on the government legislated property tax rebates in full to tenants, and providing the mandatory rental relief for SME tenants, further engagement was done to provide enhanced assistance to help them through the tough period.

We have taken proactive measures to assist tenants as we work in close partnership to support them during this difficult period. Since February 2020, we have rolled out a tenants' assistance relief scheme for tenants whose businesses were impacted by Covid-19 in both Singapore and Australia. Complementing the government's schemes, we provided additional targeted rental rebates to assist affected tenants across all our assets, on a case-by-case basis, considering their trade and sustainability.

Similarly in Australia, the federal government issued guidelines under the "SME Commercial Code of Conduct and Leasing Principles" (the "Code") which were enacted in various states. We likewise had made an allowance for rental assistance to eligible tenants in our Australian assets in line with the Code. The enhanced assistance rendered help to position the assets and tenants in readiness for business opportunities when recovery begins.

PROVIDING SUPPORT TO FRONTLINE WORKERS AND THOSE AFFECTED BY THE PANDEMIC

Complimentary digital news access was provided to healthcare professionals in appreciation of their work during pandemic. News tablets and reading materials were also donated to Covid-19 patients and those who were quarantined. SPH's Chinese Media Group (CMG) also raised \$300,000 from online donations and cheques in the week after the telecast of a live show in February to show appreciation to frontline workers.

Philanthropist Dr Tahir donated \$500,000 through CMG, which then donated \$72,000 to Singapore Association of the Visually Handicapped (SAVH),

\$50,000 to Food for the Heart and \$50,000 to Child at Street 11.



Award-winning songwriter and music producer Eric Ng (with guitar) performing with six of his students to show appreciation to frontline medical staff and communities affected by the Covid-19 outbreak.

PROVIDING SUPPORT TO THE MIGRANT WORKERS COMMUNITY

CMG raised about \$55,000 from readers and staff and partnered BreadTalk, Gongcha etc., to organise volunteers to pack and deliver food to migrant workers under the Alliance of Guest Workers Outreach campaign.



Migrant workers receiving bread and pastries from BreadTalk

PROVIDING SUPPORT TO THE COMMUNITY AND LOCAL BUSINESSES

SPH launched #StayHomeWithSPH, a platform with a variety of lifestyle content ranging from cooking tips to fashion features to celebrity interviews and more to help the community tide through the circuit breaker period. SPH Magazines also offered readers a 3-month free digital subscription for all magazines as a source of entertainment for the community during the circuit breaker.

CMG launched a video series Come 'n Live @ zaobao.sg to encourage seniors to stay active while staying at home. The video series feature fitness, cooking and singing courses to keep seniors entertained during the outbreak.

To make Covid-19 information more accessible to the elderly, 96.3 Hao FM launched the "Covid-19 – Let's talk about it!" programme to explain the latest developments and information related to the virus in five local dialects – Hokkien, Teochew, Cantonese, Hainanese and Hakka.



96.3 Hao FM deejay Anna explaining the reasons for wearing masks in Hokkien

"We hope that our digital offerings will be able to enrich the lives of our readers and listeners in such troubling times." – Ms Lee Huay Leng, Head of CMG

To help local businesses through this difficult period, SPH launched Shop For Good, an e-commerce platform offering complimentary listings for brands and eateries, and discount vouchers and

promotional codes for consumers. Berita Harian also organised a discussion via Facebook to provide a platform and bring together Home-Based Business owners to express their concerns and discuss the regulations surrounding Home-Based Business.

In celebration of National Day 2020, Orange Valley donated 134 assistive devices like wheelchairs and walking aids, and 2,000 reusable face masks to selected elderly beneficiaries and preschoolers respectively residing in Taman Jurong. In order to fulfil the large volume of reusable face masks required, Orange Valley engaged Connezt Dots, a social enterprise that provides employment to home-based seamstresses from low-income families, and ESTA Signature by design powerhouse Esther Tay, creating meaningful employment opportunities for local small businesses and social enterprises.



Sustainability Report

REPORTING WHAT MATTERS

ABOUT THIS REPORT [102-46](#) / [102-48](#) / [102-49](#) / [102-50](#) / [102-52](#) / [102-54](#)

Despite the pandemic, we remain committed to our sustainability agenda and have implemented measures within our five Sustainability Pillars to help us navigate this global crisis. The pandemic has not hindered our perception of the importance of sustainability. Rather, it has further affirmed our belief in sustainable development.

Reporting period

This report discloses SPH Group's activities and ESG performance for FY2020, from 1 September 2019 to 31 August 2020, with prior periods provided for comparison where available.

Reporting standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, with additional reference to the guidelines set out in the GRI-G4 Media Sector Disclosures and the SGX Sustainability Reporting Guide.

PILLAR	KEY INITIATIVES
STAKEHOLDER INCLUSIVENESS	We engage with our stakeholders on an ongoing basis to understand their expectations and interests, as well as their information needs. This report draws upon the outcomes of these interactions. Please refer to Page 103 for details on our approach to stakeholder engagement.
SUSTAINABILITY CONTEXT	We place emphasis on integrating sustainable practices across our businesses. SPH strives to transform our business model through diversification and innovation to drive the long-term sustainability and growth of our organisation. We take reference from national and global agendas, such as the Sustainable Singapore Blueprint (SSB) and the UN Sustainable Development Goals (UN SDGs), to seek continuous improvements in our practices.
MATERIALITY	This report focuses on the ESG factors which are material to SPH. In defining our material ESG factors, we have considered the significance of the various impacts as well as their influence on our stakeholders' assessments and decisions. Please refer to Page 106 for details on our materiality assessment process.
COMPLETENESS, BALANCE	This report has been prepared to sufficiently provide an accurate and balanced view of SPH's ESG impacts to enable stakeholders to assess our performance. We are gradually expanding our reporting scope for more holistic disclosure. Please refer to Page 101 for details on our reporting scope.
ACCURACY, RELIABILITY, CLARITY, COMPARABILITY	The report has been presented in a manner that is sufficiently accurate, reliable and accessible to enable stakeholders to analyse changes in performance over time, and to support analysis relative to other organisations.
TIMELINES	This report is intended as an annual publication dedicated to provide regular disclosures of SPH's ESG impact to our stakeholders.

Reporting scope

The content of this report emphasises SPH's contribution to sustainability through our core Media business, Properties segment, as well as our purpose-built student accommodation (PBSA) and aged care (Orange Valley) businesses. In FY2020, we have expanded the reporting scope for our Properties and PBSA businesses.

BUSINESS	FY2018	FY2019	FY2020
MEDIA	<ul style="list-style-type: none"> ■ SPH ■ SPH Magazines ■ SPH Radio ■ Times Properties 	<ul style="list-style-type: none"> ■ SPH ■ SPH Magazines ■ SPH Radio ■ Times Properties 	<ul style="list-style-type: none"> ■ SPH ■ SPH Magazines ■ SPH Radio ■ Times Properties
PROPERTIES	<ul style="list-style-type: none"> ■ SPH REIT <ul style="list-style-type: none"> ■ Paragon ■ The Clementi Mall 	<ul style="list-style-type: none"> ■ SPH REIT <ul style="list-style-type: none"> ■ Paragon ■ The Clementi Mall ■ The Seletar Mall 	<ul style="list-style-type: none"> ■ SPH REIT <ul style="list-style-type: none"> ■ Paragon ■ The Clementi Mall ■ The Rail Mall^{NEW} ■ Figtree Grove Shopping Centre^{NEW} ■ The Seletar Mall
AGED CARE	–	<ul style="list-style-type: none"> ■ Orange Valley 	<ul style="list-style-type: none"> ■ Orange Valley
PURPOSE-BUILT STUDENT ACCOMMODATION (PBSA)	–	<ul style="list-style-type: none"> ■ Mayflower (14 assets) 	<ul style="list-style-type: none"> ■ Mayflower (14 assets) ■ Glasgow (2 assets)^{NEW} ■ Southampton (1 asset)^{NEW} ■ Sheffield (1 asset)^{NEW} ■ Leeds (1 asset)^{NEW}

Feedback 102-53

SPH seeks to continually sustain and improve on its business operations as we progress on our sustainability reporting journey. All stakeholders are welcome to write to sphcorp@sph.com.sg should they have any comments or concerns to raise.

SUSTAINABILITY GOVERNANCE 102-18

The Board has tasked the Board Risk Committee (BRC) to oversee and monitor the management of SPH's material ESG factors.

The Sustainability Steering Committee (SSC), comprising senior management from the Group, supports the BRC by developing SPH's sustainability objectives and strategy, manage and monitor SPH's overall sustainability performance.

The SSC is supported by the Sustainability Working Committee (SWC), which consists of representatives from various business functions to drive SPH's sustainability programmes across the Group.

SPH'S SUSTAINABILITY GOVERNANCE STRUCTURE



Sustainability Report

RESPONSIBLE SUPPLY CHAIN MANAGEMENT 102-9

SPH is committed to minimising the social and environmental consequences of our business operations. Our values and ethical standards are communicated to all suppliers and business partners through the group-wide Supplier Code of Conduct. The Code covers:

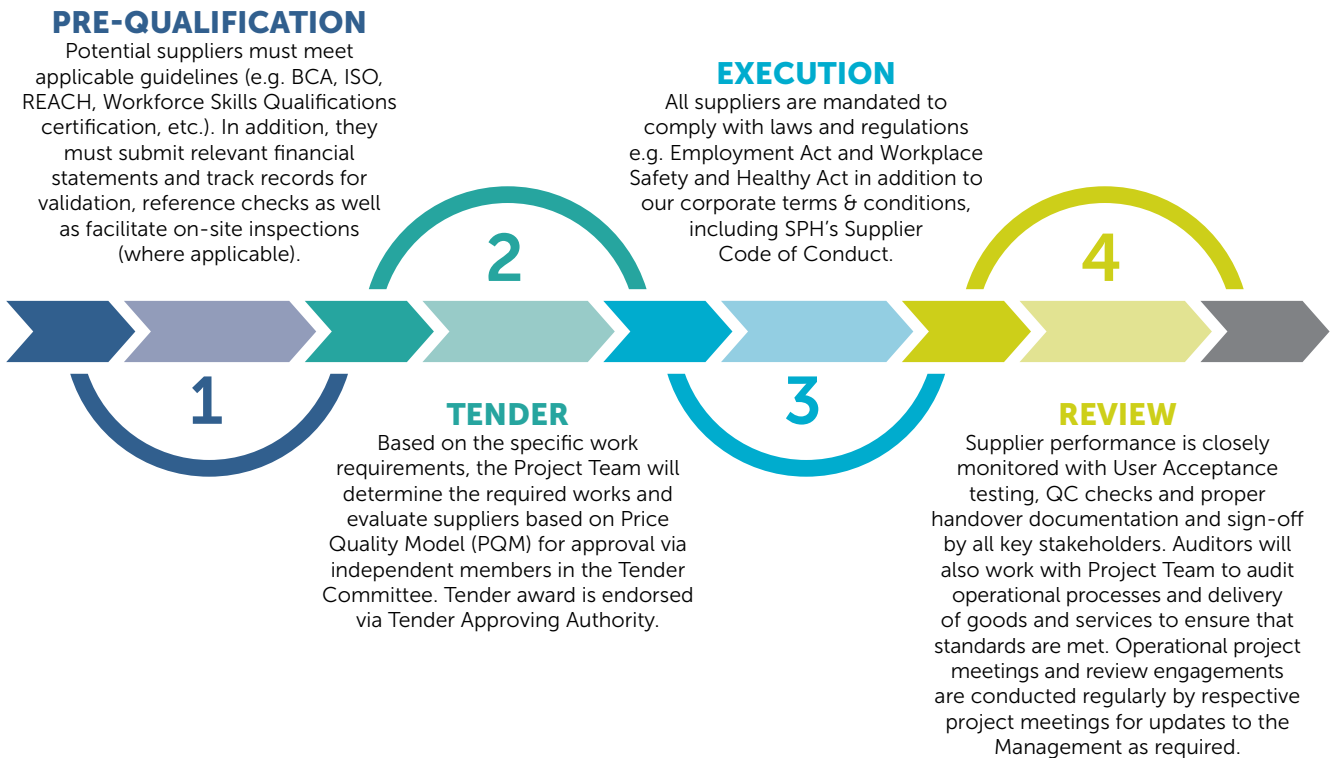
- Compliance with laws and regulations which includes, but are not limited to, financial, socioeconomic and environmental aspects
- Ethical business dealings handled with integrity, transparency and honesty
- Confidentiality in accordance with the terms of their contract and for the benefit of the SPH Group
- Compliance with all competition laws (known as antitrust laws in the US) applicable to them
- Application of fair standards in the treatment of all its employees and comply with national laws on wages and working hours as well as international standards regarding child labour and minimum age

- Provision of a safe and healthy working environment for all its employees

This year, we reinforced our commitment towards ethical procurement with the introduction of a Supplier Declaration of Compliance to Ethical Procurement. This declaration ensures that suppliers we work with continue to comply with laws and regulations in areas of ethical business dealings, workforce labour, health and safety, human rights and discrimination, and personal data and confidentiality.

Additionally, training on procurement guidelines was conducted to familiarise SPH’s employees on procurement guidelines, share best practices, streamline operations as well as to mitigate potential procurement lapses. Moving forward, similar programmes will be conducted regularly as a refresher.

For all major projects, the supplier management process is practised as follows:



STAKEHOLDER ENGAGEMENT 102-40 / 102-42 / 102-43 / 102-44

We recognise that regular engagement with our stakeholders is crucial for us to better understand their needs and expectations and build long lasting relationships with them. The following table provides a summary of our stakeholder interests and concerns, our response and key engagement methods:

Stakeholder Engagement

STAKEHOLDERS	KEY INTERESTS / CONCERNS OF STAKEHOLDERS	SPH'S RESPONSE	KEY ENGAGEMENT METHODS	ENGAGEMENT FREQUENCY
CUSTOMERS	<ul style="list-style-type: none"> ■ Quality of products and services, reliability of media content, punctuality of media release, enjoyable shopping experience, friendly customer service or engaging promotions and activities ■ Quality and conducive eldercare service and products ■ Comfortable and accessible student accommodations 	<ul style="list-style-type: none"> ■ Ensure credible media content, reliable newspaper delivery services and high levels of customer service. ■ Engage with customers on multi-platforms and channels. ■ Regular upgrading of retail malls to improve and fine tune tenancy mix, and organise engagement activities to promote customer satisfaction and loyalty. 	Customer interaction via multiple platforms and channels, including promotions and events	Ongoing
			Customer feedback channels	Ongoing
INVESTORS/ SHAREHOLDERS	<ul style="list-style-type: none"> ■ Punctuality and accuracy of company's business progress, financial report. ■ SPH's business outlook 	<ul style="list-style-type: none"> ■ Generate optimum returns on investment ■ Practise good corporate governance, transparency and disclosure ■ Strive for sustainability and long-term growth ■ Accurate and timely updates of SPH's business outlook to investing community 	Release of financial results and other relevant disclosures through SGXNet and SPH's website	Ongoing
			Annual General Meeting	Annually
			Extraordinary General Meeting	Ad-hoc
			Investor meetings	Quarterly and Ad-hoc
			Media conference and analysts' briefings	Ongoing
			Investment conferences and summits	Ad-hoc
EMPLOYEES	<ul style="list-style-type: none"> ■ Workplace health and safety ■ Work-life balance ■ User-friendly and systematic platform for employees' welfare ■ Career progression, opportunities and productivity ■ Sense of belonging and ownership ■ Consistent updates of SPH's strategic developments, instilling sense of loyalty and ownership 	<ul style="list-style-type: none"> ■ Adopt human resource policies and practices that propagate an equitable and a safe working environment. ■ Exercise meritocracy, reward good performances, and encourage teamwork ■ Provide opportunity for career development ■ Provide work-life balance, e.g. provision of nursing rooms and encouraging staff to take part in sports and leisure events ■ Provide a platform for staff to submit suggestions and feedback to management 	Training and career development programmes	Ongoing
			Health and wellness campaigns	Ongoing
			Social and team-building activities	Ongoing
			Employee feedback channels	Ongoing

Sustainability Report

STAKEHOLDERS	KEY INTERESTS / CONCERNS OF STAKEHOLDERS	SPH'S RESPONSE	KEY ENGAGEMENT METHODS	ENGAGEMENT FREQUENCY
BUSINESS PARTNERS	<ul style="list-style-type: none"> Collaborative partnerships and opportunity to nurture and expand the business 	<ul style="list-style-type: none"> Engage suitable partners to pursue mutually beneficial business objectives, work towards growth and profitability 	Business meetings	Ad-hoc
			Strategic partnerships	Ad-hoc
MEDIA AND INDUSTRY PARTNERS	<ul style="list-style-type: none"> Availability of company's latest announcements, corporate news and developments of SPH's media business 	<ul style="list-style-type: none"> Publish timely and reliable information on company developments and news regularly 	Media release	Ad-hoc
			Industry conferences and seminars	Ad-hoc
			Website and social media	Ongoing
LOCAL COMMUNITIES	<ul style="list-style-type: none"> Responsible corporate citizen who cares for the local community 	<ul style="list-style-type: none"> Organise and support over 100 programmes annually, contribute to worthy causes in charity, community, sports, arts and culture, as well as nature and conservation Together with SPH Foundation and various business units and subsidiaries, engage with the community in various ways, and work towards a sustainable future. 	Community outreach programmes and events	Ongoing
GOVERNMENT AND REGULATORS	<ul style="list-style-type: none"> Require company to comply with guidelines, policies and regulations. Address pertinent issues 	<ul style="list-style-type: none"> Comply with existing laws, formulate policies and procedures to ensure adherence and sustainability of business Provide updates of SPH's new activities and policies to regulators through public/private consultation process 	Communication and Collaboration	Ongoing
			Compliance with applicable reporting requirements	Ongoing
DISTRIBUTORS/ RETAILERS/ TENANTS	<ul style="list-style-type: none"> Systematic and punctual delivery of goods, products and services Memorable retail experiences for shoppers Explore ideas for partnerships with tenants and retailers to enhance shopping experiences 	<ul style="list-style-type: none"> Conduct regular sales planning and support for tenants Frequent visits by account managers, offering tenants a designated channel for prompt assistance and feedback Identify target audience, customise advertisements and promotions to effectively reach out to various shoppers 	Tenant sales planning and support	Ongoing
			Tenant communication platforms and bulletins	Ongoing
			On-site visits to malls	Ongoing
			Shopper surveys	Ongoing
			Advertisements, marketing and sales promotion activities	Ongoing

STAKEHOLDERS	KEY INTERESTS / CONCERNS OF STAKEHOLDERS	SPH'S RESPONSE	KEY ENGAGEMENT METHODS	ENGAGEMENT FREQUENCY
TRADE UNIONS	<ul style="list-style-type: none"> Facilitate access to employees and promote membership in the trade unions Encourage engagement between management, staff and trade unions through regular dialogue sessions 	<ul style="list-style-type: none"> Set up open communication channels with the unions and organise official and non-official engagements 	Direct communication with trade unions	Ongoing
SUPPLIERS	<ul style="list-style-type: none"> Ensure suppliers comply with the company's terms and conditions, and purchasing policies and procedures Familiarise suppliers with latest procurement policies and platforms, to avert any fraud or impropriety in dealings with staff 	<ul style="list-style-type: none"> Put in place fair-value and competitive-based policies and best practices to ensure fair selection of suppliers and an ethical procurement process, based on quotations and tenders received Online Procurement-to-Payment System to streamline and automate workflow for suppliers and staff, increasing efficiency and productivity 	Supplier meetings	Ongoing
			Fair and ethical procurement process	Ongoing
TRADE ASSOCIATIONS	<ul style="list-style-type: none"> Require company's assistance and express various concerns and issues faced by the industry 	<ul style="list-style-type: none"> Membership and active participation in industry forums and dialogues 	Participation in industry forums and dialogues	Ongoing
			Industry networking events	Ongoing
ADVOCACY GROUPS AND CHARITABLE AND WELFARE ORGANISATIONS	<ul style="list-style-type: none"> Require company to uphold responsible business practices, reducing environmental impacts and disclose necessary information pertaining to business growth and sustainability 	<ul style="list-style-type: none"> Collaborate with advocacy groups, e.g. engage in conservation projects to reduce environmental impacts, and support charitable causes 	Strategic partnerships and sponsorships to support a range of charitable causes	Ongoing

Sustainability Report

MATERIALITY ASSESSMENT 102-47

The principle of materiality is the essential filter for us to determine which environmental, social and governance (ESG) factors are most significant to our stakeholders and our businesses. The following summarises our approach towards materiality assessment.

Materiality Assessment Process

FY2018	FY2019	FY2020
<p>SPH went through an extensive list of ESG factors identified based on the industry, peers and sustainability megatrends</p> <p>Key executives came together to prioritise and validate these material ESG factors</p> <p>11 material factors were approved by senior management and the Board Risk Committee</p>	<p>As SPH has expanded the scope of reporting this year, a series of review and interviews were done with various business functions and stakeholders on the existing material factors to ensure their relevance</p> <p>SPH acquired Orange Valley in FY2017 and Purpose-Built Student Accommodation in FY2018. Taking these new business segments into consideration, it is important for SPH to account for the health and safety of our customers too. Therefore, we have expanded the boundary for the material factors to include the health and safety of our customers</p>	<p>The 11 material factors were reviewed and remain highly relevant in SPH's business operations. There are improved disclosures for material matters; including:</p> <ul style="list-style-type: none"> ■ Expanding disclosure on Health and Safety for Stakeholders by including measures taken to ensure overseas journalists' health and safety ■ Providing performance data for PBSA and Orange Valley for environmental indicators ■ Disclosures on the impact and response to Covid-19

TRADE MEMBERSHIPS 102-13

SPH has established mutually beneficial partnerships and linkages with a diverse range of local and overseas corporate members and public bodies. Our membership in the trade associations listed below provides a platform for our employees to network with other like-minded industry professionals, receive constant opportunities for peer-to-peer learning and access immediately the latest trends and developments affecting the industry at large.

- | | |
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| <ul style="list-style-type: none"> ■ Accreditation Network UK ■ Advertising Standards Authority of Singapore ■ ASEAN Newspaper Printers ■ Association of Media Owners (Singapore) ■ British Property Federation ■ Business China ■ Central Singapore Development Council ■ Contact Centre Association of Singapore ■ Council for Estate Agencies ■ FIPP ■ Fire Safety Managers' Association ■ Global Compact Network Singapore ■ GS1 Singapore ■ Institute of Engineers, Singapore ■ Institute of Internal Auditors ■ Institute of Singapore Chartered Accountants ■ Institute of Technical Education ■ Interactive Advertising Bureau SEA (Singapore Chapter) ■ International Council of Shopping Centers ■ International News Media Association ■ Investor Relations Professionals Association (Singapore) ■ Management Development Institute of Singapore ■ Media Publishers Association Singapore ■ Newspaper Association of America ■ National Safety and Security Watch Group ■ Orchard Road Business Association ■ Pacific Area Newspaper Publishers' Association (Panpa) ■ Print & Media Association, Singapore ■ Pulp and Paper Products Council ■ Real Estate Developers' Association of Singapore | <ul style="list-style-type: none"> ■ REIT Association of Singapore (REITAS) ■ Resource Information Systems Inc (RISI) ■ Security Industry Institute ■ Singapore Academy of Law ■ Singapore Association of the Institute of Chartered Secretaries & Administrators ■ Singapore Business Federation ■ Singapore Chinese Chamber of Commerce and Industry ■ Singapore Corporate Counsel Association ■ Singapore International Chamber of Commerce ■ Singapore International Mediation Centre ■ Singapore Institute of Directors ■ Singapore Institute of Safety Officers ■ Singapore Manufacturing Federation ■ Singapore Media Centre ■ Singapore Mediation Centre ■ Singapore National Employers Federation ■ Singapore Retailers' Association ■ Singapore Press Club ■ Singapore Vehicle Traders Association ■ Society of Project Managers, Singapore ■ Southeast Community Development Council ■ The Association of Accredited Advertising Agents Singapore ■ The Association of Chartered Certified Accountants ■ The Chinese Language Press Institute ■ The Society of News Design ■ Workplace Safety and Health Council ■ World Association of Newspapers and News Publishers |
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Sustainability Report

GRI Content Index [GRI 102-55]

GENERAL STANDARD DISCLOSURES			
GRI Standard	Disclosure	Section of Report and / or Explanation for Omission	Pg.
GRI 102: General Disclosures 2016	Organisational profile		
	102-1	Name of the organisation	Corporate Profile 1
	102-2	Activities, brands, products, and services	Corporate Profile 1
	102-3	Location of headquarters	Corporate Information 45
	102-4	Location of operations	Corporate Profile 1
	102-5	Ownership and legal form	Corporate Profile 1
	102-6	Markets served	Corporate Profile 1
	102-7	Scale of the organisation	Group Financial Highlights 13 Profile of our Workforce 70
	102-8	Information on employees and other workers	Profile of our Workforce 70
	102-9	Supply chain	Responsible Supply Chain Management 102
	102-10	Significant changes to the organisation and its supply chain	There are no significant changes to the organisation and its supply chain.
	102-11	Precautionary Principle or Approach	Risk Management 133
	102-12	External Initiatives	SPH is a signatory to Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP).
	102-13	Membership of Associations	Trade Membership 107
Strategy			
102-14	Statement from senior decision-maker	Chairman's Statement 14	
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	Build Ethical and Transparent Businesses 61 Develop Future-fit Skills and Knowledge for our Stakeholders 69 Promote Workplace Wellness and Ensure Safety of Our Staff and Customers 77 Adopt Environment-Friendly Practices 85 Care for Our Community 93	
Governance			
102-18	Governance structure	Sustainability Governance 101	
Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholder Engagement 103-105	
102-41	Collective bargaining agreements	Profile of our Workforce 71	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement 103-105	
102-43	Approach to stakeholder engagement	Stakeholder Engagement 103-105	
102-44	Key topics and concerns raised	Stakeholder Engagement 103-105	

GENERAL STANDARD DISCLOSURES

GRI Standard	Disclosure	Section of Report and / or Explanation for Omission	Pg.
GRI 102: General Disclosures 2016	Reporting Practice		
	102-45	Entities included in the consolidated financial statements	Financial Section 259-262
	102-46	Defining report content and topic Boundaries	About this Report 100-101
	102-47	List of material topics	Materiality Assessment 106
	102-48	Restatements of information	About this Report 100-101
	102-49	Changes in reporting	About this Report 100-101
	102-50	Reporting period	About this Report 100-101
	102-51	Date of most recent report	31 August 2019
	102-52	Reporting cycle	About this Report 100-101
	102-53	Contact point for questions regarding the report	Feedback 101
	102-54	Claims of reporting in accordance with the GRI Standards	About this Report 100-101
	102-55	GRI content index	GRI Content Index 108-112
	102-56	External assurance	SPH has not sought external assurance for this year's report but will consider doing so in future.

MATERIAL TOPICS

Anti-Corruption			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Build Ethical and Transparent Businesses Anti-corruption 61 62
	103-2	The management approach and its components	Our Sustainability Targets Build Ethical and Transparent Businesses Anti-corruption 55 61 62
	103-3	Evaluation of the management approach	Anti-corruption 62
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Build Ethical and Transparent Businesses Anti-corruption 61 62
Compliance with Laws and Regulations			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Build Ethical and Transparent Businesses Compliance with Laws and Regulations 61 62
	103-2	The management approach and its components	Our Sustainability Targets Build Ethical and Transparent Businesses Compliance with Laws and Regulations 55 61 62
	103-3	Evaluation of the management approach	Compliance with Laws and Regulations 62
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy 63
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Compliance with Laws and Regulations 62

Sustainability Report

MATERIAL TOPICS				
GRI Standard	Disclosure		Section of Report and / or Explanation for Omission	Pg.
Content Creation				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Build Ethical and Transparent Businesses Content Creation	61 64-68
	103-2	The management approach and its components	Our Sustainability Targets Build Ethical and Transparent Businesses Content Creation	55 61 64-68
	103-3	Evaluation of the management approach	Content Creation	64-68
G4 Sector Disclosures: Media	G4-M2	Content Creation	Content Creation	65
Non-Discrimination and Equal Opportunity				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Develop Future-fit Skills and Knowledge for our Stakeholders Non-discrimination and Equal Opportunity	69 72
	103-2	The management approach and its components	Our Sustainability Targets Develop Future-fit Skills and Knowledge for our Stakeholders Non-discrimination and Equal Opportunity	55 69 72
	103-3	Evaluation of the management approach	Non-discrimination and Equal Opportunity	72
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Profile of our Workforce	71
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Profile of our Workforce	70-72
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Non-discrimination and Equal Opportunity	72
Training and Development				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Develop Future-fit Skills and Knowledge for our Stakeholders Training and Development	69 72-76
	103-2	The management approach and its components	Our Sustainability Targets Develop Future-fit Skills and Knowledge for our Stakeholders Training and Development	55 69 72-76
	103-3	Evaluation of the management approach	Training and Development	72-76
GRI 404: Training and Development 2016	404-1	Average hours of training per year per employee	Training and Development	75

MATERIAL TOPICS

GRI Standard	Disclosure	Section of Report and / or Explanation for Omission	Pg.
Health and Safety of our Staff and Customers			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Promote Workplace Wellness and Ensure Safety of Our Staff and Customers Health and Safety of Our Staff and Customers 77 78-84
	103-2	The management approach and its components	Our Sustainability Targets Promote Workplace Wellness and Ensure Safety of Our Staff and Customers Health and Safety of Our Staff and Customers 77 78-84
	103-3	Evaluation of the management approach	Health and Safety of Our Staff and Customers 78-84
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Health and Safety of Our Staff and Customers 78-84
	403-2	Hazard identification, risk assessment and incident investigation	Health and Safety of Our Staff and Customers 78-84
	403-3	Occupational Health Services	Health and Safety of Our Staff and Customers 78-84
	403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety of Our Staff and Customers 78-84
	403-5	Worker training on Occupational Health and Safety	Health and Safety of Our Staff and Customers 78-84
	403-6	Promotion of worker health	Health and Safety of Our Staff and Customers 78-84
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety of Our Staff and Customers 78-84
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Promote Workplace Wellness and Ensure Safety of Our Staff and Customers Health and Safety of Our Staff and Customers 77 82-83
Energy and Emissions			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Adopt Environment-Friendly Practices Energy and Emissions 85 86-88
	103-2	The management approach and its components	Our Sustainability Targets Adopt Environment-Friendly Practice Alignment to Sustainable Singapore Blueprint (SSB) Energy and Emissions 85 86 86-88
	103-3	Evaluation of the management approach	Energy and Emissions 86-88
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy and Emissions 87-88
	302-3	Energy Intensity	Energy and Emissions 88
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Energy and Emissions 88
	305-2	Energy indirect (Scope 2) GHG Emissions	Energy and Emissions 88
	305-4	GHG emissions intensity	Energy and Emissions 88

Sustainability Report

MATERIAL TOPICS				
GRI Standard	Disclosure		Section of Report and / or Explanation for Omission	Pg.
Water				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Adopt Environment-Friendly Practices Water	85 88-89
	103-2	The management approach and its components	Our Sustainability Targets	56
			Adopt Environment-Friendly Practices Alignment to Sustainable Singapore Blueprint (SSB) Water	85 86 88-89
103-3	Evaluation of the management approach	Water	88-89	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water	88-89
	303-2	Management of water discharge-related impacts	Water	88-89
	303-3	Water withdrawal	Water	88-89
Effluents and Waste				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Adopt Environment-Friendly Practices Effluents and Waste	85 90-91
	103-2	The management approach and its components	Our Sustainability Targets	56
			Adopt Environment-Friendly Practices Alignment to Sustainable Singapore Blueprint (SSB) Effluents and Waste	85 86 90-91
103-3	Evaluation of the management approach	Effluents and Waste	90-91	
GRI 303: Water and Effluents 2018	303-4	Water discharge	Effluents and Waste	91
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	Effluents and Waste	90-91
Materials				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Adopt Environment-Friendly Practices Materials	85 92
	103-2	The management approach and its components	Our Sustainability Targets	56
			Adopt Environment-Friendly Practices Materials	85 92
103-3	Evaluation of the management approach	Materials	92	
GRI 301: Materials 2016	301-2	Recycled input materials used	Materials	92
Local Communities				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Care for Our Community	93-99
	103-2	The management approach and its components	Our Sustainability Targets	56
			Care for Our Community	93-99
103-3	Evaluation of the management approach	Care for Our Community	93-99	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Care for Our Community	93-99

Corporate Governance Report

CORPORATE GOVERNANCE REPORT 2020

SPH is committed to achieving high standards of corporate governance, to promote corporate transparency and to enhance shareholder value. Towards this, SPH has put in place clear policies and processes to promote corporate performance, accountability and sustainability, as well as to protect shareholders' interests. Its corporate governance principles reflect its focus on strong leadership, effective internal controls and risk management, accountability to shareholders, engagement with stakeholders and a robust corporate culture.

SPH is pleased to report that it has complied with the principles of the Code of Corporate Governance 2018 (the "Code"), and in all material respects, with the underlying provisions of the Code. Where there is any deviation from the provisions of the Code, appropriate explanation has been provided.

The Annual Report should be read in totality for SPH's full compliance.

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Board's Leadership and Control

The Board is collectively responsible for providing overall strategy and direction to the Management and the Group. In doing so, Directors act in the best interests of the Company, with the objective of enabling the Group to achieve sustainable and successful performance.

The principal functions of the Board are as follows:

- (a) To decide on matters in relation to the Group's operations which are of a significant nature, including decisions on strategic directions and guidelines and the approval of periodic plans and major investments and divestments;
- (b) To oversee the business and affairs of the Company, establish, with Management, the strategies and financial objectives to be implemented by Management, and monitor the performance of Management;
- (c) To oversee processes for evaluating the adequacy and effectiveness of internal controls and risk management systems;
- (d) To set the Company's values and standards (including ethical standards); and
- (e) To consider sustainability issues such as environmental and social factors as part of its strategic formulation.

Matters requiring the Board's decision and approval include:

- 1. Major funding proposals, investments, acquisitions and divestments including the Group's commitment in terms of capital and other resources;
- 2. The annual budgets and financial plans of the Group;
- 3. Annual and quarterly financial reports;
- 4. Internal controls and risk management strategies and execution; and
- 5. Appointment of directors and key management staff, including review of their performance and remuneration packages.

The Group has in place, financial authorisation limits for matters such as operating and capital expenditure, credit lines and acquisition and disposal of assets and investments, which require the approval of the Board.

Corporate Governance Report

All Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Board has a Code of Conduct and Ethics (including Conflicts of Interest) for Directors. This guides Directors in the discharge of their duties, requiring them to adhere to the highest standards of integrity and accountability. This code covers key areas such as conflicts of interest, duty of confidentiality, loans to directors, directors' declaration of interest under the Companies Act, external appointments and dealings in shares. Where a Director has or appears to have a conflict of interest in relation to any matter, he has to immediately declare his interest and recuse himself from participating in any discussion and decision on the matter.

In addition, SPH has in place a SPH Code of Ethics which sets out the framework and policies governing the conduct of the directors, employees and key stakeholders in SPH Group. These policies cover matters relating to anti-bribery, anti-corruption, anti-money laundering, counter-financing of terrorism, environmental protection, ethical procurement, fraud risk management, harassment and discrimination, anti-trust, protection of intellectual property rights, cybersecurity, conflict of interest and whistleblowing.

To assist the Board in their duties and to ensure that specific issues are subject to in-depth and timely review, certain functions have been delegated to various Board Committees. The Board Committees constituted by the Board are the Executive Committee ("EC"), Audit Committee ("AC"), Remuneration Committee ("RC"), Nominating Committee ("NC") and Board Risk Committee ("BRC"). Each of these Board Committees has its own terms of reference.

The EC comprises Dr Lee Boon Yang (Chairman), Mr Bahren Shaari, Mr Quek See Tiat, Ms Tracey Woon and Mr Ng Yat Chung.

The EC's principal responsibilities are as follows:-

- (a) To review, with Management, and recommend to the Board the overall corporate strategy, objectives and policies of the Group, and monitor their implementation;
- (b) To consider and recommend to the Board, the Group's five year plan and annual operating and capital budgets;
- (c) To review and recommend to the Board proposed investments and acquisitions of the Group which are considered strategic for the long-term prospects of the Group;
- (d) To approve the Company's asset allocation strategy, appointment and termination of external fund managers and investment/ divestment of securities and review investment guidelines, treasury management and investment performance;
- (e) To act on behalf of the Board in urgent situations, when it is not feasible to convene a meeting of the entire Board; and
- (f) To carry out such other functions as may be delegated to it by the Board.

Details of other Board Committees are as set out below:

1. Nominating Committee (Principle 4);
2. Remuneration Committee (Principle 6);
3. Board Risk Committee (Principle 9); and
4. Audit Committee (Principle 10).

Board Attendance

The Board meets at least on a quarterly basis and as warranted by particular circumstances. The Board met six times in the financial year ended 31 August 2020 ("FY2020"), of which four were the regular quarterly meetings and two were meetings to discuss other important and strategic matters. A Director who is unable to attend any meeting in person may participate via tele-conference. The attendance of the Directors at meetings of the Board and Board Committees, and the frequency of such meetings, is disclosed on page 132. A Director who fails to attend three Board meetings consecutively, without good reason, will not be nominated by the NC for re-appointment and will be deemed to have resigned.

Training for Directors

Upon the appointment of a Director, he is provided with a letter setting out his key duties and obligations, including disclosure requirements and best practices relating to dealings in securities under applicable laws and regulations. A comprehensive orientation and induction programme, including site visits to the Group's operating centres, is organised for new Directors to familiarise them with the Group's business, operations, organisation structure and corporate policies. They are also briefed on the Company's corporate governance practices, the prevailing regulatory regime and their duties as Directors.

A new Director who has no prior experience as a director of an issuer listed on the SGX-ST must also undergo mandatory training in his roles and responsibilities as prescribed by the SGX-ST.

Directors are updated regularly on changes in relevant laws and regulations, industry developments, business initiatives and challenges, and analyst and media commentaries on matters related to the Company and its businesses. As part of the Directors' ongoing training, Directors are informed and encouraged to attend, at the Company's expense, relevant training programmes conducted by the Singapore Institute of Directors, Singapore Exchange, and other business and financial institutions and consultants.

For FY2020, Directors were provided with training in the areas of disruptive technologies, digital strategies and cybersecurity trends, bribery and anti-money laundering law, ethics framework, geopolitical risks and Covid-19 impact, and risk management. This was in addition to updates on regulatory and reporting requirements such as the Singapore Exchange Securities Trading Limited ("SGX") Listing Manual, Companies Act and financial reporting standards. Directors also attended various conferences and seminars organised by the Singapore Institute of Directors.

They are also informed about matters such as the Code of Dealings in the Company's shares as they are privy to price sensitive information.

Access to complete, adequate and timely information

The Board and Management are given opportunities to engage in open and constructive debate for the furtherance of strategic objectives. All Board members are supplied with relevant, complete, adequate and timely information prior to Board meetings and on an on-going basis to enable them to make informed decisions. Directors may challenge Management's assumptions and also extend guidance to Management, in the best interests of the Company.

Directors may, at any time, request for further explanation, briefings or informal discussions on any aspect of the Group's operations or business issues from Management.

The Board is provided with quarterly financial reports and progress reports of the Group's business operations, as well as analysts' reports on the Company. The financial results and annual budget are presented to the Board for approval. The monthly internal financial statements are made available to members of the Board. The financial results are also compared against the budgets, together with explanations given for significant variances for the reporting period. The Board also receives regular updates on the industry and technological developments. Such reports enable Directors to keep abreast of key issues and developments in the industry, as well as challenges and opportunities for the Group.

Management provides the Board with management accounts and such explanation and information on a regular basis and as the Board may require from time to time, to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects. Management also provides the Board with monthly reports on its financial performance.

Corporate Governance Report

As a general rule, board papers are sent to Directors one week in advance in order for Directors to be adequately prepared for the meeting. Senior Management attends Board meetings to answer any query from Directors. Directors also have unrestricted access to the Company Secretary and Management at all times. Directors are entitled to request from Management and provided with such additional information as needed to make informed and timely decisions.

SPH has adopted half-yearly reporting after the second quarter ("Q2") of FY2020, but continues to provide a business commentary on the first and third quarter performance, and other updates whenever appropriate, to investors between the half-yearly reports. The Board reviews and approves the operational and performance update of the first and third quarters before they are issued.

The Board announces quarterly (after Q2 FY2020, half-yearly) and full-year financial results which present a balanced and informed assessment of the Company's performance, position and prospects, via public announcements and through the SGXNET.

The Board takes adequate steps through the establishment of appropriate internal policies to ensure compliance with legislative and regulatory requirements, including requirements under the SGX-ST Listing Manual.

Company Secretary

The Company Secretary works closely with the Chairman in setting the agenda for Board meetings. She attends all Board meetings and ensures that board procedures are followed and that applicable rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flow within the Board and its Board Committees, and between Management and non-executive Directors. The Company Secretary also organises orientation and training for new Directors, as well as provides updates and advises Directors on all governance matters. The Constitution provides that the appointment and removal of the Company Secretary is subject to the approval of the Board.

Should Directors, whether as a group or individually, need independent professional advice relating to the Company's affairs, the Company Secretary will appoint a professional advisor to render the relevant advice. The cost of such professional advice will be borne by the Company.

Board Composition and Guidance

Principle 2: Independent and Diverse Board

As at the date of this report, the Board comprises ten Directors, all of whom, except for the CEO, are non-executive and independent directors. Each Director has been appointed on the strength of his/her calibre and experience.

SPH is committed to building an open, inclusive and collaborative culture, and recognises the benefits of having a Board with diverse backgrounds and experience. It has adopted a Board Diversity Policy which recognises that a diverse Board will enhance the decision-making process by utilising the variety in skills, industry and business experiences, gender and other distinguishing qualities of the members of the Board. Diversity will be considered in determining the optimum composition of the Board so that, as a whole, it reflects a range of different perspectives, complementary skills and experiences, which is likely to result in better decision-making. Such diversity will provide a wider range of perspectives, skills and experience, which will allow Board members to better identify possible risks, raise challenging questions, and contribute to problem-solving. In accordance with this policy, NC will review the relevant objectives for promoting and achieving diversity on the Board, the progress made, and make recommendations for approval by the Board. NC will review this policy from time to time as appropriate and the progress made.

The NC will, in reviewing and assessing the composition of the Board and recommending the appointment of new directors to the Board, consider candidates on merit against the objective criteria set and with due regards for the benefits of diversity on the Board.

The Board and NC are of the view that the current composition of the Board encompasses an appropriate balance and diversity of skills, experience, gender, knowledge and competencies such as accounting, finance, legal, information and digital technology, business or management experience, industry knowledge and strategic planning experience.

The Directors have, with the concurrence of the NC, decided that the optimum size of a Board for effective deliberation and decision making should not exceed 12, taking into account the nature and scope of the operations of the Company, the requirements of the Company's businesses and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

Review of Directors' independence

The NC reviews annually whether a Director or potential candidate for the Board is considered an independent director bearing in mind the Code's definition of an "independent director" and guidance as to the relationships, the existence of which would deem a Director not to be independent (Principle 2). Under the Code, an independent director is one who is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers, that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. Under the SGX-ST Listing Manual a Director will not be deemed independent if he is employed by SPH or its related corporations for the current or any of the past three financial years, or if he has an immediate family member who is employed or has been employed by SPH or its related corporations for the past three financial years, and whose remuneration is determined by the SPH Remuneration Committee. The Company has no known substantial shareholder.

The Directors complete an annual declaration of independence, whereby they are required to assess their independence taking into account the above requirements, which is then put to the NC for review. The Directors are mindful, however, that the relationships identified in the annual confirmation of independence are only indicators of possible situations where independent judgment may be impaired, but are not in themselves conclusive, and they are also required to disclose any relationship with SPH, its related corporations or its officers which may interfere with, the exercise of their independent business judgment in the best interests of the Company, or would otherwise deem them to be not independent.

There is a strong independence element in the Board. The Board and the NC have ascertained that for the period under review, nine out of its ten Directors are independent. For transparency, the NC has set out its determination of the independence of Dr Lee Boon Yang, Mr Andrew Lim and Ms Janet Ang.

The NC noted that Dr Lee Boon Yang has served on the Board beyond nine years. Taking into consideration, among other things, his invaluable contributions on the Board and Board Committees and his outstanding rating in respect of his performance as Board Chairman and Director in the recent Board, Chairman and peer performance evaluation exercise, and that there were no other circumstances that would deem him non-independent, the NC (save for Dr Lee who abstained from deliberation on this matter) agreed unanimously that Dr Lee has at all times exercised independent judgment in the best interests of the Company in the discharge of his director's duties and should therefore continue to be deemed an independent director.

The NC (save for Mr Andrew Lim who abstained from deliberation in this matter) noted that Mr Andrew Lim is a partner of Allen & Gledhill LLP, which is one of the law firms providing legal services to the Group in FY2020. Mr Andrew Lim had declared to the NC that he was a partner with a less than 3% share in Allen & Gledhill LLP, that he was not involved in the selection and appointment of legal advisers for the Group. The NC also took into account Mr Andrew Lim's actual performance and valuable contributions on the Board and Board Committees and the outcome of the recent assessment of individual Directors' performance. It agreed that Mr Andrew Lim had at all times discharged his duties with professionalism and objectivity, and exercised strong independent judgment in the best interests of the Company, and should therefore continue to be deemed an independent Director.

Corporate Governance Report

The NC noted that Ms Janet Ang was, until her retirement from IBM from 1 March 2019, the Vice-President, IBM Asia Pacific, which has business dealings with the Group. Ms Ang had declared to the NC that as an employee of IBM, she did not participate in the negotiation of contracts or business dealings between SPH and IBM, which had transactions with the Group in FY2020. The NC also took into account Ms Ang's actual performance and valuable contributions on the Board and Board Committees, and the outcome of the recent assessment of individual Directors' performance. It agreed that Ms Ang has at all times discharged her duties with professionalism and objectivity, and exercised strong independent judgment in the best interests of the Company, and should therefore continue to be deemed an independent Director.

For the above reasons, the NC has determined Dr Lee, Mr Andrew Lim and Ms Ang to be independent Directors.

Key information regarding the Directors, including directorship and chairmanship both present and those held over the preceding five years in other listed companies, and other principal commitments, are set out in the Board of Directors' section and on pages 31 to 35 which provide further information on them.

To facilitate open discussions and the review of the performance and effectiveness of Management, the independent and non-executive Directors regularly meet without the presence of Management or the executive Director for informal discussions. This includes a continual review of the performance and effectiveness of Management in meeting agreed goals and objectives, and succession planning and leadership development.

Chairman and Chief Executive Officer

Principle 3: Clear division of responsibilities between Board and Management

The Chairman and CEO of the Company are separate persons. The Chairman is a non-executive and independent Director and also chairs the EC and the RC. He sets the agenda for Board meetings, ensures that adequate time is available for discussion of all agenda items, in particular, strategic issues, and that complete, adequate and timely information is made available to the Board. He encourages constructive relations within the Board and between the Board and Management, facilitates the effective contribution of non-executive Directors, and ensures effective communications with shareholders. He takes a lead role in promoting high standards of corporate governance, with the full support of the Directors, the Company Secretary and Management.

The Chairman and the CEO are not related. The CEO bears executive responsibility for the Group's business and implements the Board's decisions. The roles of the Chairman and the CEO are kept separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Company does not have any lead Independent Director given the majority independence of the Board and that the Chairman is independent. Further, matters affecting the Chairman such as succession and remuneration are deliberated by the RC and NC, where all the members (including the Chairman) are independent Directors, and where if the Chairman is conflicted, he would recuse himself and abstain from voting.

Board Membership

Principle 4: Formal and transparent process for appointment and re-appointment of directors, including progressive renewal of the Board

The Board reviews the composition of the Board and Board Committees periodically, taking into account the need for progressive renewal of the Board and each Director's competencies, commitment, contribution and performance.

To ensure that the governance and business needs of the Group are adequately addressed, the NC regularly reviews the capabilities of the Directors collectively by taking into account their skills, experience, diversity, and company and industry knowledge.

The composition of the Board, including the selection of candidates for new appointments to the Board as part of the Board's renewal process, is determined using the following principles:

- (a) the Board should comprise Directors with a broad range of commercial experience, including expertise in media, property, healthcare/aged care, student housing, digital technology, asset management, investments, and the finance and legal fields; and
- (b) non-executive Directors should make up the majority of the Board while independent Directors should make up at least one-third of the Board as the Chairman is independent.

The NC comprises Mr Bahren Shaari (Chairman), Dr Lee Boon Yang, Mr Andrew Lim and Ms Janet Ang, all of whom are non-executive and independent Directors.

The functions of the NC include the following:

- (a) To identify candidates for nomination and make recommendations to the Board on all board appointments;
- (b) To re-nominate directors, having regard to the director's contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an independent director.
- (c) To determine annually whether a director is independent;
- (d) To review the balance and diversity of skills, experience, gender, knowledge and competencies of the Board, and its size and composition.
- (e) To develop and recommend to the Board a process for evaluation of the performance of the Board, Board Committees and directors;
- (f) To assess the effectiveness of the Board, the Board Committees and the contribution by each individual director to the effectiveness of the Board;
- (g) To review and recommend to the Board the succession plans for directors, in particular, the Chairman and the Chief Executive Officer;
- (h) To review and recommend the training and professional development programmes for the Board; and
- (i) To review the succession plans and the development programmes for key executive/editorial positions.

The NC reviews the size of the Board and recommends that the optimum board size should not exceed 12. The NC regularly reviews the balance and mix of expertise, skills and attributes of the Directors in order to meet the business and governance needs of the Group.

Process for selection of new directors

The NC shortlists candidates with the appropriate profile for nomination or re-nomination and recommends them to the Board for approval. It looks out for suitable candidates to ensure continuity of Board talent. Some of the selection criteria used are integrity, independent-mindedness, diversity, ability to commit time and effort to the Board, track record of good decision-making, experience in high-performing companies and financial literacy. The Committee may seek advice from external search consultants where necessary.

The appointment of Directors is also in accordance with Section 10 of the Newspaper and Printing Presses Act (Cap 206).

Directors' time commitment

The NC has adopted internal guidelines addressing competing time commitments that arise when Directors serve on multiple boards and have other principal commitments. As a guide, a Director should not have more than six listed company board representations and other principal commitments.

The NC monitors and assesses annually whether Directors who have multiple board representations and other principal commitments, are able to give sufficient time and attention to the affairs of the Company and diligently discharge his duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director, his actual conduct on the Board and Board Committees, and his attendance record at meetings, in making this determination.

Corporate Governance Report

The NC is satisfied that in FY2020, despite their other listed company board representations and other principal commitments, each of the Directors was able to give sufficient time and attention to the affairs of the Company, and was able to adequately carry out his duties as a Director of the Company.

Re-nomination of Directors

As a matter of corporate governance, all Directors are required to submit themselves for re-nomination and re-election at regular intervals, and at least once every three years. Article 116 of the Company's Constitution requires one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third, to retire by rotation at every annual general meeting ("AGM"). These Directors may offer themselves for re-election, if eligible.

Succession Planning

The NC regards succession planning as an important part of corporate governance and has an internal process of succession planning for the Chairman, Directors, the CEO and senior Management, to ensure the progressive and orderly renewal of the Board and key executives.

Board Performance

Principle 5: Formal annual assessment of the effectiveness of the Board, Board Committees and each Director

The NC reviews the performance of the Board, Board Committees and individual Directors on an annual basis, based on performance criteria as agreed by the Board, and decides how this may be evaluated.

The Board has a process for assessing the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by the Chairman and individual Directors to the effectiveness of the Board.

Board Evaluation Process

The Board evaluation process involves having Directors complete a Questionnaire seeking their views on various aspects of the performance of the Board and Board Committees, such as Board composition, information, process and accountability. The Company Secretary compiles Directors' responses to the Questionnaire into a consolidated report. The report is discussed at the NC meeting and also shared with the Board. The NC assessed the performance of the Board as a whole, based on performance criteria (determined by the NC and approved by the Board), such as the Board's composition and size, the Board's access to information, Board processes, Board accountability, standard of conduct and performance of the Board's principal functions and fiduciary duties, and guidance to and communication with Management and stakeholders. The performance criteria do not change from year to year, unless the NC is of the view that it is necessary to change the performance criteria, for example, in order to align with any changes to the Code.

Individual Director Evaluation

The Company also conducted a peer evaluation to assess the performance of individual Directors. Performance criteria include factors such as the Director's attendance, preparedness, candour, participation at Board meetings, industry and business knowledge, functional expertise, commitment, dedication, and the ability to provide forward-looking and constructive contributions to Board and Board Committee meetings. The results of the peer evaluation are compiled by the Company Secretary and given to the Board Chairman, who assesses the performance of the individual Directors, and will discuss with each individual Director if necessary.

REMUNERATION MATTERS

Remuneration Policies

Principle 6: Formal and transparent procedure for director and executive remuneration

The RC comprises Dr Lee Boon Yang (Chairman), Ms Tan Yen Yen, Mr Tan Chin Hwee and Mr Lim Ming Yan, all of whom are non-executive and independent directors.

The functions of the RC include the following:

- (a) To review and recommend to the Board of Directors a framework of remuneration for the Board, Chief Executive Officer ("CEO") and key executives;
- (b) To review and recommend to the Board the specific remuneration packages for each director, the CEO and key executives;
- (c) To review all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, share-based incentives and awards, benefits in kind and termination payments;
- (d) To review and administer the share and other incentive scheme(s) adopted by the Group and to decide on the allocations to eligible participants under the said scheme(s); and
- (e) To review the Company's obligations arising in the event of termination of the executive directors' and key executives' contracts of service, so as to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC sets the remuneration guidelines of the Group for each annual period, including the structuring of long-term incentive plans, annual salary increases and variable and other bonuses for distribution to employees, as well as the fee arrangements for non-executive Directors. It administers the SPH Performance Share Plan 2016 which was approved by shareholders at the Annual General Meeting on 1 December 2016 ("Share Plan"). The RC also reviews the remuneration framework (covering all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards, and benefits in kind) and specific remuneration packages of Directors including that of the CEO, and key Management and submits its recommendations to the Board for endorsement. The RC reviews any overly-generous obligation on the part of the Company in the event of termination, to ensure that such contracts contain fair and reasonable termination clauses. The RC also aims to be fair and avoid rewarding poor performance. The RC also undertakes benchmarking against comparable organisations, to ensure that all aspects of remuneration are fair, competitive and aligned with the Company's performance.

There are no termination, retirement and post-employment benefits granted to Directors, the CEO or the top five key management personnel in FY2020.

The RC may seek expert advice inside and/or outside of the Company on remuneration of Directors and staff. It ensures that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. Willis Towers Watson Consulting (Singapore) Pte Ltd, the consultants engaged to advise on staff remuneration matters in FY2020, do not have such relationship with the Company.

Level and Mix of Remuneration

Principle 7: Level and structure of remuneration of the Board and key management personnel

The RC and the Board in determining the level and structure of remuneration of the Board and senior management will ensure that they are appropriate and proportionate to the sustained performance and value creation of the Group, taking into account its strategic objectives, its short-term and long term interests and risk policies. The RC has structured remuneration packages for key management personnel on measured performance indicators, taking into account financial and non-financial factors. The Company adopts a remuneration system that is responsive to the market elements and performance of the Company and business divisions respectively. It is structured to link a significant and appropriate proportion of rewards to the Company, business division and individual performance.

The remuneration framework for Directors, CEO and key management personnel is aligned with the interest of shareholders and relevant stakeholders and appropriate to attract, retain and motivate them for the long term success of the Group.

Corporate Governance Report

Disclosure on Remuneration

Principle 8: Clear disclosure on remuneration policy, level and mix

Disclosure on Directors' Remuneration

For the period under review, the CEO's remuneration package includes a variable bonus element and performance share grant, which are based on the Company's and individual performance and have been designed to align his interests with those of shareholders. As an executive Director, the CEO does not receive Directors' fees.

Non-executive Directors, including the Chairman, are paid Directors' fees, subject to the approval of shareholders at the AGM. Directors' fees comprise a basic retainer fee, fees in respect of service on Board Committees, attendance fees, and, where appropriate, fees for participation in special projects, adhoc committees and subsidiary boards. The Directors' fees are appropriate to the level of contribution, taking into account factors such as effort and time spent, and the responsibilities of the Directors, such that the independence of the non-executive Directors is not compromised by their compensation.

The Directors' fee structure for service on the Board and Board Committees remains unchanged from that of FY2019, with the scale of fees payable to the non-executive Directors held flat since 2007, and is as follows:

	S\$
Non-executive Chairman	115,000
Non-executive Director	60,000
Audit Committee Chairman	37,500
Audit Committee Member	22,500
Nominating/Remuneration/Board Risk Committee Chairman	22,500
Nominating/Remuneration/Board Risk Committee Member	12,500
Executive Committee Chairman	40,000
Executive Committee Member	25,000

The attendance fees payable to Directors for attendance at each Board and Board Committee meeting are as follows:

	S\$
Board meeting	2,000
Board Committee or adhoc committee meeting	1,000

All the non-executive Directors have taken a 10% reduction in their fees from Q2 FY2020, arising from the adverse impact of the Covid-19 pandemic.

Each of the non-executive Directors (including the Chairman) will receive 75% of his total Directors' fees in cash ("Cash Component") and 25% in the form of SPH shares ("Remuneration Shares") (both amounts subject to adjustment as described below). The actual number of Remuneration Shares, to be purchased from the market for delivery to the respective non-executive Directors, will be based on the market price of the Company's shares on the SGX on the date of the purchase. The actual number of Remuneration Shares will be rounded down to the nearest thousand and any residual balance will be paid in cash. Such incorporation of an equity component in the total remuneration of the non-executive Directors is intended to achieve the objective of aligning the interests of the non-executive Directors with those of the shareholders' and the long-term interests of the Company. The aggregate Directors' fees for non-executive Directors is subject to shareholders' approval at the Annual General Meeting. The Chairman and the non-executive Directors will abstain from voting in respect of this resolution.

A breakdown showing the level and mix of each Director's remuneration paid for FY2020 is as follows:-

Executive Director

Executive Director	Base/Fixed Salary %	Variable Bonus %	Benefits in Kind %	Total Cash & Benefits (\$)
Ng Yat Chung	68.52	31.45	0.03	1,350,000

Performance shares granted, vested and lapsed for Mr Ng as at 31 August 2020 are as follows:

Performance Share Plan							
Awards	Granted (no of shares)	Estimated Value of Shares (\$) ¹	Vested	Lapsed	Date	Released	Value of Shares Released ² (\$)
			(no of shares)	(no of shares)		(no of shares)	
2018 Awards	93,000	272,490	82,770	10,230	14.1.2019	27,600	69,552
					13.1.2020	27,600	58,236 ³
					13.1.2021		
2018 Awards	285,600	634,032			13.1.2021		
2019 Awards	25,300	59,961			13.1.2020	12,700	26,797 ³
					13.1.2021		
2019 Awards	381,200	850,076			13.1.2022		
2020 Awards	254,600	514,260			13.1.2021		
					13.1.2022		
2020 Awards	334,900	629,540			13.1.2023		

Notes

- 1 Based on the fair values of performance shares granted in FY2019, as at date of grant.
- 2 Based on the market price of the shares when the shares are credited into the employee's CDP account.
- 3 Based on the market price of the shares when the shares are credited into the employee's CDP account in FY2020.

Non-Executive Directors

Non-Executive Directors	Base/Fixed Salary (\$)	Variable or Bonuses (\$)	Benefits -in-Kind (\$)	Directors' Fees (\$)		Total Remuneration [®] (\$)
				Cash component*	Shares Component*	
Lee Boon Yang (Chairman)	-	-	-	149,200.00	46,350.00	195,550.00
Janet Ang	-	-	-	78,800.00	24,075.00	102,875.00
Bahren Shaari	-	-	-	89,450.00	26,887.50	116,337.50
Chong Siak Ching [^]	-	-	-	28,250.00	-	28,250.00
Andrew Lim Ming-Hui	-	-	-	97,350.00	30,037.50	127,387.50
Lim Ming Yan	-	-	-	71,900.00	22,725.00	94,625.00
Quek See Tiat	-	-	-	100,850.00	31,162.50	132,012.50
Tan Chin Hwee	-	-	-	77,900.00	24,975.00	102,875.00
Tan Yen Yen	-	-	-	70,900.00	22,725.00	93,625.00
Tracey Woon [#]	-	-	-	-	17,325.00	17,325.00

* The amounts stated may be adjusted as indicated in the foregoing paragraph

Ms Tracey Woon was appointed as a Director on 1 July 2020.

[^] Ms Chong Siak Ching stepped down as a Director on 29 November 2019.

[®] Total remuneration reflects the 10% reduction in fees from Q2 FY2020.

Corporate Governance Report

Disclosure of Remuneration of Key Management Personnel

The Board is of the view that, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment in which the Company operates and the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place, it is in the best interests of the Company to not disclose the names of the Company's top five key management personnel (who are not Directors or the CEO). The remuneration of the CEO is set out above. The remuneration of the top five key management personnel (who are not Directors or CEO) of the Company for this financial year are set out below in remuneration bands of \$250,000.

Remuneration of Key Management Personnel

Remuneration Bands FY2020

	No. of Executives	Base/Fixed Salary (%)	Variable or Bonuses (%)	Benefits in Kind (%)	Share-based* (%)	Total (%)
Between \$1,000,000 to \$1,249,999	1	49.46%	44.43%	0.03%	6.08%	100%
Between \$750,000 to \$999,999	2	55.83%	40.26%	0.05%	3.86%	100%
Between \$500,000 to \$749,999	2	64.11%	32.45%	0.07%	3.37%	100%

* Based on the market price of the shares when the shares are credited into the employee's CDP account in FY2020

For comparison, the corresponding figures for FY2019 are set out below.

Remuneration Bands FY2019

	No. of Executives	Base/Fixed Salary (%)	Variable or Bonuses (%)	Benefits in Kind (%)	Share-based* (%)	Total (%)
Between \$1,000,000 to \$1,249,999	1	53.35%	40.59%	0.10%	5.96%	100%
Between \$750,000 to \$999,999	1	57.19%	31.03%	0.32%	11.46%	100%
Between \$500,000 to \$749,999	3	61.82%	36.22%	0.32%	1.64%	100%

* Based on the market price of the shares when the shares are credited into the employee's CDP account in FY2019

The Company adopts a remuneration policy for staff comprising a fixed component, a variable component, and benefits in kind. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the Company's and individual performance. The benefits in kind include club and car benefits. The RC approves the bonus for distribution to staff based on the Company's and individual performance.

The annual aggregate remuneration paid to the top five key management personnel of the Company (excluding the CEO) for FY2020 is S\$3,723,000 (FY2019: S\$3,592,000).

No employee of the Group was an immediate family member of any Director or the CEO and whose remuneration exceeded S\$100,000 per annum, during this financial year.

The Company has also, in respect of selected key executives, provided that any component of their remuneration may be revoked in the event of a breach of the terms of their employment, misstatement of financial results, or any misconduct which results in financial loss to the Company.

Long Term Incentive Plan

The above remuneration bands include performance shares granted to staff under the Share Plan. The Share Plan is administered by the RC.

Staff who participate in the Share Plan are a selected group of employees of such rank and service period as the RC may determine or as selected by the RC. Awards initially granted under the Share Plan are conditional and based on performance assessed over a multi-year performance period. The conditions for such awards were chosen as they reflect medium to longer-term corporate objectives.

The Share Plan contemplates the award of fully paid shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met, and upon expiry of the prescribed vesting periods.

Senior executives are encouraged to hold a minimum number of shares under the share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

Furthermore, the profit-driven performance bonus paid out for senior executives in 2019 was under the scheme where a notional variable bonus bank account was set up for each participant. Total performance bonus earned each year was credited into the individual's bonus bank account, with 1/3 paid out immediately and the balance 2/3 carried forward to the next year. The bonus bank mechanism was ceased after the payout in 2019, and the bank balance will be paid out equally over the next two years. From 2020, if the performance bonus of the senior executives is above a certain threshold, a portion of their bonus amount will be converted to deferred shares, to be vested equally over two years.

Further details on the Share Plan and the incentives issued, can be found in the Directors' Statement and Notes to the Financial Statements.

Under the Share Plan, the RC has the discretion to determine if an executive is involved in misconduct, resulting in the forfeiture or lapse of the incentive components of his remuneration or awards, to the extent that such incentive or award has not been released or disbursed.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: Sound system of risk governance and internal controls

The BRC oversees the risk governance in the Group to ensure that Management maintains a sound system of risk management to safeguard shareholders' interests and the Group's assets.

The BRC monitors and assists the Board in determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

Corporate Governance Report

The BRC comprises Mr Andrew Lim (Chairman), Ms Tan Yen Yen, Mr Lim Ming Yan, Ms Tracey Woon and Mr Ng Yat Chung, the majority of whom are independent and non-executive Directors. Mr Andrew Lim is a member of both the BRC and the AC. The BRC's objectives include the following:

- (a) To oversee and advise the Board on the Group's risk and sustainability frameworks and management systems;
- (b) To review and guide Management in the formulation of the Group's risk and sustainability strategies and policies, risk appetite, and materiality principles of Environmental, Social and Governance ("ESG") issues;
- (c) To review the capabilities and effectiveness of the Group's risk and sustainability management systems and to identify, assess and manage existing and emerging key risks taking into account ESG factors; and
- (d) To report risk and sustainability activities and performance, including whether key risks, including ESG risks, are managed within acceptable levels set to the Board or breach of Key Risk Indicators or ESG targets and their proposed mitigations to the Board.

The Enterprise Risk Management framework strengthens the Group's capability to identify new challenges and harness opportunities so as to enhance Management's strategic decision-making, business planning, resource allocation and operational management. The BRC reviews the Group's risk appetite and risk tolerance for enterprise risks regularly. Using qualitative and quantitative measures, enterprise risks are calibrated so that balanced control processes are matched against the strategic objectives of the various businesses.

The BRC also oversees the SPH Sustainability Reporting Framework that impacts the Company's performance and the long term sustainability of its business.

The Risk Management Report is found on page 133. The Sustainability Report is found on page 48.

The CEO and Chief Financial Officer, as well as relevant key management personnel, at the financial year-end, have provided assurances that:

- the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- the Company's internal controls and risk management systems were adequate and effective as at the end of the financial year.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and regular reviews performed by Management, the Board, the Audit Committee and the Board Risk Committee, the Board is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 August 2020 to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations. The AC concurs with the Board's comments.

The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen and mitigated against as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Audit Committee

Principle 10: Establishment of an Audit Committee

The AC currently comprises Mr Quek See Tiat (Chairman), Mr Tan Chin Hwee, Ms Janet Ang and Mr Andrew Lim, all of whom are independent and non-executive Directors.

The NC is of the view that the members of the AC have sufficient financial management expertise and experience to discharge the AC's functions given their experience as directors and/or senior management in accounting and financial fields. The AC performs the functions as set out in the Code including the following:

- (a) To review the annual audit plans and audit reports of external and internal auditors;
- (b) To review the balance sheet and profit and loss accounts of the Company and the consolidated balance sheet and profit and loss accounts of the Group before they are submitted to the Board for approval;
- (c) To review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (d) To review the auditors' evaluation of the system of internal accounting controls;
- (e) To review the adequacy and effectiveness of the Company's internal controls;
- (f) To review the scope, results and effectiveness of the internal audit function;
- (g) To review the scope, results and effectiveness of the external audit, and the independence and objectivity of the external auditors annually, and the nature and extent of non-audit services supplied by the external auditors so as to maintain objectivity;
- (h) To make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (i) To review the Company's whistle-blowing policy, and to ensure that arrangements are in place for concerns about possible improprieties in matters of financial reporting or other matters to be raised and independently investigated, and for appropriate follow-up action to be taken;
- (j) To oversee any internal investigation into cases of fraud and irregularities;
- (k) To review any interested person transaction;
- (l) To approve the hiring, removal, evaluation and compensation of the head of the internal audit function; and
- (m) To ensure that the internal audit function is adequately resourced and has appropriate standing within the Company.

The AC has the authority to investigate any matter within its terms of reference, has full access to and co-operation by Management, and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC meets with the external and internal auditors, in each case, without the presence of Management, at least once a year. The audit partner of the external auditors is rotated every five years, in accordance with the requirements of the SGX-ST Listing Manual.

The financial statements and the accompanying announcements are reviewed by the AC before presentation to the Board for approval, to ensure the integrity of information to be released.

Corporate Governance Report

During the financial year, the AC reviewed the periodic financial statements prior to approving or recommending their release to the Board, as applicable; the auditors' evaluation of the system of internal accounting controls; the adequacy and effectiveness of the Company's internal controls; the annual audit plan of the external and internal auditors and the results of the audits performed by them; and potential interested person transactions. It also reviewed the scope, results, adequacy and effectiveness of the internal audit and external audit functions; the independence and objectivity of the external auditors and the non-audit services rendered by them; and the re-appointment of the external auditors and their remuneration. Management's assessment of fraud risks, adequacy of the whistleblowing arrangements and whistleblowing complaints are reviewed by the AC.

The Group has established procedures for reviewing and approving interested person transactions.

The AC takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements, with training conducted by professionals or external consultants.

During the financial year, the following significant matters that impact the financial statements were reviewed by the AC in relation to their materiality and appropriate methodology/assessment. These matters were also discussed with Management and the external auditors.

Significant matters	How the AC reviewed these matters
Valuation of investment properties	The AC considered the valuation methodologies adopted by the external valuers including the estimation uncertainty arising from the Covid-19 outbreak and the higher degree of caution required in relying on the valuation. It also considered the possibility that valuations may change significantly and unexpectedly over a short period of time. It reviewed the key assumptions used in the valuations against available industry data, taking into consideration comparability and market factors.
Valuation of goodwill and intangible assets	The AC considered the approach which requires an estimation of the value-in-use of the cash-generating units to which goodwill or other intangible assets are allocated. It reviewed the reasonableness of the assumptions used in the cashflow forecasts including the terminal growth rates and discount rates, taking into consideration factors such as sector and industry trends including the heightened estimation uncertainty over these estimated cash flows due to the impact of Covid-19.
Valuation of unquoted investments	The AC considered the appropriateness of the different valuation techniques and the assumptions based on market conditions existing at each reporting date. It also gave due consideration to the challenges behind determining the fair value of the investments operating in sectors affected by Covid-19 given the unprecedented circumstances.
Business combinations / Asset acquisitions	The AC considered the appropriateness of accounting for the PBSA acquisition during the year. It reviewed the purchase price allocation prepared by external valuer and management, including determining the purchase consideration, the appropriate valuation methodology to be used for determining the fair values of the identifiable assets and liabilities acquired and in estimating the underlying assumptions to be applied in such valuations. Based on the concentration test as outlined in amendments to SFRS(I) 3 Definition of a Business, substantially all of the fair values of the gross assets is concentrated in similar assets, investment properties and AC assessed that it can be accounted for as an asset acquisition.
Liquidity risk management	The AC considered the Group's approach to liquidity risk management, as part of its heightened response to overall risk in the wake of the Covid-19 outbreak. The AC paid particular attention to the Group's active management of its debt maturity profile, the mix between short term and long term funding, and availability of financing options and credit facilities. The AC also considered the appropriateness of the approach taken to assess the ability to continue as a going concern and reviewed the assumptions behind the operating cashflow forecasts, the basis used to determine compliance with debt covenant ratios, and sources of liquidity and funding given the increased uncertainties and variabilities arising from the Covid-19 outbreak.

The AC concluded that the Group's accounting treatment and estimates in each of the significant matters were appropriate. All the key audit matters ("KAMs") that were raised by the external auditors for the financial year ended 31 August 2020 have been addressed by the AC and covered in the above commentary. The KAMs in the auditors' report for the financial year ended 31 August 2020 can be found on pages 146 to 152 of this Annual Report.

External Auditors

The AC has conducted an annual review of the performance of the external auditor taking into consideration the Audit Quality Indicators Disclosure Framework recommended by ACRA as reference. It has also reviewed the volume of non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, before confirming their re-nomination. Details of the aggregate amount of fees paid to the external auditors for FY2020, and a breakdown of the fees paid in total for audit and non-audit services respectively, can be found on page 223.

The Company confirms that the appointment of the external auditors is in accordance with Rules 712 and 715 of the SGX-ST Listing Manual.

None of the AC members is a former partner of the Group's existing auditing firm.

Internal Audit Division (IAD)

IAD is staffed by seven audit executives, including the Head of Internal Audit. All the IAD staff have professional qualifications, and are members of the Institute of Singapore Chartered Accountants (ISCA) and/or Institute of Internal Auditors ("IIA"). Some are Certified Information Systems Auditor (CISA). All IAD staff have to adhere to a set of code of ethics adopted from the IIA.

The primary line of reporting of the Internal Audit function is to the AC. IAD is guided by the International Standards For the Professional Practices of Internal Auditing issued by IIA and ensures staff competency through the recruitment of suitably qualified and experienced staff, provision of formal and on-the-job training, and appropriate resource allocation in engagement planning.

SPH IAD has unrestricted direct access to all the SPH's documents, records, properties and personnel. IAD's reports are submitted to the AC for deliberation with copies of these reports extended to the relevant senior management personnel and the external auditors. The reports are submitted to the AC when they are completed and are reviewed at the quarterly AC meetings.

The AC is satisfied that IAD is adequately resourced, effective and independent of the activities it audits.

The IAD has an annual audit plan, which focuses on material internal control systems including financial, operational, IT and compliance controls, and the risk management processes. IAD also provides advice on security and control in new systems development, recommends improvements to effectiveness and economy of operations, and contributes to risk management and corporate governance processes. Any material non-compliance or lapses in internal controls together with corrective measures are reported to the AC.

The AC approves the hiring, removal, evaluation and compensation of the head of the internal audit function and he is provided with access to the AC.

Based on the audit reports and management controls in place, the AC is satisfied that the internal control systems (including financial, operational, compliance and information technology controls) provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained and financial statements are reliable. In the course of their statutory audit, the Company's external auditors will highlight any material internal control weaknesses

Corporate Governance Report

which have come to their attention in carrying out their normal audit, which is designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the external auditors are reported to the AC.

Code of Dealings in Securities

The Group has in place a Code of Dealings in SPH's securities, which prohibits dealings in SPH securities by all Directors of the Company and its subsidiaries, and certain employees, within certain trading periods. The "black-out" periods are one month prior to the announcement of the half year and full year financial statements of the Company. Directors and employees are also reminded to observe insider trading laws at all times, and not to deal in SPH securities when in possession of any unpublished price-sensitive information regarding the Group, or on short-term considerations. The Company issues periodic reminders to its Directors, relevant officers and employees on the restrictions in dealings in listed securities of the Group as set out above, in compliance with Rule 1207(19) of the SGX-ST Listing Manual.

Codes of Conduct and Practices

In addition to the SPH Code of Ethics, codes of conduct and practices covering data protection and workplace health and safety are also posted on the Company's intranet website.

Whistleblowing Policy

The Group also has a Whistleblowing Policy & Procedure which is posted on the SPH Corporate website, to allow staff and external parties such as suppliers, customers, contractors and other stakeholders, to raise concerns or observations in confidence to the Company, about possible irregularities for independent investigation and appropriate follow up action to be taken. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation. The Group adopts a zero-tolerance to corruption. The Whistleblowing Policy encourages staff and external parties to identify themselves whenever possible to facilitate investigations, but will also consider anonymous complaints, in certain circumstances. It makes available to staff and external parties the contact details of the Receiving Officer, who may also forward the concern to the respective Heads of Division, CEO, AC Chairman and/or Chairman.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights

Principle 11: Shareholder rights and conduct of general meetings

The Group encourages shareholder participation, and ensures that shareholders have the opportunity to participate effectively at general meetings.

The general meeting procedures allow shareholders to raise questions relating to each resolution tabled for approval, and to participate, engage and openly communicate their views on matters relating to SPH.

The Company does not allow a shareholder to vote in absentia at general meetings, except through the appointment of a proxy, attorney or in the case of a corporation, a corporate representative, to cast their vote in their stead.

At general meetings, each distinct issue is proposed as a separate resolution. All resolutions are put to the vote by electronic poll voting. Independent scrutineers are appointed to conduct the voting process and verify votes after each resolution. The results of the electronic poll voting are announced instantaneously at the meeting. The outcome of the general meeting is promptly announced on SGXNET after the general meeting.

The Company prepares minutes of general meetings which incorporate substantial and relevant comments or queries from shareholders, and responses from Board and Management, and publishes these on its corporate website.

All Directors, including the chairmen of the EC, AC, NC, RC and BRC, and senior Management, are in attendance at the AGMs and Extraordinary General Meetings to allow shareholders the opportunity to air their views and ask Directors or Management questions regarding the Company. The external auditors also attend the AGMs to assist the Directors in answering any queries relating to the conduct of the audit and the preparation and content of the auditors' report. The AGM is held within four months after the close of the financial year.

All SPH shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights.

Any notice of a general meeting of shareholders is issued at least 14 days before the scheduled date of such meeting.

A shareholder who is not a "relevant intermediary" may appoint up to two proxies during his absence, to attend, speak and vote on his behalf at general meetings, provided that a shareholder holding management shares may appoint more than two proxies in respect of the management shares held by him. Shareholders who are "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, are allowed to appoint more than two proxies to attend, speak and vote at general meetings. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate at shareholders' meetings.

In light of the COVID-19 pandemic, SPH's 36th AGM will be held via electronic means. Shareholders will not be able to attend the AGM in person, but they may observe the proceedings of the AGM by audio or audio-visual means. Shareholders may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM. Shareholders may submit questions relating to the business of the meeting in advance. Please refer to the notice of the 36th AGM and announcement dated 2 November 2020 for further information.

Communication with Shareholders

Principle 12: Engagement with shareholders

The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communications with shareholders. The investor relations policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

The Company holds analysts' briefings of its quarterly (after Q2 FY2020, half-yearly) results and a media briefing of its full year results. The financial results are published through the SGXNET, via media releases and on the Company's corporate website, to ensure fair dissemination to shareholders. The date of release of the results is announced through SGXNET two weeks in advance. Since the onset of the Covid-19 pandemic, the Company has been providing increased disclosure through regular voluntary updates on its business operations via SGXNET, to enable investors to make better-informed decisions. The Company also conducts analysts' briefings and investor roadshows to maintain regular dialogue with shareholders as well as to solicit and understand the views of shareholders. Information disclosed is as descriptive, detailed and forthcoming as possible. Details are set out on page 46. The SPH investor relations team, together with senior Management, communicate with investors. The Company provides on its website an investor relations email address, through which shareholders are able to ask questions and receive responses in a timely manner.

The Company also engaged retail shareholders with a Pre-AGM session in November 2019, jointly organised with the Securities Investors Association of Singapore.

Corporate Governance Report

The Company does not practise selective disclosure. Price-sensitive information is first publicly released through SGXNET, either before the Company meets with any investors or analysts or simultaneously with such meetings. SPH also makes available speeches and presentations given by the Chairman, CEO and senior Management, and other information considered to be of interest to shareholders.

The Annual Report for FY2020 ("Annual Report"), the Company's Letter to Shareholders, notice of AGM and proxy form are published on the Company's corporate website, www.sph.com.sg (printed copies are available on request). The notice of AGM is also advertised in the press and issued on SGXNET.

SPH has been declaring dividends at half-year and final year-end. Any payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNET when the Company discloses its financial results.

Principle 13: Balancing needs and interests of material stakeholders

The Board adopts a balanced approach towards the needs and interests of key stakeholders, taking into account the best interests of the Company.

To facilitate the exercise of shareholders' rights, the Company ensures that all material information relating to the Company and its financial performance is disclosed in an accurate and timely manner via SGXNET. Shareholders are also informed of rules, including voting procedures that govern the general meeting. The Company maintains a current corporate website, www.sph.com.sg, to communicate and engage with stakeholders.

The annual report sets out the Group's strategy and key areas of focus in managing stakeholder relationships.

Directors' attendance at Board and Board Committee Meetings (for the financial year ended 31 August 2020)

Name of Director	Board	Executive Committee	Audit Committee	Remuneration Committee	Nominating Committee	Board Risk Committee
Lee Boon Yang (Chairman)	6 out of 6	6 out of 6	-	3 out of 3	2 out of 2	-
Ng Yat Chung (CEO)	6 out of 6	6 out of 6	-	-	-	4 out of 4
Bahren Shaari	6 out of 6	6 out of 6	-	-	2 out of 2	-
Chong Siak Ching	2 out of 2 ¹	-	-	2 out of 2 ¹	1 out of 1 ¹	-
Quek See Tiat	6 out of 6	6 out of 6	4 out of 4	-	-	-
Tan Chin Hwee	6 out of 6	-	4 out of 4	2 out of 3	-	-
Tan Yen Yen	6 out of 6	-	-	3 out of 3	-	3 out of 4
Janet Ang Guat Har	6 out of 6	-	4 out of 4	-	1 out of 1 ²	1 out of 1 ²
Andrew Lim Ming-Hui	6 out of 6	-	4 out of 4	-	2 out of 2	4 out of 4
Lim Ming Yan	6 out of 6	-	-	3 out of 3	1 out of 1 ³	3 out of 3 ³
Tracey Woon	1 out of 1 ³	1 out of 1 ³	-	-	-	-

Notes:

- Ms Chong Siak Ching stepped down as a Director on 29 November 2019.
- Ms Janet Ang was appointed as a member of the Nominating Committee and stepped down as a member of the Board Risk Committee on 29 November 2019.
- Mr Lim Ming Yan was appointed as a member of the Board Risk Committee and stepped down as a member of the Nominating Committee on 29 November 2019.
- Ms Tracey Woon was appointed as a Director and a member of the Executive Committee and the Board Risk Committee on 1 July 2020.

Risk Management

ENTERPRISE RISK MANAGEMENT PROGRAMME

SPH has established a holistic Enterprise Risk Management Programme (ERM Programme), which complies with the Corporate Governance Council's Risk Governance Guidance for Listed Boards, so as to ensure that the Group's resources are employed in a prudent and effective manner to harness opportunities while mitigating threats. This is centered around an ERM framework that identifies, evaluates and reviews the major risks that SPH faces.

ERM FRAMEWORK

Our ERM framework, which is modelled on the ISO 31000: 2018 Risk Management – Principles and Guidelines, covers the key strategic, operational, financial, compliance and information technology risks facing SPH. The ERM framework is supported by appropriate risk management policies and procedures which provide guidance to our various business units on managing risks.

RISK GOVERNANCE

Our ERM Programme is reviewed on a regular basis and, where appropriate, refined by key Management with guidance from the Board Risk Committee (BRC) and the Board of Directors (Board).

The Board, through the BRC, has overall responsibility for risk governance and ensures that the Management maintains a robust system for risk management in order to safeguard stakeholders' interests as well as the Group's assets and resources. In addition, the BRC sets the tone on the appropriate risk culture and provides guidance on the enterprise risk management system and the corresponding policies and procedures. The BRC meets quarterly, and currently comprises of four independent Board members and the CEO. The meetings are also attended by key Management.

The BRC and the Board regularly review the top Enterprise Risks, taking into account the Group's strategic objectives and priorities in the context of the requirements of various stakeholders, including the regulatory frameworks of the various geographies and industries within which SPH operates. Key risk indicators are identified, measured, monitored and reported to BRC and key Management. To ensure that risks are adequately and effectively managed, we adopt a forward-looking risk culture and industry best practices by embedding processes to scan the environment for new and emerging risks and opportunities

and concomitantly, update our understanding of previously identified risks.

Our risk governance framework enables the BRC to monitor risks, proactively seek assurance and ensure that any inadequacies are addressed promptly. The framework also facilitates the Board in carrying out its duties in reviewing, assessing and disclosing the adequacy and effectiveness of the risk management and internal control systems in SPH.

ENTERPRISE RISK MANAGEMENT PHILOSOPHY AND APPROACH

Our philosophy and approach to Enterprise Risk Management (ERM) is as follows:

- Our overarching ERM principle is that risks can be managed but cannot be totally eliminated. Accordingly, our risk exposures are mitigated to acceptable levels by a continuous and iterative process involving inputs from the respective business units;
- ERM should be aligned with and driven by business values, goals and objectives;
- BRC shall be consulted on material matters relating to the various key enterprise risks and development of risk controls and mitigation processes;
- Risk management is the responsibility of all staff. As such, risk awareness among staff is critical and we promote such awareness through constant communication and education;
- Risk management processes are integrated with other business processes such as corporate planning and business development; and
- Where possible, risks are shared and transferred via relevant insurance policies.

The key outputs of our Enterprise Risk Management Programme are:

- Identify key risks affecting SPH's strategic plans, business objectives and major investments;
- Identify and develop strategic options and mitigants required to treat the identified risks;
- Implement measures and processes required for monitoring and review of risk severity and treatment effectiveness; and
- Update the BRC and the Board promptly on emerging risks and any changes to the identified risks.

Risk Management

The following sections outline the enterprise risks that may impact SPH, and the approaches to manage these risks.



COVID-19 RISKS

When Covid-19 surfaced in early 2020, SPH recognised the risk of possible infection which might disrupt our businesses. We assessed the potential impact of Covid-19 on our businesses and undertook initiatives to protect our employees whilst maintaining key operations, reviewed various financial scenarios and also stabilised our supply chain to ensure continuity of operations.

In line with government directives, we implemented telecommuting and split team operations for our employees. As we had embarked on our digital transformation, we were prepared for the transition for staff to work from home, as well as to implement split operations expeditiously. Currently, measures are in place to ensure safe environments for our staff and customers. The BRC and Board have been updated regularly about the impact of Covid-19 on the financial and operational performance of our various businesses.



ECONOMIC AND BUSINESS RISK

Adverse macroeconomic conditions in the global and domestic environment may have a significant impact on our portfolio of businesses going forward. Singapore's GDP growth has been adversely impacted by the Covid-19 pandemic. The outlook for 2021 is uncertain, with expectations of a global recession amid a second wave of infections. Recovery could take some time and present significant uncertainties for SPH's businesses. We proactively manage risk exposure on the economic front by prudently reducing costs and maintaining a healthy cash reserve to ensure the robustness of our balance sheet. We have also streamlined our portfolio of businesses by divesting our non-core assets.

A rapidly evolving multimedia landscape continues to pose challenges to SPH's core media businesses. In order to

stay ahead of such disruptive forces and meet customers' evolving needs, we continue to enhance our media offerings, while constantly monitoring the risks affecting our media businesses and striving to harness available opportunities to refresh our products and services to stay ahead of the curve.

As we diversify into new growth verticals such as overseas properties and aged care, we are mindful of associated risks such as Covid-19, execution and reputational risks. We adopt appropriate business practices to ensure that our values and reputation are not compromised and that business growth is sustainable.



REGULATORY/COMPLIANCE RISK

Our newspaper business is dependent on the annual renewal of printing licence and newspaper permit licence for each newspaper, pursuant to the provisions of the Newspaper and Printing Presses Act (Chapter 206, Singapore Statutes). The Group's online publications and radio business are also subject to the Broadcasting Act and its relevant Codes of Practice. Failure to comply with the relevant Acts and Codes may subject SPH to significant liabilities, such as fines, suspension, or the revocation of operating licences. In addition, SPH is also required to comply with other statutory and regulatory requirements such as the Singapore Exchange Listing Manual requirements, the Companies Act, Monetary Authority of Singapore regulations, the Securities & Futures Act, the Competition Act and market practice codes prescribed by the Infocommunications Media Development Authority of Singapore. SPH's other business segments like aged care and purpose-built student accommodation (PBSA) are also subject to the applicable statutory and regulatory requirements such as the Private Hospitals and Medical Clinics Act, Allied Health Professions Act and the Nurses and Midwives Act for the aged care business, and the Housing Act 2004 (England), Housing Act 2006 (Scotland) and the Building Act 1984 for PBSA.

In response to such statutory and regulatory requirements, we have implemented compliance frameworks and internal protocols to monitor the level of compliance and minimise any lapses.

We have put in place formal processes for Workplace Safety and Health compliance for our offices, warehouses, businesses and public facing services.

There are also policies and processes in place to comply with the requirements of the Personal Data Protection Act 2012 (PDPA) and the European Union General Data Protection Regulation (GDPR), where applicable.



OPERATIONAL RISK

Operational risk relates to the risk of business operations failing due to human error and inadequate and ineffective controls in systems or processes. Such operational risks are inherent in organisations with multiple functions.

Effective operational risk management is one of the fundamental elements in our ERM Programme, and we have designed and implemented our system to mitigate such risk.



NEWSPRINT COST RISK

One of our main cost drivers is newsprint price. A significant spike in newsprint price or a reduction in newsprint availability can result in higher production costs and adversely impact our operating margins. To mitigate the risk, we have adopted measures such as advance purchasing and developing a core group of reliable, sustainable and responsible suppliers.



FRAUD RISK

SPH does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing by staff in the course of their work. Our anti-fraud stance and practices are communicated through our Code of Ethics. The Code of Ethics also covers areas to safeguard the integrity of our assets, proprietary information and intellectual property.

We seek to promote and foster a strong fraud risk awareness culture by making the Code of Ethics accessible to employees via the staff portal and to new staff during the staff induction programme. We also have in place a Whistle-blowing Policy to guide staff and other stakeholders to raise concerns, in confidence, about possible improprieties e.g. fraud, corruption and employee misconduct. The Whistle-

blowing policy and hotline number are found on the staff portal and internet (<https://www.sph.com.sg/corporate-governance/whistleblowing-policy-procedure/>).



TECHNOLOGY AND CYBER RISK

In order to sustain our competitive edge in the media industry amidst rapid technology changes, we strive to stay on top of cybersecurity and technological trends, implementing adequate and effective IT controls to address potential exposures and threats. We have established various measures towards ensuring the security of our IT systems and to further strengthen our cybersecurity posture. As cyber-attacks become more organised and sophisticated, we will continue to invest in strengthening our cyber defences.

In order to foster a culture of awareness, the Group's Information Technology Acceptable Use Policies are communicated to all staff. The policies guide all staff on appropriate and acceptable use of computing resources such as hardware, software and data. Cybersecurity awareness education is conducted regularly to strengthen corporate awareness against potential hacking, phishing, malware and other cyber-crimes. In the coming financial year, we will continue to prioritise cybersecurity measures to ensure continued access and confidence in the robustness of our key systems.



BUSINESS CONTINUITY RISK

Availability and safety of our newspaper printing facilities, aged care facilities, student accommodation properties and retail properties are of paramount importance to SPH as our customers rely on SPH to provide them with seamless services and trustworthy products.

We recognise our organisation's exposure to internal and external threats and seek to increase our resilience to minimise the impact of a crisis on business operations, people and assets. Putting in place effective prevention and recovery measures will ensure that we continue to maximise value for our stakeholders.

Our Business Continuity Planning Programme (BCP Programme) aims to minimise any disruptions to our critical business activities and to restore services quickly in the event of a disruption. To instill resilience in our operations, staff from frontline and supporting business units participate in simulation exercises that are conducted periodically.

Supplemental Information on Directors Seeking Re-Election

The information required under Rule 720(6) and Appendix 7.4.1 of the SGX-ST Listing Manual in respect of Directors seeking re-election at the Annual General Meeting on 27 November 2020 is set out below.

NAME OF DIRECTOR	MR QUEK SEE TIAT	MR BAHREN SHAARI	MR ANDREW LIM MING-HUI	MS TRACEY WOON
Date of Appointment	1 September 2013	1 April 2012	1 January 2017	1 July 2020
Date of last re-appointment (if applicable)	1 December 2017	1 December 2017	1 December 2017	N.A.
Age	66	58	59	64
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The process of succession planning for the Board, appointment of Directors, and the re-nomination and re-election of Directors, is set out on pages 116 to 120 of the Annual Report.	The process of succession planning for the Board, appointment of Directors, and the re-nomination and re-election of Directors, is set out on pages 116 to 120 of the Annual Report.	The process of succession planning for the Board, appointment of Directors, and the re-nomination and re-election of Directors, is set out on pages 116 to 120 of the Annual Report.	The process of succession planning for the Board, appointment of Directors, and the re-nomination and re-election of Directors, is set out on pages 116 to 120 of the Annual Report.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> ■ Executive Committee ■ Audit Committee (Chairman) 	<ul style="list-style-type: none"> ■ Executive Committee ■ Nominating Committee (Chairman) 	<ul style="list-style-type: none"> ■ Audit Committee ■ Nominating Committee ■ Board Risk Committee (Chairman) 	<ul style="list-style-type: none"> ■ Executive Committee ■ Board Risk Committee
Professional Qualifications	<ul style="list-style-type: none"> ■ Honours (Second Class Upper), Economics, London School of Economics & Political Science ■ Fellow, Institute of Chartered Accountants in England and Wales 	<ul style="list-style-type: none"> ■ Bachelor of Accountancy, National University of Singapore 	<ul style="list-style-type: none"> ■ Bachelor of Law (Hons) and Masters of Law, National University of Singapore 	<ul style="list-style-type: none"> ■ Bachelor of Law (Hons), National University of Singapore

NAME OF DIRECTOR	MR QUEK SEE TIAT	MR BAHREN SHAARI	MR ANDREW LIM MING-HUI	MS TRACEY WOON
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> ■ Partner and subsequently Deputy Chairman of PricewaterhouseCoopers LLP (July 1987 to June 2012) 	<ul style="list-style-type: none"> ■ Chief Executive Officer of Bank of Singapore (Feb 2015 to present) ■ Managing Director, Marketing Head of South East Asia (Jan 2009 to Feb 2015) 	<ul style="list-style-type: none"> ■ Partner, Allen & Gledhill LLP 	<ul style="list-style-type: none"> ■ Vice Chairman, Asia Pacific, Global Wealth Management UBS AG (July 2016 to August 2020) ■ Vice Chairman of Citibank ASEAN Corporate and Investment Banking, Citibank Global Markets Singapore Pte Ltd (2004 to 2016)
Shareholding interest in the listed issuer and its subsidiaries	<ul style="list-style-type: none"> ■ SPH – 59,000 ordinary shares (Direct) ■ SPH – 57,333 ordinary shares (Deemed) ■ SPH – 4 management shares 	<ul style="list-style-type: none"> ■ SPH – 49,000 ordinary shares (Direct) ■ SPH – 4 management shares 	<ul style="list-style-type: none"> ■ SPH – 56,000 ordinary shares (Direct) ■ SPH – 4 management shares 	<ul style="list-style-type: none"> ■ SPH – 16,000 ordinary shares (Direct) ■ SPH – 4 management shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes
Other Principal Commitments including Directorships - Past (for the last 5 years)	<ul style="list-style-type: none"> ■ Building and Construction Authority (Chairman) ■ Neptune Orient Lines Ltd (Director) ■ Energy Market Authority (Board Member) 	<ul style="list-style-type: none"> ■ BOS Korea Securities Co. Ltd (Director) 	<ul style="list-style-type: none"> ■ Committee for Private Education (a Committee of the SkillsFuture Singapore Board) (Member) ■ Board of Governors of St Andrew's Junior College (Member) ■ Community Chest of Singapore Committee (Member) ■ Monetary Authority of Singapore Financial Centre Advisory Panel (Member) 	NIL

Supplemental Information on Directors Seeking Re-Election

NAME OF DIRECTOR	MR QUEK SEE TIAT	MR BAHREN SHAARI	MR ANDREW LIM MING-HUI	MS TRACEY WOON
Other Principal Commitments including Directorships - Present	<ul style="list-style-type: none"> ■ Singapore Technologies Engineering Ltd* (Director) ■ Pavillion Energy Pte Ltd (Director) ■ Temasek Foundation Connects CLG Limited (Director) ■ Pavilion Energy Spain, S.A.U (Director) ■ Monetary Authority of Singapore (Board Member) ■ Council of Estate Agencies (President) ■ Accounting Standards Council (Chairman-Designate) ■ Temasek Foundation Limited (Audit & Risk Committee) (co-opted) 	<ul style="list-style-type: none"> ■ Bank of Singapore Ltd. (Director) ■ Council of the Presidential Advisers (Member) ■ Internal Security Act Advisory Board (Member) ■ Corporate Governance Advisory Committee (Member) ■ Institute of Systems Science (Member, Management Board) ■ Wakaf Masyarakat Singapura (Advisory Panel Member) 	<ul style="list-style-type: none"> ■ Singex Holdings Pte. Ltd. (Director) ■ Jurong Engineering Limited (Director) ■ Allen & Gledhill LLP (Partner) ■ National University of Singapore, Board of Trustees (Trustee) ■ Sentosa Development Corporation (Member) 	<ul style="list-style-type: none"> ■ National University Health System Pte Ltd (Director) ■ Investment Committee, MOH Holdings Pte Ltd (Member) ■ Securities Industry Council (Member) ■ LAC Committee, Singapore Exchange Ltd (Member) ■ IBF Distinguished Fellow Member (Member) ■ Red Cross Singapore (Council Member)
Information required pursuant to listing rule 704 (7)	<p>Confirmed that there is no change to his responses previously disclosed under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No". The Appendix 7.4.1 information was announced on 30 August 2013 in respect of Mr Quek's first appointment as Director.</p>	<p>Confirmed that there is no change to his responses previously disclosed under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No". The Appendix 7.4.1 information was announced on 30 March 2012 in respect of Mr Bahren's first appointment as Director.</p>	<p>Confirmed that there is no change to his responses previously disclosed under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No". The Appendix 7.4.1 information was announced on 21 December 2016 in respect of Mr Lim's first appointment as Director.</p>	<p>Confirmed that there is no change to her responses previously disclosed under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No". The Appendix 7.4.1 information was announced on 19 June 2020 in respect of Ms Woon's first appointment as Director.</p>

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Proxy Form

Directors' Statement

For the Financial Year Ended 31 August 2020

The Directors present this statement to the members together with the audited financial statements of Singapore Press Holdings Limited and its subsidiaries (the "Group") for the financial year ended 31 August 2020 and the statement of financial position of Singapore Press Holdings Limited (the "Company") as at 31 August 2020.

In the opinion of the Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company, as set out on pages 153 to 258, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2020, and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

1. The Directors of the Company in office at the date of this statement* are:

Lee Boon Yang
Ng Yat Chung
Janet Ang Guat Har
Bahren Shaari
Andrew Lim Ming-Hui
Lim Ming Yan
Quek See Tiat
Tan Chin Hwee
Tan Yen Yen
Tracey Woon (appointed on 1 July 2020)

* *Ms Chong Siak Ching stepped down as Director on 29 November 2019.*

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

2. Neither during nor at the end of the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the SPH Performance Share Plan 2016 and remuneration shares to Directors of the Company.

DIRECTORS' INTERESTS IN SHARES

3. The Directors holding office as at 31 August 2020 had interests in shares and awards over shares, in the Company and its related corporations, and interests in units in SPH REIT, as recorded in the register of Directors' shareholdings as follows:

Directors' Statement

For the Financial Year Ended 31 August 2020

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Direct Interests			Deemed Interests		
	1 Sept 2019	31 Aug 2020	21 Sept 2020	1 Sept 2019	31 Aug 2020	21 Sept 2020
Singapore Press Holdings Limited						
<u>Management Shares</u>						
Lee Boon Yang	4	4	4	–	–	–
Ng Yat Chung	12 ^e	12	12	–	–	–
Janet Ang Guat Har	4	4	4	–	–	–
Bahren Shaari	4	4	4	–	–	–
Andrew Lim Ming-Hui	4	4	4	–	–	–
Lim Ming Yan	4	4	4	–	–	–
Quek See Tiat	4	4	4	–	–	–
Tan Chin Hwee	4	4	4	–	–	–
Tan Yen Yen	4	4	4	–	–	–
Tracey Woon	4 ^e	4	4	–	–	–
<u>Ordinary Shares</u>						
Lee Boon Yang	20,000	44,000	44,000	–	–	–
Ng Yat Chung	27,600	67,900	67,900	–	–	–
Janet Ang Guat Har	10,000	23,000	23,000	4,250	4,250	4,250
Bahren Shaari	11,000	24,000	24,000	–	–	–
Andrew Lim Ming-Hui	12,000	28,000	28,000	–	–	–
Lim Ming Yan	–	12,000	12,000	–	–	–
Quek See Tiat	13,000	30,000	30,000	47,000	47,000	57,333
Tan Chin Hwee	11,000	24,000	24,000	–	–	–
Tan Yen Yen	9,000	21,000	21,000	–	–	–
<u>Conditional Awards of Performance Shares*</u>						
Ng Yat Chung						
31,000 [#] shares to be vested in January 2020	27,600	– ^{^^}	N.A.	–	–	–
31,000 [#] shares to be vested in January 2021	27,570	27,570	27,570	–	–	–
285,600 [#] shares to be vested in January 2021	Up to 428,400 ^{##}	Up to 428,400 ^{##}	Up to 428,400 ^{##}	–	–	–
12,700 shares to be vested in January 2020	12,700	– ^{^^}	N.A.	–	–	–
12,600 shares to be vested in January 2021	12,600	12,600	12,600	–	–	–
381,200 [#] shares to be vested in January 2022	Up to 762,400 ^{##}	Up to 762,400 ^{##}	Up to 762,400 ^{##}	–	–	–
127,300 shares to be vested in January 2021	–	127,300	127,300	–	–	–
127,300 shares to be vested in January 2022	–	127,300	127,300	–	–	–
334,900 [#] shares to be vested in January 2023	–	Up to 669,800 ^{##}	Up to 669,800 ^{##}	–	–	–

Directors' Statement

For the Financial Year Ended 31 August 2020

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Direct Interests			Deemed Interests		
	1 Sept 2019	31 Aug 2020	21 Sept 2020	1 Sept 2019	31 Aug 2020	21 Sept 2020
Singapore News and Publications Limited						
<u>Management Shares</u>						
Ng Yat Chung	1 [^]	1 [^]	1 [^]	–	–	–
The Straits Times Press (1975) Limited						
<u>Management Shares</u>						
Ng Yat Chung	1 [^]	1 [^]	1 [^]	–	–	–
SPH REIT						
<u>Units</u>						
Lee Boon Yang	300,000	300,000	300,000	–	–	–

@ Ms Chong Siak Ching transferred 4 management shares to Mr Ng Yat Chung when she stepped down as a Director on 29 November 2019. Mr Ng Yat Chung transferred 4 management shares to Ms Tracey Woon, when she was appointed as a Director on 1 July 2020.

* Represents performance shares granted from financial year 2018 to 2020.

The number of shares represents the shares required if awarded at 100% of the grant.

The shares awarded at the vesting date could range from 0% to 200% depending on the level of achievement against the pre-set performance conditions.

^^ During the financial year, 40,300 shares were released to Mr Ng Yat Chung.

^ Held as nominee for Singapore Press Holdings Limited.

SHARE OPTIONS IN THE COMPANY

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

4. (a) The 1999 Scheme, which was approved by shareholders at an Extraordinary General Meeting held on 16 July 1999, has fully terminated on 16 December 2015.
- (b) During the financial year:
 - (i) no options to take up unissued shares of the Company were granted; and
 - (ii) no shares were issued by virtue of the exercise of options to take up unissued shares of the Company.
- (c) There were no unissued shares of the Company under option as at the end of the financial year.

Directors' Statement

For the Financial Year Ended 31 August 2020

PERFORMANCE SHARES IN THE COMPANY

5. (a) The SPH Performance Share Plan was approved by shareholders at an Extraordinary General Meeting held on 5 December 2006 ("the Share Plan").

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" or "SPH PSP"). This replaced the Share Plan, which was terminated.

The SPH PSP is administered by the Remuneration Committee ("the RC").

- (b) Persons eligible to participate in the SPH PSP are selected Group Employees of such rank and service period as the RC may determine, and other participants selected by the RC.
- (c) Awards initially granted under the SPH PSP are conditional and are principally performance-based with performance conditions set over a multi-year performance period. Performance conditions are based on medium- to longer-term corporate objectives and include both market and non-market conditions.
- (d) The SPH PSP contemplates the award of fully-paid shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met and upon expiry of the prescribed vesting periods.
- (e) Senior management are required to hold a minimum number of shares under the share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.
- (f) During the financial year, 2,155,300 performance shares were granted subject to the terms and conditions of the 2016 Share Plan as follows:

Category	No. of Persons	No. of Performance Shares Granted [^]
Executive Director	1	589,500
Employee	32	1,565,800
	33	2,155,300

[^] Granted with non-market conditions.

The aggregate number of performance shares granted since the commencement of the 2016 Share Plan on 1 December 2016 to 31 August 2020 is 7,290,805 performance shares.

The above figures represent the shares required if participants are awarded at 100% of the grant. However, the shares awarded at the vesting date could range from 0% to 200%, depending on the level of achievement against the pre-set performance conditions.

- (g) 708,917 ordinary shares were delivered during the financial year pursuant to the vesting of awards granted under the 2016 Share Plan.
- (h) The aggregate number of performance shares comprised in awards granted under the 2016 Share Plan which are outstanding as at 31 August 2020 is 4,605,458 performance shares.

Directors' Statement

For the Financial Year Ended 31 August 2020

OTHER INFORMATION ON AWARDS

6. Details of the awards granted to a Director under the SPH PSP are as follows:

Name of Director	Aggregate awards outstanding as at 1.9.19	Aggregate awards granted since commencement to 31.8.20	Aggregate awards released during the financial year under review	Aggregate awards outstanding as at 31.8.20
Ng Yat Chung	Up to 1,271,270	Up to 2,274,420	40,300 [#]	Up to 2,155,370

[#] All of the ordinary shares were delivered by way of the transfer of treasury shares. No new ordinary shares were issued.

In respect of the SPH PSP:

- Details of the ordinary shares delivered pursuant to awards granted under the SPH PSP are set out in the notes to the financial statements. The prices at which the ordinary shares were purchased have been previously announced.
- No awards under the SPH PSP have been granted to controlling shareholders of the Company or their associates.
- No participant has received in aggregate 5% or more of (a) the total number of new ordinary shares available under the SPH PSP, and (b) the total number of existing ordinary shares delivered pursuant to awards released under the SPH PSP.

AUDIT COMMITTEE

7. The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50, and the Listing Manual of the Singapore Exchange Securities Trading Limited.

Its functions include reviewing the audit plans and audit reports of the internal and external auditors; reviewing the auditors' evaluation of the internal accounting controls; reviewing the adequacy and effectiveness of the Company's internal controls; reviewing the scope of the internal audit function; reviewing the statement of financial position of the Company and financial statements of the Group before submitting them to the Board for approval; reviewing any interested person transaction; reviewing the independence, objectivity and cost effectiveness of the external auditors and the nature and extent of non-audit services supplied by them; reviewing the assistance given by the Company's Management to the internal and external auditors; and overseeing any internal investigation into cases of fraud and irregularities.

It also recommends to the Board the appointment of external auditors, serves as a channel of communications between the Board and the auditors, and performs such other functions as may be agreed by the Audit Committee and the Board.

Directors' Statement

For the Financial Year Ended 31 August 2020

AUDITORS

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

On behalf of the Directors



Lee Boon Yang
Chairman



Ng Yat Chung
Director

Singapore,
13 October 2020

Independent Auditors' Report

To the Members of Singapore Press Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Press Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 August 2020, 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 153 to 258.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 August 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Valuation of investment properties

(Refer to Note 3, 8 and 31(e) to the financial statements)

Risk:

The Group owns a portfolio of investment properties in Singapore, United Kingdom, Australia and Japan. Investment properties represent the single largest category of assets on the statement of financial position, at S\$6.4 billion as at 31 August 2020.

These investment properties are stated at their fair values based on independent external valuations. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied, i.e. a small change in the assumptions can have a significant impact to the valuation.

Independent Auditors' Report

To the Members of Singapore Press Holdings Limited

On 11 March 2020, the World Health Organisation declared the Covid-19 outbreak to be pandemic, with many governments taking stringent steps to help contain and delay the spread of the virus. Arising from this, the Group experienced disruption to its business operations due to a significant increase in economic uncertainty evidenced by more volatile asset prices and currency exchange rates in countries in which the Group operates in. These unprecedented volatilities and the uncertainties in the recovery trajectories of the world economies in the near term in turn increased the level of subjectivity and judgement involved.

The independent valuation reports have highlighted estimation uncertainty arising from the Covid-19 outbreak, a higher degree of caution should be exercised when relying upon the valuation. The valuations may change significantly and unexpectedly over a short period of time.

Our response:

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

We considered the valuation methodologies used against those applied by other valuers for similar property types. We tested the integrity of inputs of the projected cash flows used in the valuation to supporting leases and other documents. We challenged the key assumptions used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors including the impact of Covid-19.

We also assessed whether the disclosures in the financial statements appropriately described the inherent degree of subjectivity and key assumptions in the valuations and impact of Covid-19 on the valuation of investment properties.

Our findings:

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

The valuation methodologies adopted by the valuers are in line with generally accepted market practices and the key assumptions used are within range of available market data.

The assessments have incorporated the known relevant considerations to the assumptions and estimates used as at the reporting date. If unfavourable changes to these assumptions and estimates occur, this could lead to lower asset values, which might in turn affect the financial position and performance of the Group. The disclosures in the financial statements are appropriate in their description of the inherent subjectivity and estimation involved.

Valuation of goodwill and intangible assets

(Refer to Note 3 and 13 to the financial statements)

Risk:

Intangible assets of S\$131.8 million as at 31 August 2020 comprise mainly goodwill, trademarks, licences and technology acquired from business combinations. Impairment charge of S\$17.5 million was recorded for goodwill and intangible assets.

The estimated recoverable amount of these assets is based on forecasted cash flows of the underlying businesses. There is an increased estimation uncertainty on these forecasted cash flows due to the impact of Covid-19. The impairment assessment is thus 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.

Independent Auditors' Report

To the Members of Singapore Press Holdings Limited

Our response:

We challenged the reasonableness of the key assumptions used in the cash flow forecast, including the discount rates and terminal growth rates by comparing to historical records and externally derived data, where available. As part of the challenge, we also considered the accuracy of past projections and the impact of Covid-19. 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 uncertain economic conditions, including the impact of Covid-19. We found the key assumptions used in the cash flow forecast to be within acceptable range, supported by historical performance and available market growth statistics. The disclosures in the financial statements describing the inherent degree of estimation uncertainties and the sensitivity of the assumptions applied are appropriate.

Valuation of unquoted investments

(Refer to Note 3, 12 and 31(e) to the financial statements)

Risk:

The Group's investment portfolio of S\$423.6 million as at 31 August 2020 included unquoted investments of S\$180.4 million, measured at Level 3 of the fair value hierarchy. The Level 3 investments are measured using non-observable market data (i.e. recent transacted price, indicative price for equity participation and underlying net asset value of the investee companies) and hence, the valuation of these investments involves significant judgement.

Certain Level 3 investments' underlying businesses were in sectors at risk due to the impact of Covid-19. The determination of the fair value of such investments would be challenging in such unprecedented circumstances.

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, including the impact of Covid-19. We also assessed the adequacy of disclosures on the fair value measurement basis.

Our findings:

The valuation methods applied are in line with generally accepted market practices and the valuations are supported by recent transacted prices or indicative price for equity participation or external net assets valuation reports. The Group has also assessed the impact of Covid-19 on the valuation of these investments. The disclosures in the financial statements are appropriate.

Liquidity risk management

(Refer to Note 2(a) to the financial statements)

Risk:

The Group's financial statements are prepared on a going concern basis. As at 31 August 2020, the Group is in a net current liability position of S\$565.8 million arising from certain bank loans being due in 2021. The Group has various financing options for these loan amounts, unutilised credit facilities and non-current marketable securities to address short term liquidity needs. The Group is also working on long-term funding arrangements.

The current economic uncertainties due to the impact of Covid-19 and challenging market conditions may pose a risk to the Group in its ability to exercise its options to address short term liquidity needs.

Independent Auditors' Report

To the Members of Singapore Press Holdings Limited

Our response:

We evaluated management's assessment of the use of going concern basis of accounting based on the sources of liquidity and funding available to the Group. We evaluated the cash flow forecasts prepared by management for the next 12 months from the reporting date, and assessed if these forecasts are reasonable by reviewing management's stress-tested forecasts. We challenged the appropriateness of the key assumptions used by management.

Our findings:

We found management's assessment of the sources of liquidity and funding to support the going concern basis of accounting in the preparation of the financial statements to be appropriate. Adequate disclosure of the pertinent information has also been set out in Note 2(a) to the financial statements.

Accounting for significant acquisitions

(Refer to Note 30(a) to the financial statements)

Risk:

During the year, the Group acquired Student Castle Investments Holdco Limited and its subsidiaries for a purchase consideration of S\$743.6 million (£411 million) (including discharge of the companies' debt owing to a financial institution of S\$233.8 million (£131.9 million)). The Group engaged an external valuer to perform the purchase price allocation.

The Group has elected to early adopt the Amendments to SFRS(I) 3 *Definition of a Business*, effective for periods beginning on or after 1 January 2020. Based on the concentration test, substantially all of the fair values of the gross assets are concentrated in investment properties. As such, the transaction was accounted for as an asset acquisition. Judgement is required to determine whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

There is also significant judgement involved in the purchase price allocation, including determining the purchase consideration, the appropriate valuation methodology to be used for determining the fair values of the identifiable assets and liabilities acquired and in estimating the underlying assumptions to be applied in such valuations, and the related deferring tax considerations on such fair value differences.

The valuations are highly sensitive to key assumptions applied, i.e. a small change in the assumptions can have a significant impact to the valuation, in particular in relation to the valuation of investment properties and intangible assets of trademark and technology.

Our response:

We considered management's assessment of the concentration test and its accounting of the acquisition. We examined the terms and conditions of the acquisition, independent valuation reports of the investment properties, and the purchase price allocation report. We evaluated the qualifications, competency and objectivity of the external valuers, and involved our valuation specialists in the review of the valuation methodologies and key assumptions used by the valuer in the valuation of the intangible assets. We tested the reasonableness of key assumptions (i.e. projected cash flows, discount rate, estimated useful life) used by the external valuer in the valuation of the intangible assets by considering historical performance, market data and forecast. We also considered the adequacy of disclosures for the acquisition.

Independent Auditors' Report

To the Members of Singapore Press Holdings Limited

Our findings:

Concentration test performed based on the fair values of the identifiable assets acquired and the accounting for the acquisition is in accordance with the SFRS(I) 3 *Business Combinations* (including the early adopted amendments as set out above). Valuation of investment properties are supported by independent valuation reports, and valuation of intangible assets 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.

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

Independent Auditors' Report

To the Members of Singapore Press Holdings Limited

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.

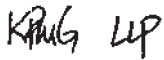
Independent Auditors' Report

To the Members of Singapore Press Holdings Limited

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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



KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
13 October 2020

Statements of Financial Position

As at 31 August 2020

	Note	Group		Company	
		31 Aug 2020 S\$'000	31 Aug 2019 S\$'000	31 Aug 2020 S\$'000	31 Aug 2019 S\$'000
CAPITAL EMPLOYED					
Share capital	4(a)	522,809	522,809	522,809	522,809
Treasury shares	4(a)	(20,734)	(13,226)	(20,734)	(13,226)
Reserves	5	139,779	82,618	1,845	3,260
Retained profits		2,671,666	2,896,255	1,693,580	1,780,434
Shareholders' interests		3,313,520	3,488,456	2,197,500	2,293,277
Perpetual securities	4(b)	452,493	150,512	452,493	150,512
Non-controlling interests	6	1,185,933	1,068,180	–	–
Total equity		4,951,946	4,707,148	2,649,993	2,443,789
EMPLOYMENT OF CAPITAL					
Non-current assets					
Property, plant and equipment	7	225,626	188,023	43,175	43,194
Investment properties	8	6,420,294	5,014,896	–	–
Subsidiaries	9	–	–	430,528	436,798
Associates	10	358,055	366,012	–	–
Joint ventures	11	14,933	21,995	195	600
Investments	12(a)	423,564	352,797	–	–
Intangible assets	13	131,754	141,197	38,550	41,311
Trade and other receivables	14(a)	246,250	251,337	2,311,924	2,069,297
Derivatives	15	200	2,065	–	–
		7,820,676	6,338,322	2,824,372	2,591,200
Current assets					
Inventories	16	20,063	23,472	18,542	21,491
Trade and other receivables	14(b)	144,295	147,408	1,308,294	761,108
Investments	12(b)	–	43,733	–	–
Derivatives	15	–	20	–	–
Cash and cash equivalents	17	864,693	554,435	671,091	119,816
		1,029,051	769,068	1,997,927	902,415
Total assets		8,849,727	7,107,390	4,822,299	3,493,615
Non-current liabilities					
Trade and other payables	18(a)	55,736	40,475	515	105
Deferred tax liabilities	19(a)	42,052	34,431	5,930	7,363
Borrowings	20	2,191,173	1,646,008	648,412	146,810
Derivatives	15	13,933	2,339	2,548	1,096
		2,302,894	1,723,253	657,405	155,374
Current liabilities					
Trade and other payables	18(b)	285,540	228,328	798,176	752,225
Current tax liabilities		22,622	36,099	2,277	8,169
Borrowings	20	1,286,045	411,001	714,448	134,058
Derivatives	15	680	1,561	–	–
		1,594,887	676,989	1,514,901	894,452
Total liabilities		3,897,781	2,400,242	2,172,306	1,049,826
Net assets		4,951,946	4,707,148	2,649,993	2,443,789

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

Consolidated Income Statement

For the Financial Year Ended 31 August 2020

	Note	Group	
		2020 S\$'000	2019 S\$'000
Operating revenue	22	865,662	959,255
Other operating income	23	88,987	18,414
Total revenue		954,649	977,669
Materials, production and distribution costs		(119,748)	(134,856)
Staff costs	24	(328,429)	(333,309)
Premises costs		(112,941)	(84,960)
Depreciation	7	(40,628)	(27,381)
Other operating expenses	25	(148,340)	(136,676)
Allowance on trade receivables	14(b)	(9,844)	(690)
Allowance on cash and cash equivalents	17	(1,956)	–
Impairment of goodwill and intangibles	13	(17,451)	(23,603)
Finance costs	26	(65,065)	(49,272)
Total costs		(844,402)	(790,747)
Operating profit		110,247	186,922
Fair value change on investment properties	8	(232,013)	82,407
Share of results of associates and joint ventures	10,11	3,418	19,119
Net income from investments	27	17,382	9,834
Gain on divestment of a property		25,712	–
Impairment of an associate		(10,008)	–
(Loss)/Profit before taxation		(85,262)	298,282
Taxation	19(b)	(27,240)	(38,736)
(Loss)/Profit after taxation		(112,502)	259,546
Attributable to:			
Shareholders of the Company		(83,676)	213,211
Non-controlling interests	6	(28,826)	46,335
		(112,502)	259,546
(Loss)/Earnings per share (S\$)	29		
Basic		(0.07)	0.13
Diluted		(0.07)	0.13

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 31 August 2020

	Note	Group	
		2020 S\$'000	2019 S\$'000
(Loss)/Profit after taxation		(112,502)	259,546
Other comprehensive income, net of tax			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Capital reserves			
– share of capital reserves of an associate		–	20
Cash flow hedges (interest rate swaps)			
– net fair value changes		(10,808)	(5,444)
– transferred to income statement		2,966	1,514
Currency translation difference			
– arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures		57,298	(13,327)
		49,456	(17,237)
<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		35,696	70,153
Total comprehensive income		(27,350)	312,462
Attributable to:			
Shareholders of the Company		(10,573)	267,550
Non-controlling interests	6	(16,777)	44,912
		(27,350)	312,462

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

Consolidated Statement of Changes in Total Equity

For the Financial Year Ended 31 August 2020

	Note	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000
Balance as at 1 September 2019		522,809	(13,226)	(10,278)
Total comprehensive income for the year		–	–	–
Realised profit on disposal of FVOCI financial assets		–	–	–
Transactions with owners, recognised directly in equity				
<u>Contributions by and distributions to owners</u>				
Share-based compensation		–	–	–
Treasury shares re-issued	4(a)	–	1,841	–
Share buy-back – held as treasury shares	4(a)	–	(9,349)	–
Issue of perpetual securities	4(b)	–	–	–
Dividends and distribution	28	–	–	–
<u>Changes in ownership interests in subsidiaries without a change in control</u>				
Acquisition of additional interests in subsidiaries		–	–	(39)
Dilution of interest in a subsidiary		–	–	752
Contribution by non-controlling interests		–	–	–
<u>Changes in ownership interests in subsidiaries</u>				
Disposal of interests in subsidiaries		–	–	–
Balance as at 31 August 2020		522,809	(20,734)	(9,565)
Balance as at 1 September 2018		522,809	(7,101)	(10,261)
Total comprehensive income for the year		–	–	20
Realised profit on disposal of FVOCI financial assets		–	–	–
Transactions with owners, recognised directly in equity				
<u>Contributions by and distributions to owners</u>				
Share-based compensation		–	–	–
Treasury shares re-issued	4(a)	–	3,100	–
Share buy-back – held as treasury shares	4(a)	–	(9,225)	–
Issue of perpetual securities	4(b)	–	–	–
Dividends and distribution	28	–	–	–
<u>Changes in ownership interest in a subsidiary without a change in control</u>				
Acquisition of additional interest in a subsidiary		–	–	(37)
Dilution of interest in a subsidiary		–	–	–
<u>Changes in ownership interest in a subsidiary</u>				
Disposal of interest in a subsidiary		–	–	–
Contribution by non-controlling interests		–	–	–
Balance as at 31 August 2019		522,809	(13,226)	(10,278)

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

Attributable to Shareholders of the Company								
Share-based Compensation Reserve S\$'000	Hedging Reserve S\$'000	Fair Value Reserve S\$'000	Currency Translation Reserve S\$'000	Retained Profits S\$'000	Total S\$'000	Perpetual Securities S\$'000	Non- controlling Interests S\$'000	Total Equity S\$'000
4,170	(5,366)	105,259	(11,167)	2,896,255	3,488,456	150,512	1,068,180	4,707,148
-	(6,641)	35,696	44,048	(83,676)	(10,573)	-	(16,777)	(27,350)
-	-	(16,664)	-	16,664	-	-	-	-
2,601	-	-	-	-	2,601	-	-	2,601
(2,811)	-	-	-	1,176	206	-	-	206
-	-	-	-	-	(9,349)	-	-	(9,349)
-	-	-	-	-	-	298,396	-	298,396
-	-	-	-	(153,344)	(153,344)	3,585	(34,716)	(184,475)
-	(9)	-	(3)	(56)	(107)	-	107	-
-	181	-	50	(5,353)	(4,370)	-	4,577	207
-	-	-	-	-	-	-	162,823	162,823
-	-	-	-	-	-	-	1,739	1,739
3,960	(11,835)	124,291	32,928	2,671,666	3,313,520	452,493	1,185,933	4,951,946
7,783	(1,958)	255,468	1,265	2,662,095	3,430,100	-	761,140	4,191,240
-	(3,402)	70,153	(12,432)	213,211	267,550	-	44,912	312,462
-	-	(220,362)	-	220,362	-	-	-	-
3,336	-	-	-	-	3,336	-	-	3,336
(6,949)	-	-	-	3,818	(31)	-	-	(31)
-	-	-	-	-	(9,225)	-	-	(9,225)
-	-	-	-	-	-	148,824	297,890	446,714
-	-	-	-	(203,416)	(203,416)	1,688	(53,276)	(255,004)
-	(6)	-	-	188	145	-	(145)	-
-	-	-	-	(3)	(3)	-	61	58
-	-	-	-	-	-	-	(74)	(74)
-	-	-	-	-	-	-	17,672	17,672
4,170	(5,366)	105,259	(11,167)	2,896,255	3,488,456	150,512	1,068,180	4,707,148

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 August 2020

	Note	Group	
		2020 S\$'000	2019 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation		(85,262)	298,282
Adjustments for:			
Depreciation		40,628	27,381
Profit on disposal of property, plant and equipment		(507)	(75)
Fair value change on investment properties		232,013	(82,407)
Share of results of associates and joint ventures		(3,418)	(19,119)
Gain on divestment of a property		(25,712)	–
Loss/(Gain) on divestment of interests in subsidiaries		98	(396)
(Gain)/Loss on divestment of interests in associates		(477)	426
Net income from investments		(17,382)	(9,834)
Amortisation of intangible assets		7,740	8,062
Impairment of an associate		10,008	–
Impairment of goodwill		11,688	22,146
Impairment of intangible assets		5,763	1,457
Impairment of property, plant and equipment		4,458	–
Allowance on trade receivables		9,844	690
Finance costs		65,065	49,272
Share-based compensation expense		2,601	3,336
Other non-cash items		2,124	1,489
Operating cash flow before working capital changes		259,272	300,710
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:			
Inventories		3,409	(836)
Trade and other receivables, current		(23,164)	(6,094)
Trade and other payables, current		7,712	(5,696)
Trade and other receivables, non-current		732	365
Trade and other payables, non-current		(853)	1,113
Others		6,496	(2,697)
		253,604	286,865
Income tax paid		(32,263)	(49,317)
Net cash from operating activities		221,341	237,548

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 August 2020

	Note	Group	
		2020 S\$'000	2019 S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(12,236)	(25,786)
Proceeds from disposal of property, plant and equipment		25,915	547
Additions to investment properties		(780,428)	(580,884)
Acquisition of subsidiaries (net of cash acquired)	30(a)	(720,429)	(231,907)
Acquisition of interests in associates		(660)	(73,739)
Distributions received from associates		14,215	87,222
Proceeds from divestment of interests in subsidiaries	30(b)	3,401	4,715
Proceeds from divestment of interest in an associate		–	6
(Increase)/Decrease in amounts owing by associates/joint ventures		(813)	268
Increase/(Decrease) in amounts owing to associates/joint ventures		269	(1,072)
Purchase of investments, non-current		(10,819)	(99,421)
Purchase of investments, current		(150,778)	(279,595)
Proceeds from capital distribution/disposal of investments, non-current		41,202	15,148
Proceeds from capital distribution/disposal of investments, current		190,577	516,470
Dividends received		5,264	2,423
Interest received		5,017	3,386
Other investment income		1,246	(3,408)
Net cash used in investing activities		(1,389,057)	(665,627)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings (net of transaction costs)	20(j)	2,472,754	1,278,196
Repayment of borrowings	20(j)	(1,187,968)	(808,169)
Payment for lease liabilities	20(j)	(15,432)	–
Interest paid		(58,775)	(46,769)
Share buy-back		(9,349)	(9,225)
Proceeds from perpetual securities issued (net of transaction costs)		298,396	148,824
Proceeds from perpetual securities issued by a subsidiary (net of transaction costs)		–	298,202
Proceeds from capital contribution by non-controlling interests		162,823	16,961
Dividends paid*		(128,842)	(201,728)
Dividends paid to non-controlling interests*		(30,545)	(53,276)
Distributions to perpetual securities holders		(25,088)	–
Net cash from financing activities		1,477,974	623,016
Net increase in cash and cash equivalents		310,258	194,937
Cash and cash equivalents at beginning of financial year		554,435	359,498
Cash and cash equivalents at end of financial year	17	864,693	554,435

* With effect from this financial year, dividends paid was classified as financing activities instead of operating activities. As such, the reclassification was applied to 2019 dividends paid accordingly.

Notes to the Financial Statements

31 August 2020

These notes form an integral part of and should be read in conjunction with the financial statements.

1. GENERAL INFORMATION

The Company is incorporated and domiciled in Singapore. The address of its registered office is 1000 Toa Payoh North, News Centre, Singapore 318994.

The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Group consist of:

- (a) publishing, printing and distributing newspapers,
- (b) publishing and distributing magazines,
- (c) providing multimedia content and services,
- (d) holding investments,
- (e) holding, managing and developing properties,
- (f) providing outdoor advertising services,
- (g) providing radio broadcasting services,
- (h) providing online classifieds services,
- (i) organising events, exhibitions, conventions and conferences,
- (j) publishing and distributing books,
- (k) operating nursing homes, and providing ancillary services and supplies, and
- (l) operating tuition and enrichment centres, managing and developing curriculum and intellectual property.

The principal activities of the Company consist of:

- (a) publishing, printing and distributing newspapers,
- (b) distributing magazines and books,
- (c) providing multimedia content and services,
- (d) holding shares in subsidiaries,
- (e) holding investments, and
- (f) providing management services to subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention except as disclosed in the accounting policies below.

The Group's financial statements are prepared on a going concern basis. The future development of Covid-19 remains uncertain and there will be impact to the Group's business and customers' demand for its products and services. As at 31 August 2020, the Group is in a net current liabilities position mainly due to the maturity of loans within the next 12 months [Note 20].

In assessing the appropriateness of the going concern basis, management has been monitoring the ability to comply with loan covenants and availability of borrowings. Based on management's analysis, the Group is able to stay in compliance with the covenants in the next 12 months and loans will be re-financed on maturity. In addition, the Group has various financing options for these loan amounts, and adequate unutilised credit facilities and marketable securities available for use.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

This is the first set of the Group's annual financial statements in which SFRS(I) 16 *Leases* has been applied. The related changes to significant accounting policies are described in Note 2(b).

The accounting policies have been applied consistently by the Group entities.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(b) Changes in accounting policies

New standards and amendments

The Group has applied the new SFRS(I)s, amendments to and interpretations of SFRS(I) that are effective for the annual period beginning on 1 September 2019.

Other than SFRS(I) 16, the application of the new amendments to standards and interpretations does not have a material effect on the financial statements.

The Group has early adopted the amendment to SFRS(I) *Definition of a Business* (Amendments to SFRS(I) 3). The effects of the adoption are disclosed in Note 30(a).

SFRS(I) 16 *Leases*

The Group applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 September 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under SFRS(I) 1-17 *Leases* and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SFRS(I) 16 have not generally been applied to comparative information.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in SFRS(I) 16.

On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease under SFRS(I) 16. Therefore, the definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 September 2019.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Changes in accounting policies (cont'd)

SFRS(I) 16 Leases (cont'd)

As a lessee

As a lessee, the Group leases many assets including property and equipment. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property, the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under SFRS(I) 1-17

Previously, the Group classified property leases as operating leases under SFRS(I) 1-17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities incremental borrowing rates applicable to the leases as at 1 September 2019.

Right-of-use assets are measured at either:

- their carrying amount as if SFRS(I) 16 had been applied since the commencement date, discounted using the respective lessee entities' incremental borrowing rate at the date of initial application: the Group applied this approach to the property leases; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Group applied this approach to all other leases.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying SFRS(I) 16 to leases previously classified as operating leases under SFRS(I) 1-17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Changes in accounting policies (cont'd)

SFRS(I) 16 Leases (cont'd)

As a lessor

The Group sub-leases some of its properties. Under SFRS(I) 1-17, the head lease and sub-lease contracts were classified as operating leases. On transition to SFRS(I) 16, the right-of-use assets recognised from the head leases are presented in investment properties, and measured at fair value at that date. The Group assessed the classification of the sub-lease contracts with reference to the right-of-use asset rather than the underlying asset, and concluded that they are operating leases under SFRS(I) 16.

The Group has applied SFRS(I) 15 *Revenue from Contracts with Customers* to allocate consideration in the contract to each lease and non-lease component.

The Group has also entered into sub-leases during 2020, which have been classified as finance leases.

Impact on financial statements

Impact on transition

On transition to SFRS(I) 16 on 1 September 2019, the Group recognised additional right-of-use assets of S\$93.1 million, finance lease receivables of S\$3.8 million from sub-lease arrangements and additional lease liabilities of S\$96.6 million, recognising the difference in retained earnings.

For the impact of SFRS(I) 16 on profit or loss for the period, see Note 32. For the impact of SFRS(I) 16 on segment information, see Note 34. For the details of accounting policies under SFRS(I) 16 and SFRS(I) 1-17, see Note 2(v).

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 September 2019. The weighted-average rate applied is 3.3%.

	1 Sept 2019 S\$'000
Operating lease commitments at 31 August 2019 under SFRS(I) 1-17	95,337
Discounted using the incremental borrowing rate at 1 September 2019	68,309
Recognition exemption for leases of low-value assets	(3)
Recognition exemption for leases with less than 12 months of lease term at transition	(614)
Extension options reasonably certain to be exercised	32,214
Lease terms commencing after 1 September 2019	(5,950)
Others	2,660
Lease liabilities recognised at 1 September 2019	96,616

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Changes in accounting policies (cont'd)

Interest Rate Benchmark Reform (Amendments to SFRS(I) 9 and SFRS(I) 1-7)

The Group applied the interest rate benchmark reform amendments retrospectively to hedging relationships that existed at 1 September 2019 or were designated thereafter and that are directly affected by interest rate benchmark reform ("IBOR reform"). These amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform.

As IBOR continues to be used as a reference rate in financial markets and is used in the valuation of instruments with maturities that exceed the expected end date for IBOR, the Group believes the current market structure supports the continuation of hedge accounting as at 31 August 2020. The details of the accounting policies are disclosed in Note 2(k) and Note 31(g) for related disclosures about the risks and hedge accounting.

(c) Group accounting

(i) Subsidiaries

• Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year.

Subsidiaries are entities controlled by the Group, generally accompanied by a shareholding of more than one half of the voting rights. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Company. They are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in total equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Group accounting (cont'd)

(i) Subsidiaries (cont'd)

- **Acquisitions**

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Please refer to Note 2(l)(i) for the accounting policy on goodwill arising from business combination.

- **Disposals**

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any amounts previously recognised in other comprehensive income (OCI) in respect of that entity are transferred to the income statement or transferred directly to retained earnings if required by a specific standard.

Any retained interest in the entity is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in the income statement.

- **Transactions with non-controlling interests**

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with shareholders of the company. Any difference between the change in the carrying amount of the non-controlling interest and the fair value of the consideration paid or received is recognised in retained profits within equity attributable to the shareholders of the company.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Group accounting (cont'd)

(ii) Associates/Joint ventures

Associates are entities over which the Group has significant influence, but not control or joint control, and generally accompanied by a shareholding giving rise to between and including 20% and 50% of voting rights. Where the voting rights are less than 20%, the presumption that the entity is not an associate is overcome if the Group has significant influence including representation on the board of directors or participation in policy-making process of the investee.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group's investments in associates/joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses. Investments in associates/joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of the post-acquisition results of associates/joint ventures is included in its consolidated income statement. The Group's share of the post-acquisition OCI is recognised in OCI. These post-acquisition movements and distributions received from the associates/joint ventures are adjusted against the carrying amount of the investments in the consolidated statement of financial position. When the Group's share of losses in an associate/joint venture equals or exceeds its interest in the associate/joint venture, including any unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associate/joint venture.

Adjustments are made to the financial statements of associates/joint ventures, where necessary, to ensure consistency of accounting policies with those of the Group.

Unrealised gains on transactions between the Group and its associates/joint ventures are eliminated to the extent of the Group's investments in the associates/joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The investment in the associate/joint venture is derecognised when the Group ceases to have significant influence or joint control respectively. Any amounts previously recognised in OCI in respect of that entity are transferred to the income statement. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value is recognised in the income statement.

If the ownership interest in an associate/joint venture is reduced but significant influence or joint control is retained, only a proportionate share of the amounts previously recognised in OCI are transferred to income statement where appropriate. Gains or losses arising from such transactions are recognised in the income statement.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Currency translation

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("presentation currency"), which is also the Company's functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are taken to the income statement.

Currency translation differences on non-monetary items which are equity investments classified as fair value through profit or loss (FVTPL) are reported as part of the fair value gain or loss in the income statement. Currency translation differences on non-monetary items which are equity investments classified as fair value through other comprehensive income (FVOCI) are included in other comprehensive income.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

(iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rates at the reporting date;
- Income and expenses are translated at average exchange rates; and
- All resulting exchange differences are taken to OCI and transferred to the income statement upon the disposal of the foreign operation as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rates at the reporting date.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Impairment of non-financial assets

(i) Goodwill

Goodwill recognised separately as an intangible asset is tested annually for impairment, as well as when there is any indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in an associate/joint venture is tested for impairment as part of the investment, rather than separately, where there is objective evidence that the investment may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

(ii) Other intangible assets

Property, plant and equipment

Investments in subsidiaries, associates and joint ventures

Other intangible assets, property, plant and equipment, and investments in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised when the carrying amount of the asset (or CGU) exceeds the recoverable amount of the asset (or CGU). Recoverable amount of the asset (or CGU) is the higher of the asset's (or CGU's) fair value less cost to sell and value-in-use.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property, plant and equipment

(i) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the expected useful lives of the assets. The expected useful lives for this purpose are:

Leasehold land and buildings	25 – 50 years
Plant and equipment	1 – 20 years
Furniture and fittings	1 – 10 years
Motor vehicles	3 – 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the income statement when the changes arise.

No depreciation is charged on capital work-in-progress.

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the income statement when incurred.

(iv) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

(g) Investment properties

Investment properties comprise retail, residential and commercial buildings that are held for long-term rental yields.

Investment properties are initially recognised at cost and subsequently measured at fair value. Any gains or losses arising from the changes in their fair values are taken to the income statement.

The cost of an investment property includes capitalisation of borrowing costs for the purchase, renovation and extension of the investment property while these activities are in progress. For this purpose, the interest rates applied to funds provided for the development are based on the actual interest rates payable on the borrowings for such development.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Investment properties (cont'd)

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are written-off to the income statement. The cost of maintenance, repairs and minor improvements is charged to the income statement when incurred.

Properties that are being constructed or developed for future use as investment properties are classified as investment properties. Where the fair value of the investment property under construction or development cannot be reliably measured, the property is measured at cost until the earlier of the date the construction is completed or the date at which fair value becomes reliably measurable.

On disposal of an investment property, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

(h) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are included in the Company's statement of financial position at cost less accumulated impairment losses. On disposal of these investments, the difference between disposal proceeds and the carrying amount of the investments is recognised in the income statement.

(i) Financial assets

(i) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

- **Financial assets at amortised cost**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Debt investments at FVOCI**

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(i) Classification (cont'd)

- **Equity investments at FVOCI**

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

- **Financial assets at FVTPL**

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(ii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iii) Initial measurement and recognition

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in the income statement.

Purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset.

(iv) Subsequent measurement and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

- **Financial assets at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(iv) Subsequent measurement and derecognition (cont'd)

- **Debt investments at FVOCI**

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment are recognised in the income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the income statement.

- **Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to the income statement.

- **Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the income statement.

(v) Impairment

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised costs, debt investments measured at FVOCI and intra-group financial guarantee contracts (FGCs).

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(v) Impairment (cont'd)

General approach (cont'd)

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Write-off

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices as at the reporting date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Methods such as estimating with reference to recent arm's length transactions, discounted cash flow projections and the underlying net asset value of the investee companies are also used to determine the fair values of the financial instruments.

(k) Derivatives and hedging activities

Derivatives are used to manage exposure to foreign exchange and interest rate risks arising from operating, financing and investing activities. Derivatives taken up directly by the Group are not used for trading purposes.

A derivative is initially recognised at its fair value on the date the derivative contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates its derivatives for hedging purposes as either hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge), or hedges of highly probable forecast transactions (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Specific policies applicable from 1 September 2019 for hedges directly affected by Interbank Offered Rate ("IBOR") reform

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. The Group has exposure to IBORs on its financial instruments that will be replaced or reformed as part of this market-wide initiative. There is uncertainty as to the timing and the methods of transition for replacing existing benchmark IBORs with alternative rates.

On initial designation of the hedging relationship, the Group formally documents the relationship between the hedging instruments and hedged items, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both on inception of the hedging relationship and on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated. For the purpose of evaluating whether the hedging relationship is expected to be highly effective (i.e. prospective effectiveness assessment), the Group assumes that the benchmark interest rate on which the cash flows are based is not altered as a result of IBOR reform.

The Group will cease to apply the amendments to its prospective effectiveness assessment of the hedging relationship when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, or when the hedging relationship is discontinued.

(i) Cash flow hedge

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of these interest rate swaps are recognised in OCI and accumulated in the hedging reserve, and transferred to the income statement in the periods when the interest expense on the borrowings is recognised in the income statement. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

(ii) Net investment hedges

The Group designates certain derivatives as hedges of foreign exchange risk on its net investment in foreign operations.

When a derivative instrument is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of the change in fair value is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the change in the fair value is recognised immediately in income statement. The amount recognised in OCI is reclassified to the income statement as a reclassification adjustment on disposal of the foreign operation.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(iii) Derivatives that do not qualify for hedge accounting

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

(l) Intangible assets

(i) Goodwill arising from business combination

Goodwill arising from business combination is the excess of the fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets and contingent liabilities acquired. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Goodwill arising from business combination is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisition of associates and joint ventures is recorded as part of the carrying value of the investments in the consolidated statement of financial position.

The gains and losses on the disposal of subsidiaries, associates and joint ventures include the carrying amount of goodwill relating to the entity sold.

(ii) Technology, trademarks, licences, mastheads and others

Technology, trademarks, licences, mastheads and other intangible assets acquired as part of business combinations are initially recognised at their fair values at the acquisition date and are subsequently carried at cost (i.e. the fair values on initial recognition) less accumulated amortisation and accumulated impairment losses. The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that are expected to be avoided as a result of the patent and trademark being owned, or the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method.

Technology and licenses acquired separately are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

These costs are amortised to the income statement using the straight-line method over 3 to 20 years, which is the shorter of their estimated useful lives and periods of contractual rights.

The amortisation period and amortisation method of these intangible assets other than goodwill are reviewed at least once at each reporting date. The effects of any revision are recognised in the income statement when the changes arise.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Inventories

Inventories comprise raw materials and consumable stores, and are stated at the lower of cost and net realisable value.

The cost of raw materials and consumable stores includes transport and handling costs, and any other directly attributable costs, and is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated variable selling expenses.

(n) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs incurred) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the income statement over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowing costs incurred to finance the acquisition of fixed assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are taken to the income statement over the period of borrowing using the effective interest rate method.

(o) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within 1 year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially carried at fair value, and subsequently carried at amortised cost using the effective interest method.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

(p) Dividends payable

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Short-term employee benefits

All short-term employee benefits, including accumulated compensated absences, are recognised in the income statement in the period in which the employees rendered their services to the Group.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as Singapore's Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions to defined contribution plans are recognised in the financial year when they are due.

(iii) Share-based compensation

Persons eligible to participate in the SPH Performance Share Plan and the SPH Performance Share Plan 2016 (collectively, "the Plans") are selected Group Employees of such rank and service period as the Remuneration Committee ("the RC") may determine, and other participants selected by the RC.

The Plans contemplates the award of fully-paid ordinary shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met and upon expiry of the prescribed vesting periods.

The fair value of the performance shares granted is recognised as a share-based compensation expense in the income statement with a corresponding increase in the share-based compensation reserve over the vesting period.

The amount is determined by reference to the fair value of the performance shares on grant date.

If the performance condition is a market condition, the probability of the performance condition being met is taken into account in estimating the fair value of the ordinary shares granted at the grant date. The compensation cost shall be charged to the income statement on a basis that fairly reflects the manner in which the benefits will accrue to the employee under the Plans over the prescribed vesting periods from date of grant. No adjustments to the amounts charged to the income statement are made whether or not the market condition is met.

For performance share grants with non-market conditions, the Company revises its estimates of the number of share grants expected to vest and corresponding adjustments are made to the income statement and share-based compensation reserve. The Company assesses this change at the end of each reporting period.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(s) Income taxes

Current tax for current and prior periods is recognised at the amount expected to be paid to (or recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax liabilities are recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Current and deferred taxes are recognised as income or expense in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against the related goodwill.

Current tax assets and liabilities are offset only if certain criteria are met.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates, discounts and returns, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

- (i) Revenue from the sale of the Group's products is recognised on completion of delivery;
- (ii) Revenue from advertisements is recognised in the period in which the advertisement is published or broadcasted;
- (iii) Revenue from rental and rental-related services is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income;
- (iv) Revenue from the provision of other services is recognised in the period in which the services are rendered;
- (v) Dividend income is recognised when the right to receive payment is established; and
- (vi) Interest income is recognised using the effective interest method.

(u) Share capital, treasury shares and perpetual securities

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

The consideration paid for treasury shares, including any directly attributable incremental costs, is presented as a component within shareholders' equity until the shares are cancelled, re-issued or disposed of. Where such shares are subsequently re-issued or disposed of, any consideration received, net of any directly attributable incremental transaction costs, is included in shareholders' equity. Realised gain or loss on disposal or re-issue of treasury shares is included in retained profits of the Company.

When treasury shares are subsequently cancelled, the cost of the treasury shares is deducted against the share capital account, if the shares are purchased out of capital of the Company, or against the retained profits of the Company, if the shares are purchased out of profits of the Company.

Perpetual securities which do not result in the Group having a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavourable to the Group, are classified as equity. Distributions arising from such instruments are recognised in equity as there is no contractual obligation to pay distributions on these instruments. Incremental external costs directly attributable to the issuance of such instruments are accounted for as a deduction from equity.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Leases

The Group has applied SFRS(I) 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under SFRS(I) 1-17 and SFRS(I) INT 4. The details of accounting policies under SFRS(I) 1-17 and SFRS(I) INT 4 are disclosed separately.

Policy applicable from 1 September 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Leases (cont'd)

Policy applicable from 1 September 2019 (cont'd)

(i) As a lessee (cont'd)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Leases (cont'd)

Policy applicable from 1 September 2019 (cont'd)

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease (see Note 2(i)(v)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'. Rental income from sub-leased property is recognised as "other income".

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SFRS(I) 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

Notes to the Financial Statements

31 August 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Leases (cont'd)

Policy applicable before 1 September 2019

When a group company is the lessee:

Leases where substantially all of the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are recognised as expenses in the income statement on a straight-line basis over the period of the lease. Contingent rents are recognised as an expense in the income statement when incurred.

When a group company is the lessor:

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Assets leased out under operating leases are included in investment properties. Rental income from operating leases is recognised in the income statement on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rents are recognised as income in the income statement when earned.

(w) Government grants

Government grants related to co-funding of salaries and wages are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other operating income' on a systematic basis in the same periods in which the expenses are recognised.

(x) Segment reporting

Segmental information is reported in a manner consistent with the internal reporting provided to the Chief Executive Officer of the Company who conducts a regular review for allocation of resources and assessment of performance of the operating segments.

(y) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

(z) Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value and the initial fair value is amortised over the life of the guarantees. Subsequent to initial measurement, the financial guarantees are measured at the higher of the amortised amount and the amount of loss allowance.

ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover. Loss allowances for ECLs for financial guarantees issued are presented in the Company's statement of financial position as "borrowings".

Notes to the Financial Statements

31 August 2020

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of financial statements in conformity with SFRS(I) requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

On 11 March 2020, the World Health Organisation declared the Covid-19 outbreak to be pandemic, with many governments taking stringent steps to help contain and delay the spread of the virus. Arising from this, the Group experienced disruption to its business operations due to a significant increase in economic uncertainty evidenced by more volatile asset prices and currency exchange rates in countries in which the Group operates in. These unprecedented volatilities and the uncertainties in the recovery trajectories of the world economies in the near term in turn increased the level of subjectivity and judgement involved.

Information about assumptions and estimation uncertainties that have significant effect on the amounts recognised are as follows:

- **Fair value estimation**

The fair value of investment properties is based on independent professional valuations using valuation techniques and assumptions. The independent valuation reports have highlighted estimation uncertainty arising from the Covid-19 outbreak and a higher degree of caution should be exercised when relying upon the valuation. In addition, the valuations may change significantly and unexpectedly over a short period of time.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Methods used include estimating with reference to recent arm's length transactions, discounted cash flow projections and the underlying net asset value of the investee companies. Certain Level 3 investments' underlying businesses were in sectors at risk of Covid-19. The determination of the fair value of such investments would be challenging in such unprecedented circumstances.

- **Recoverable value of goodwill and other intangible assets**

The Group determines whether goodwill and other intangible assets are impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which goodwill or other intangible assets are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose an appropriate discount rate in order to calculate the present value of those cash flows. Forecasts of future cash flows are based on the Group's estimates using sector and industry trends, general market and economic conditions, changes in technology and other available information, taking into consideration the heightened estimation uncertainty on cash flows due to the impact of Covid-19. Information about the assumptions and their risk factors relating to goodwill and other intangible assets impairment are discussed in Note 13(a).

Notes to the Financial Statements

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4. SHARE CAPITAL, TREASURY SHARES AND PERPETUAL SECURITIES

(a) Share capital and treasury shares

	Group and Company			
	2020		2019	
	Number of Shares '000	Amount S\$'000	Number of Shares '000	Amount S\$'000
Issued and fully paid, with no par value				
Management shares	16,362	7,109	16,362	7,109
Ordinary shares	1,600,649	515,700	1,600,649	515,700
	1,617,011	522,809	1,617,011	522,809
Treasury shares	(10,075)	(20,734)	(5,146)	(13,226)
	1,606,936	502,075	1,611,865	509,583

Movements during the financial year:

Beginning of financial year	1,611,865	509,583	1,614,716	515,708
Purchase of treasury shares	(5,638)	(9,349)	(3,948)	(9,225)
Treasury shares re-issued	709	1,841	1,097	3,100
End of financial year	1,606,936	502,075	1,611,865	509,583

The holders of both management and ordinary shares rank *pari passu* in respect of all dividends declared by the Company and in respect of all bonus and rights issues made by the Company, as well as in the right to return of capital and to participate in all surplus assets of the Company in liquidation.

In terms of voting rights, both classes of shareholders are entitled either on a poll or by a show of hands to one vote for each share, except that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, the holders of management shares are entitled either on a poll or by a show of hands to two hundred votes for each management share held.

(i) Treasury shares

The Company acquired 5,637,600 (2019: 3,947,600) of its own shares through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was S\$9.3 million (2019: S\$9.2 million). The shares, held as treasury shares, were included as deduction against shareholders' equity.

The Company re-issued 708,917 (2019: 1,096,747) treasury shares during the financial year for the fulfilment of share awards vested under the Plans at a total value of S\$1.8 million (2019: S\$3.1 million).

(ii) Performance shares

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, which was terminated, except that awards granted prior to such termination and were outstanding continued to be valid till their vesting on 14 January 2019.

During the financial year, 2,155,300 (2019: 1,564,600) performance shares were granted subject to the terms and conditions of the 2016 Share Plan.

Notes to the Financial Statements

31 August 2020

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

(a) Share capital and treasury shares (cont'd)

(ii) Performance shares (cont'd)

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

2020

Grant Date	Outstanding as at 01.09.19 '000	Adjusted* '000	Granted^ '000	Vested '000	Lapsed '000	Outstanding as at 31.08.20 '000
13.01.17	733	(413)	–	(316)	(4)	–
12.01.18	1,329	–	–	(266)	(5)	1,058
14.01.19	1,529	–	–	(58)	(4)	1,467
13.01.20	–	–	2,155	(69)	(6)	2,080

2019

Grant Date	Outstanding as at 01.09.18 '000	Adjusted* '000	Granted^ '000	Vested '000	Lapsed '000	Outstanding as at 31.08.19 '000
13.01.15	1,048	(607)	–	(429)	(12)	–
13.01.16	650	(532)	–	(116)	(2)	–
13.01.17	1,005	–	–	(246)	(26)	733
12.01.18	1,741	(120)	–	(270)	(22)	1,329
14.01.19	–	–	1,565	(36)	–	1,529

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

^ Included a special sign-on bonus of SPH shares.

The shares awarded at the vesting date could range from 0% to 200% of the grant, depending on the level of achievement against the pre-set performance conditions.

The fair value of the performance shares is determined at grant date using the Monte Carlo simulation model. The number of performance shares granted during the financial year, their fair values and the input assumptions used are as follows:

2020

Grant Date	Vesting Date	Number of Shares '000	Fair Value per Share S\$	Expected Volatility* of SPH %	Expected Dividend Yield %	Risk-free Interest Rate %	Share Price at Grant Date S\$
13.01.20^	13.01.23	1,311	1.86	19.82	5.50	1.50	2.18
13.01.20^	13.01.21	387	2.01	N.A.	5.50	N.A.	2.18
13.01.20^	13.01.22	388	2.01	N.A.	5.50	N.A.	2.18

Notes to the Financial Statements

31 August 2020

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

(a) Share capital and treasury shares (cont'd)

(ii) Performance shares (cont'd)

2019

Grant Date	Vesting Date	Number of Shares '000	Fair Value per Share S\$	Expected Volatility* of SPH %	Expected Dividend Yield %	Risk-free Interest Rate %	Share Price at Grant Date S\$
14.01.19 [^]	14.01.22	1,414	2.22	19.04	5.14	1.88	2.55
14.01.19 [^]	14.01.20	58	2.42	N.A.	5.18	N.A.	2.55
14.01.19 [^]	14.01.21	58	2.42	N.A.	5.26	N.A.	2.55

* Derived based on 36 months of historical volatility prior to grant date.

[^] Granted with non-market conditions.

N.A. Not applicable

For non-market conditions, achievement factors have been estimated based on management inputs for the purpose of accrual for the performance shares until the achievement of the performance conditions can be accurately ascertained.

During the financial year, the Group recognised S\$2.6 million (2019: S\$3.3 million) of share-based compensation expense in respect of performance shares based on the fair values determined on grant date and estimation of the share grants that will ultimately vest.

(b) Perpetual securities

Issue Date	Principal Amount S\$'000	Initial Distribution Rate %	Distribution Rate Reset Dates
07.06.2019	150,000	4.5	First reset on 07.06.2024 and subsequent resets occurring every 5 years thereafter
12.11.2019	300,000	4.0	First reset on 12.05.2025 and subsequent resets occurring every 5 years thereafter

The distributions will be payable semi-annually in arrears on a discretionary basis and will be cumulative and compounding in accordance with the terms and conditions of the securities ("Conditions"). The perpetual securities have no fixed redemption date.

The perpetual securities constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations (as defined in the Conditions) of the Issuer.

During the financial year, the Company issued S\$300 million of perpetual securities and recognised S\$298.4 million, net of issuance costs. As at 31 August 2020, the perpetual securities of S\$452.5 million (2019: S\$150.5 million) recognised within equity included accrued distribution for the perpetual securities.

Notes to the Financial Statements

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5. RESERVES

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Capital reserve	(9,565)	(10,278)	–	–
Share-based compensation reserve	3,960	4,170	3,960	4,170
Hedging reserve	(11,835)	(5,366)	(2,115)	(910)
Fair value reserve	124,291	105,259	–	–
Currency translation reserve	32,928	(11,167)	–	–
	139,779	82,618	1,845	3,260

Capital reserve

The capital reserve comprises mainly capitalised listing expenses incurred in relation to the listing of a subsidiary on the Main Board of Singapore Exchange Securities Trading Limited.

Share-based compensation reserve

The share-based compensation reserve comprises the fair value of performance shares granted.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments pending subsequent recognition in the income statement.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of FVOCI investments until the investment is derecognised.

Currency translation reserve

The currency translation reserve comprises the foreign currency differences arising from translation of the financial statements of foreign operations.

Notes to the Financial Statements

31 August 2020

6. NON-CONTROLLING INTERESTS

The following summarises the financial information of the Group's subsidiaries with non-controlling interests, based on their respective (consolidated) financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences with the Group's accounting policies. The information is before inter-company eliminations with other companies in the Group.

	SPH REIT Group S\$'000	Other subsidiaries S\$'000	Total S\$'000
2020			
Revenue	<u>241,463</u>		
Loss	(64,024)		
Other comprehensive income	<u>34,096</u>		
Total comprehensive income	<u>(29,928)</u>		
Attributable to non-controlling interests:			
Loss	(23,499)	(5,327)	(28,826)
Other comprehensive income	<u>12,297</u>	<u>(248)</u>	<u>12,049</u>
Total comprehensive income	<u>(11,202)</u>	<u>(5,575)</u>	<u>(16,777)</u>
Non-current assets	4,126,036		
Current assets	114,627		
Non-current liabilities	(1,130,442)		
Current liabilities	<u>(295,512)</u>		
Net assets	<u>2,814,709</u>		
Attributable to non-controlling interests	<u>1,173,266</u>	<u>12,667</u>	<u>1,185,933</u>
Cash flows from operating activities	166,309		
Cash flows used in investing activities	(635,032)		
Cash flows from financing activities*	<u>205,992</u>		
Net decrease in cash and cash equivalents	<u>(262,731)</u>		

* Included S\$30.5 million dividends paid to non-controlling interests and S\$12.3 million distributions for perpetual securities.

Notes to the Financial Statements

31 August 2020

6. NON-CONTROLLING INTERESTS (CONT'D)

	SPH REIT Group S\$'000	Other subsidiaries S\$'000	Total S\$'000
2019			
Revenue	228,635		
Profit	148,821		
Other comprehensive income	(3,504)		
Total comprehensive income	145,317		
Attributable to non-controlling interests:			
Profit	44,266	2,069	46,335
Other comprehensive income	(1,410)	(13)	(1,423)
Total comprehensive income	42,856	2,056	44,912
Non-current assets	3,600,251		
Current assets	348,151		
Non-current liabilities	(847,521)		
Current liabilities	(329,444)		
Net assets	2,771,437		
Attributable to non-controlling interests	1,052,011	16,169	1,068,180
Cash flows from operating activities	180,471		
Cash flows used in investing activities	(214,848)		
Cash flows from financing activities*	341,259		
Net increase in cash and cash equivalents	306,882		

* Included S\$44.3 million dividends paid to non-controlling interests previously stated in cash flows from operating activities.

Perpetual securities issued by a subsidiary

On 30 August 2019, the Group's subsidiary, SPH REIT, issued S\$300 million of perpetual securities with an initial distribution rate of 4.1% per annum with the first distribution rate reset falling on 30 August 2024 and subsequent resets occurring every 5 years thereafter. The distribution will be payable semi-annually in arrears on a discretionary basis in accordance with the terms and conditions of the securities ("Conditions"), and will be non-cumulative. The perpetual securities have no fixed redemption date.

The perpetual securities constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations (as defined in the Conditions) of the respective issuers.

As at 31 August 2020, non-controlling interests included perpetual securities of S\$297.9 million (2019: S\$297.9 million), net of issuance costs.

Notes to the Financial Statements

31 August 2020

7. PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Property, plant and equipment owned	160,554	188,023	34,988	43,194
Right-of-use assets	65,072	–	8,187	–
	225,626	188,023	43,175	43,194

(a) Property, plant and equipment owned

	Leasehold Land and Buildings S\$'000	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Group					
2020					
Cost or deemed cost					
Beginning of financial year	308,281	634,868	29,097	1,273	973,519
Additions	153	3,087	874	53	4,167
Acquisition of subsidiaries [Note 30(a)]	–	125	186	–	311
Transfer from capital work-in-progress	621	9,879	583	–	11,083
Disposals/Write-offs	(53,978)	(20,555)	(5,423)	(185)	(80,141)
Disposal of subsidiaries [Note 30(b)]	–	(1,687)	(1,881)	–	(3,568)
Currency translation differences	179	(21)	(2)	(1)	155
End of financial year	255,256	625,696	23,434	1,140	905,526
Accumulated depreciation and impairment					
Beginning of financial year	176,888	597,080	15,413	835	790,216
Depreciation	11,388	13,962	2,149	172	27,671
Disposals/Write-offs	(47,325)	(19,872)	(5,319)	(185)	(72,701)
Disposal of subsidiaries [Note 30(b)]	–	(1,366)	(1,594)	–	(2,960)
Impairment	–	4,359	99	–	4,458
Currency translation differences	(5)	(11)	11	(1)	(6)
End of financial year	140,946	594,152	10,759	821	746,678
Carrying amount					
End of financial year	114,310	31,544	12,675	319	158,848
Capital work-in-progress	1	1,424	281	–	1,706
Total	114,311	32,968	12,956	319	160,554
Capital work-in-progress					
Beginning of financial year	578	3,762	380	–	4,720
Additions	44	7,541	484	–	8,069
Transfer to property, plant and equipment	(621)	(9,879)	(583)	–	(11,083)
End of financial year	1	1,424	281	–	1,706

During the financial year, the Group and Company recognised impairment charges of S\$4.5 million and S\$4.3 million respectively mainly on a press line due to lower utilisation following the cessation of certain products.

Notes to the Financial Statements

31 August 2020

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

(b) Property, plant and equipment owned

	Leasehold Land and Buildings S\$'000	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Group					
2019					
Cost or deemed cost					
Beginning of financial year	307,326	643,348	22,555	1,841	975,070
Additions	124	2,491	1,456	77	4,148
Transfer from capital work-in-progress	1,167	10,300	7,574	–	19,041
Disposals/Write-offs	(97)	(19,769)	(2,401)	(644)	(22,911)
Disposal of subsidiaries [Note 30(b)]	–	(1,487)	(84)	–	(1,571)
Currency translation differences	(239)	(15)	(3)	(1)	(258)
End of financial year	308,281	634,868	29,097	1,273	973,519
Accumulated depreciation and impairment					
Beginning of financial year	165,788	603,752	15,717	1,287	786,544
Depreciation	11,187	14,163	1,864	167	27,381
Disposals/Write-offs	(63)	(19,593)	(2,165)	(618)	(22,439)
Disposal of subsidiaries [Note 30(b)]	–	(1,241)	(9)	–	(1,250)
Currency translation differences	(24)	(1)	6	(1)	(20)
End of financial year	176,888	597,080	15,413	835	790,216
Carrying amount					
End of financial year	131,393	37,788	13,684	438	183,303
Capital work-in-progress	578	3,762	380	–	4,720
Total	131,971	41,550	14,064	438	188,023
Capital work-in-progress					
Beginning of financial year	116	1,616	391	–	2,123
Additions	1,629	12,446	7,563	–	21,638
Transfer to property, plant and equipment	(1,167)	(10,300)	(7,574)	–	(19,041)
End of financial year	578	3,762	380	–	4,720

Notes to the Financial Statements

31 August 2020

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

(c) Property, plant and equipment owned

	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Company				
2020				
Cost or deemed cost				
Beginning of financial year	531,420	21,821	729	553,970
Additions	835	154	–	989
Transfer from capital work-in-progress	8,150	564	–	8,714
Disposals/Write-offs	(4,264)	(2,797)	–	(7,061)
End of financial year	536,141	19,742	729	556,612
Accumulated depreciation and impairment				
Beginning of financial year	502,389	10,392	552	513,333
Depreciation	11,153	1,370	60	12,583
Disposals/Write-offs	(4,256)	(2,792)	–	(7,048)
Impairment	4,286	–	–	4,286
End of financial year	513,572	8,970	612	523,154
Carrying amount				
End of financial year	22,569	10,772	117	33,458
Capital work-in-progress	1,250	280	–	1,530
Total	23,819	11,052	117	34,988
Capital work-in-progress				
Beginning of financial year	2,195	362	–	2,557
Additions	7,205	482	–	7,687
Transfer to property, plant and equipment	(8,150)	(564)	–	(8,714)
End of financial year	1,250	280	–	1,530

Notes to the Financial Statements

31 August 2020

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

(d) Property, plant and equipment owned

	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Company				
2019				
Cost or deemed cost				
Beginning of financial year	539,295	15,780	1,273	556,348
Additions	758	8	–	766
Transfer from capital work-in-progress	10,070	7,514	–	17,584
Disposals/Write-offs	(18,703)	(1,481)	(544)	(20,728)
End of financial year	531,420	21,821	729	553,970
Accumulated depreciation and impairment				
Beginning of financial year	509,563	10,873	989	521,425
Depreciation	11,529	954	81	12,564
Disposals/Write-offs	(18,703)	(1,435)	(518)	(20,656)
End of financial year	502,389	10,392	552	513,333
Carrying amount				
End of financial year	29,031	11,429	177	40,637
Capital work-in-progress	2,195	362	–	2,557
Total	31,226	11,791	177	43,194
Capital work-in-progress				
Beginning of financial year	1,166	373	–	1,539
Additions	11,099	7,503	–	18,602
Transfer to property, plant and equipment	(10,070)	(7,514)	–	(17,584)
End of financial year	2,195	362	–	2,557

Notes to the Financial Statements

31 August 2020

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

(e) Right-of-use assets

	Land and Building S\$'000	Plant and Equipment S\$'000	Total S\$'000
Group 2020			
Beginning of financial year	92,943	130	93,073
Additions	12,508	–	12,508
Depreciation	(12,853)	(104)	(12,957)
Derecognition	(24,992)	(20)	(25,012)
Disposal of subsidiaries [Note 30(b)]	(2,534)	–	(2,534)
Currency translation differences	(6)	–	(6)
End of financial year	65,066	6	65,072
Company 2020			
Beginning of financial year	5,138	–	5,138
Additions	6,753	–	6,753
Depreciation	(3,534)	–	(3,534)
Derecognition	(170)	–	(170)
End of financial year	8,187	–	8,187

Notes to the Financial Statements

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8. INVESTMENT PROPERTIES

	Group	
	2020	2019
	S\$'000	S\$'000
Investment properties		
Beginning of financial year	5,014,896	4,155,122
Additions	744,504	584,497
Acquisition of subsidiaries [Note 30(a)]	457,679	229,523
Fair value change	(232,013)	82,407
Currency translation differences	116,239	(36,653)
End of financial year	<u>6,101,305</u>	<u>5,014,896</u>
Investment properties under development		
Additions	41,697	–
Acquisition of subsidiaries [Note 30(a)]	272,782	–
Currency translation differences	4,510	–
End of financial year	<u>318,989</u>	<u>–</u>
Total Carrying Amount	<u>6,420,294</u>	<u>5,014,896</u>
Carrying amount of		
– Freehold investment properties	4,855,449	3,730,903
– Leasehold investment properties	1,220,396	1,252,834
– Freehold and long leasehold properties	25,460	31,159
– Freehold property under development	318,989	–
	<u>6,420,294</u>	<u>5,014,896</u>

The fair value of the investment properties as at the reporting date was stated based on independent professional valuations using valuation techniques and assumptions set out in Note 31(e).

The Paragon on Orchard Road with a carrying amount of S\$2,811 million (2019: S\$2,921 million) is mortgaged to banks as security for a S\$995 million (2019: S\$995 million) loan granted to a subsidiary of the Group, SPH REIT [Note 20(a)].

The Figtree Shopping Centre ("Figtree") in Australia with a carrying amount of S\$190.6 million (2019: S\$192 million) is mortgaged to a bank as security for an A\$105 million (2020: S\$105.3 million; 2019: S\$98.1 million) loan granted to a subsidiary of the Group, Figtree Holding Trust ("FHT") [Note 20(a)].

The Westfield Marion Shopping Centre ("Westfield Marion") in Australia with a carrying amount of S\$648.6 million is mortgaged to a bank as security for an A\$200 million (S\$199.8 million) loan granted to a subsidiary of the Group, Marion Sub Trust ("MST") [Note 20(a)].

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8. INVESTMENT PROPERTIES (CONT'D)

The Seletar Mall with a carrying amount of S\$480 million (2019: S\$496 million) is mortgaged to a bank as security for a S\$300 million loan granted to a subsidiary of the Group, The Seletar Mall Pte. Ltd. ("TSMPL") [Note 20(b)].

The Purpose-Built Student Accommodation ("PBSA") portfolio, comprising 28 assets in the United Kingdom and Germany, with a carrying amount of S\$1,431.1 million (2019: 20 assets, S\$603.5 million). A portfolio of 20 assets in the United Kingdom, with a carrying amount of S\$622.4 million (2019: S\$603.5 million), is mortgaged to a bank as security for a £205 million (2020: S\$372.8 million; 2019: S\$345.7 million) loan granted to a subsidiary of the Group, Straits Capitol Trust ("SCT") [Note 20(c)].

The Japan Aged Care portfolio comprised 5 assets with a carrying amount of S\$72 million. Of the 5 assets, 3 are owned by Straits Himawari TMK One TMK ("TMK1") and 2 by Straits Himawari TMK Two TMK ("TMK2"). TMK1 and TMK2 have issued bonds secured by the statutory general lien under the Japan law. In addition, the bond issued by TMK1 is also secured by way of property mortgages in respect of the 3 assets owned by TMK1 [Note 20(d)].

The following amounts are recognised in the income statement:

	Group	
	2020 S\$'000	2019 S\$'000
Rental income	328,307	295,503
Direct operating expenses arising from investment properties that generated rental income	<u>(100,807)</u>	<u>(68,540)</u>

9. SUBSIDIARIES

	Company	
	2020 S\$'000	2019 S\$'000
Equity investments at cost	460,635	457,144
Allowance for impairment	<u>(30,107)</u>	<u>(20,346)</u>
	<u>430,528</u>	<u>436,798</u>

During the financial year, an impairment loss of S\$9.8 million (2019: S\$3.1 million) was recognised on certain subsidiaries following a review of their businesses.

The recoverable amounts of the subsidiaries were determined based on higher of fair value less cost to sell and value-in-use. Fair value less cost to sell was represented by the revalued net assets or net monetary assets and liabilities of the subsidiaries as at the reporting date which approximates its fair value.

Notes to the Financial Statements

31 August 2020

9. SUBSIDIARIES (CONT'D)

Details of significant subsidiaries are set out as below:

Name of Subsidiaries	Principal Activities	Country of Incorporation	Effective % of Equity held by the Group	
			2020 %	2019 %
Orchard 290 Ltd	Holding investments and management of shopping centres and other commercial properties	Singapore	100	100
Singapore News and Publications Limited	Holding investments and properties	Singapore	100	100
Singapore Newspaper Services Private Limited	Holding investments and properties	Singapore	100	100
SPH Invest Ltd.	Holding investments	Singapore	100	100
SPH Multimedia Private Limited	Holding investments	Singapore	100	100
SPH REIT and its subsidiaries	Holding property investments	Singapore	66	70
Straits Capitol Trust and its subsidiaries	Holding property investments	Singapore	100	100
Straits Silver Trust and its subsidiaries	Holding property investments	Singapore	100	–
The Seletar Mall Pte. Ltd.	Holding property investments and management of shopping centre	Singapore	70	70
Times Properties Private Limited	Letting properties and provision of property management services	Singapore	100	100

Note:

(i) The above companies are audited by KPMG LLP, Singapore.

(ii) A list of operating subsidiaries of the Group can be found on pages 259 to 261 of the Annual Report.

Notes to the Financial Statements

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10. ASSOCIATES

	Group	
	2020 S\$'000	2019 S\$'000
Investments in associates	358,055	366,012

The Group equity accounted for its associates based on their respective (consolidated) financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and any significant differences with the Group's accounting policies.

The Group's associates comprised mainly the following:

	Nature of relationship with the Group	Principal place of business/ Country of incorporation	Ownership interest/ Voting rights held
Konnectivity Pte Ltd ("Konnectivity")	Business adjacency	Singapore	20% (2019: 20%)
KBS US Prime Property Management Pte. Ltd. ("KBS")	Business adjacency	Singapore	20% (2019: 20%)
MindChamps Preschool Limited ("MindChamps")	Business adjacency	Singapore	20% (2019: 20%)

A list of operating associates of the Group can be found on page 262 of the Annual Report.

The summarised financial information of these associates, not adjusted for the proportional ownership interest held by the Group, is as follows:

	Konnectivity S\$'000	KBS S\$'000	MindChamps S\$'000
2020			
Revenue	1,092,282	12,443	53,013
Profit after tax	55,725	4,098	6,949
Other comprehensive income	8,050	(28)	310
Total comprehensive income	63,775	4,070	7,259
Attributable to:			
– Non-controlling interests	18,273	–	81
– Associate's shareholders	45,502	4,070	7,178
Non-current assets	2,391,246	5,397	126,297
Current assets	481,014	5,430	24,791
Non-current liabilities	(226,432)	–	(51,244)
Current liabilities	(763,833)	(5,085)	(35,359)
Net assets	1,881,995	5,742	64,485
Attributable to:			
– Non-controlling interests	370,924	–	(309)
– Associate's shareholders	1,511,071	5,742	64,794

Notes to the Financial Statements

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10. ASSOCIATES (CONT'D)

The following table summarises the carrying amount and share of profit/(loss) and other comprehensive income of the Group's associates in the consolidated financial statements:

	Konnectivity S\$'000	KBS S\$'000	MindChamps S\$'000	Other associates S\$'000	Total S\$'000
2020					
Beginning of financial year	302,568	20,146	23,069	20,229	366,012
Group's share of:					
Profit after tax	11,146	822	1,377	57	13,402
Other comprehensive income	1,609	(5)	61	(13)	1,652
Total comprehensive income	12,755	817	1,438	44	15,054
Distributions received	(13,110)	–	–	(1,105)	(14,215)
Impairment	–	–	(10,008)	–	(10,008)
Gain on divestment of interest in an associate	–	–	–	477	477
Group's contribution	–	–	–	735	735
End of financial year	302,213	20,963 [^]	14,499 [*]	20,380	358,055

[^] The carrying amount of KBS comprised the Group's share of net assets of S\$1.1 million and goodwill on acquisition of S\$19.8 million.

^{*} The carrying amount of MindChamps comprised the Group's share of net assets of S\$13 million and goodwill on acquisition of S\$1.5 million following the write-down of carrying amount to fair value during the financial year due to the challenging market conditions arising from the Covid-19 situation. Market value of the Group's stake in MindChamps based on quoted market price as at 31 August 2020 (Level 1 in the fair value hierarchy) is S\$14.5 million.

The summarised financial information of these associates, not adjusted for the proportional ownership interest held by the Group, is as follows:

	Konnectivity S\$'000	MindChamps S\$'000	PCP# S\$'000
2019			
Revenue	375,821	45,776	26,053
Profit after tax	23,286	5,690	88,334
Other comprehensive income	452	(2,309)	–
Total comprehensive income	23,738	3,381	88,334
Attributable to:			
– Non-controlling interests	6,539	149	–
– Associate's shareholders	17,199	3,232	88,334
Non-current assets	2,466,317	119,357	–
Current assets	398,995	27,057	8,748
Non-current liabilities	(689,829)	(58,587)	–
Current liabilities	(298,210)	(30,451)	(5,186)
Net assets	1,877,273	57,376	3,562
Attributable to:			
– Non-controlling interests	364,428	(240)	–
– Associate's shareholders	1,512,845	57,616	3,562

Notes to the Financial Statements

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10. ASSOCIATES (CONT'D)

The following table summarises the carrying amount and share of profit/(loss) and other comprehensive income of the Group's associates in the consolidated financial statements:

	Konnectivity S\$'000	KBS [^] S\$'000	MindChamps S\$'000	PCP [#] S\$'000	Other associates S\$'000	Total S\$'000
2019						
Beginning of financial year	–	–	23,071	51,622	21,132	95,825
Group's share of:						
Profit/(Loss) after tax	3,349	–	1,109	27,101	(1,745)	29,814
Other comprehensive income	90	–	(464)	–	(142)	(516)
Total comprehensive income	3,439	–	645	27,101	(1,887)	29,298
Distributions received	(8,900)	–	(647)	(77,632)	(43)	(87,222)
Loss on disposal of associates	–	–	–	–	(426)	(426)
Divestments	–	–	–	–	(1,138)	(1,138)
Reclassified from Investments, non-current	256,373	–	–	–	–	256,373
Group's contribution	51,656	20,146	–	–	1,500	73,302
End of financial year	302,568	20,146	23,069*	1,091	19,138	366,012

[^] The Group acquired KBS on 6 August 2019. KBS's accounts are not available as at the reporting date.

* The carrying amount of MindChamps comprised the Group's share of net assets of S\$11.5 million and goodwill on acquisition of S\$11.5 million. Market value of the Group's stake in MindChamps based on quoted market price as at 31 August 2019 (Level 1 in the fair value hierarchy) is S\$26.8 million.

[#] During the financial year, the Group recorded share of fair value gain of S\$13.9 million and property divestment gain of S\$10.4 million, and received distribution of S\$77.6 million from Perennial Chinatown Point LLP ("PCP"). PCP ceased to be a significant associate as at 31 August 2019.

11. JOINT VENTURES

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Investments in joint ventures	14,933	21,995	195	600

The Group equity accounted for its joint ventures based on their respective (consolidated) financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and any significant differences with the Group's accounting policies.

The Group's joint ventures comprised mainly the following:

	Nature of relationship with the Group	Principal place of business/ Country of incorporation	Ownership interest/ Voting rights held
WR 3 Pte. Ltd. ("WR 3") [#]	Related property business	Singapore	50% (2019: 50%)
The Woodleigh Mall Pte. Ltd. ("Woodleigh Mall")	Related property business	Singapore	50% (2019: 50%)

[#] WR 3 is the joint venture entity which is the ultimate holding company of The Woodleigh Residences Pte. Ltd. (collectively "WR 3 Group").

A list of operating joint ventures of the Group can be found on page 262 of the Annual Report.

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11. JOINT VENTURES (CONT'D)

The following summarises the financial information of these joint ventures based on their respective (consolidated) financial statements.

	WR 3 Group S\$'000	Woodleigh Mall S\$'000
2020		
Revenue	–	–
Loss ¹ after tax	(15,127)	(282)
Other comprehensive income	(1,340)	(893)
Total comprehensive income	(16,467)	(1,175)
¹ Includes:		
– depreciation and amortisation	–	–
– interest expense	(19,220)	–
Non-current assets	11,442	594,084
Current assets ²	810,432	7,704
Non-current liabilities ³	(823,740)	(563,355)
Current liabilities ⁴	(28,618)	(8,661)
Net (liabilities)/assets	(30,484)	29,772
² Includes cash and cash equivalents	43,267	3,900
³ Includes non-current financial liabilities (excluding trade and other payables and provisions)	(823,740)	(563,355)
⁴ Includes current financial liabilities (excluding trade and other payables and provisions)	(55)	(30)

The following table summarises the carrying amount and share of profit/(loss) and other comprehensive income of the Group's joint ventures in the consolidated financial statements:

	2020			
	WR 3 Group S\$'000	Woodleigh Mall S\$'000	Other joint ventures S\$'000	Total S\$'000
Beginning of financial year	2,364	12,001	7,630	21,995
Group's share of:				
Loss after tax	(7,561)	(142)	(2,281)	(9,984)
Other comprehensive income	(671)	(445)	–	(1,116)
Total comprehensive income	(8,232)	(587)	(2,281)	(11,100)
Reversal of amortisation on interest-free loans to joint ventures	(3,494)	(1,830)	–	(5,324)
Losses taken against loans to joint ventures	9,362*	–	–	9,362
End of financial year	–	9,584	5,349	14,933

* During the financial year, the share of losses from WR 3 was taken against the loan to WR 3 [Note 14(a)(iii)].

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11. JOINT VENTURES (CONT'D)

The following summarises the financial information of these joint ventures based on their respective (consolidated) financial statements.

	WR 3 Group S\$'000	Woodleigh Mall S\$'000
2019		
Revenue	–	–
Loss ¹ after tax	(23,562)	(403)
Other comprehensive income	(1,529)	(1,019)
Total comprehensive income	(25,091)	(1,422)
¹ Includes:		
– depreciation and amortisation	–	–
– interest expense	(20,089)	–
Non-current assets	8,295	554,391
Current assets ²	765,144	8,592
Non-current liabilities ³	(771,173)	(523,191)
Current liabilities ⁴	(16,284)	(8,844)
Net (liabilities)/assets	(14,018)	30,948
² Includes cash and cash equivalents	13,727	4,182
³ Includes non-current financial liabilities (excluding trade and other payables and provisions)	(771,173)	(523,191)
⁴ Includes current financial liabilities (excluding trade and other payables and provisions)	(54)	(22)

The following table summarises the carrying amount and share of profit/(loss) and other comprehensive income of the Group's joint ventures in the consolidated financial statements:

	2019			
	WR 3 Group S\$'000	Woodleigh Mall S\$'000	Other joint ventures S\$'000	Total S\$'000
Beginning of financial year	18,328	14,502	6,344	39,174
Group's share of:				
(Loss)/Profit after tax	(11,780)	(202)	1,287	(10,695)
Other comprehensive income	(767)	(507)	(1)	(1,275)
Total comprehensive income	(12,547)	(709)	1,286	(11,970)
Reversal of amortisation on interest-free loans to joint ventures	(3,417)	(1,792)	–	(5,209)
End of financial year	2,364 [^]	12,001	7,630	21,995

[^] The carrying amount of WR 3 Group comprised the Group's share of net liabilities of S\$7 million and a loan amount of S\$16 million to WR 3 carried at the amortised cost of S\$9.4 million as at the reporting date. The loan amount of S\$16 million was recognised as equity contribution to its wholly-owned subsidiary – The Woodleigh Residences Pte. Ltd.

Notes to the Financial Statements

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12. INVESTMENTS

(a) Non-current

	Group	
	2020	2019
	S\$'000	S\$'000
FVOCI		
– Equity securities	187,676	158,952
– Bonds	–	8,457
– Investment funds	160,389	177,339
	348,065	344,748
FVOCI – designated		
– Equity securities	4,962	–
– Investment funds	37,487	–
	42,449	–
FVTPL		
– Bonds and notes	33,050	8,049
	423,564	352,797

(b) Current

	Group	
	2020	2019
	S\$'000	S\$'000
FVTPL		
– Equity securities	–	5,041
– Investment funds	–	38,692
	–	43,733

On 1 March 2020, the Group reclassified FVTPL (current) investments, held for strategic purposes or with fixed fund life or maturity, to FVOCI-designated (non-current) of S\$42.4 million due to cessation of investment trading activities.

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13. INTANGIBLE ASSETS

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Arising from business combinations				
– Goodwill [Note 13(a)]	77,965	89,564	–	–
– Technology, trademarks, licences, mastheads and others [Note 13(b)]	53,419	51,156	–	–
Acquired separately				
– Technology, trademarks, licences, mastheads and others [Note 13(c)]	370	477	38,550	41,311
	131,754	141,197	38,550	41,311

(a) Arising from business combinations – Goodwill

	Group	
	2020 S\$'000	2019 S\$'000
Cost		
Beginning of financial year	188,741	192,264
Acquisition of subsidiaries [Note 30(a)]	–	2,015
Disposal of subsidiaries [Note 30(b)]	–	(5,679)
Currency translation differences	(10)	141
End of financial year	188,731	188,741
Accumulated impairment		
Beginning of financial year	99,177	77,165
Impairment	11,688	22,146
Disposal of subsidiaries [Note 30(b)]	–	(275)
Currency translation differences	(99)	141
End of financial year	110,766	99,177
Net book value	77,965	89,564

During the financial year, the Group recognised an impairment charge of S\$11.7 million mainly for the aged care business, due to possible slowdown in growth for the next 12 to 18 months in view of manpower curbs from border controls arising from the Covid-19 pandemic.

In the previous financial year, the Group recognised an impairment charge of S\$22.1 million mainly for the aged care business, as the increase in build-own-lease (BOL) nursing home bed capacity coming on stream has impacted the original business projections of Orange Valley.

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13. INTANGIBLE ASSETS (CONT'D)

(a) Arising from business combinations (cont'd) – Goodwill (cont'd)

Impairment test for goodwill

The carrying value of the Group's goodwill arising from acquisitions was assessed for impairment during the financial year.

Goodwill is allocated for impairment testing purposes to the individual entity or division, which is also the cash-generating unit ("CGU").

Group		Pre-tax discount rate ⁽¹⁾		Terminal growth rate ⁽²⁾	
2020	2019	2020	2019	2020	2019
S\$'000	S\$'000	%	%	%	%

Carrying value of goodwill in:

Singapore						
– Online	21,282	21,282	13.5	13.5	1.3	1.3
– Exhibitions	7,194	8,882	10.4	11.0	0.7 to 1.3	1.3
– Aged Care	47,385	57,385	8.5	8.5	1.3	1.3
United Kingdom						
– Property	2,104	2,015	7.9 to 9.2	7.6 to 8.0	2.0 to 5.8	5.3 to 5.9
	77,965	89,564				

⁽¹⁾ The discount rate used is based on Weighted Average Cost of Capital (WACC) where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

⁽²⁾ The terminal growth rate has been determined based on long-term expected inflation rate for the respective country or industry in which the entity or division operates.

The recoverable values of CGUs including goodwill are determined based on value-in-use calculations.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets approved by the Board and management forecasts over a period of five years. Cash flows beyond the terminal year are extrapolated using the estimated terminal growth rates stated in the table above. Key assumptions used in the calculation of value-in-use are growth rates, operating margins and discount rates.

The management's approach in determining the value assigned to each of the key assumptions includes comparing the key assumptions used to past actual performances (i.e. retrospective reviews) and other external sources of information such as Government statistics on growth, inflation etc.

As the process of evaluating goodwill impairment involves management judgement and prudent estimates of various factors including future cash flows as well as the cost of capital and long-term growth rates, the results can be highly sensitive to the assumptions used.

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount as at the reporting date, except for the Aged Care CGU whereby the recoverable amount was equal to the carrying amount following the impairment loss recognised during the financial year.

Notes to the Financial Statements

31 August 2020

13. INTANGIBLE ASSETS (CONT'D)

- (b) Arising from business combinations
– Technology, trademarks, licences, mastheads and others

	Technology S\$'000	Trademarks, licences, mastheads and others S\$'000	Total S\$'000
Group			
2020			
Cost			
Beginning of financial year	7,790	161,311	169,101
Acquisition of subsidiaries [Note 30(a)]	603	14,586	15,189
Disposal of subsidiaries [Note 30(b)]	(577)	(8,801)	(9,378)
Currency translation differences	7	388	395
End of financial year	7,823	167,484	175,307
Accumulated amortisation and impairment			
Beginning of financial year	7,790	110,155	117,945
Amortisation [Note 25]	51	7,581	7,632
Impairment	–	5,763	5,763
Disposal of subsidiaries [Note 30(b)]	(577)	(8,801)	(9,378)
Currency translation differences	–	(74)	(74)
End of financial year	7,264	114,624	121,888
Net book value	559	52,860	53,419
2019			
Cost			
Beginning of financial year	14,291	163,212	177,503
Disposal of subsidiaries [Note 30(b)]	(6,500)	(1,800)	(8,300)
Currency translation differences	(1)	(101)	(102)
End of financial year	7,790	161,311	169,101
Accumulated amortisation and impairment			
Beginning of financial year	14,128	102,946	117,074
Amortisation [Note 25]	130	7,654	7,784
Impairment	–	1,457	1,457
Disposal of subsidiaries [Note 30(b)]	(6,468)	(1,800)	(8,268)
Currency translation differences	–	(102)	(102)
End of financial year	7,790	110,155	117,945
Net book value	–	51,156	51,156

During the financial year, the Group recognised an impairment charge of S\$5.8 million mainly for the student accommodation business in the United Kingdom due to decrease in the pace of assets to be brought under the brand in view of the on-going Covid-19 situation in the region (2019: S\$1.5 million mainly for the magazine and education businesses due to challenging market conditions).

Key assumptions used in cash flow projections to determine the recoverable values are disclosed in Note 13(a).

Notes to the Financial Statements

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13. INTANGIBLE ASSETS (CONT'D)

- (c) Acquired separately
– Technology, trademarks, licences, mastheads and others

	Group	
	2020 S\$'000	2019 S\$'000
Cost		
Beginning of financial year	1,052	798
Additions	–	256
Disposal of subsidiaries [Note 30(b)]	(141)	–
Currency translation differences	(1)	(2)
End of financial year	910	1,052
Accumulated amortisation and impairment		
Beginning of financial year	575	298
Amortisation [Note 25]	108	278
Disposal of subsidiaries [Note 30(b)]	(141)	–
Currency translation differences	(2)	(1)
End of financial year	540	575
Net book value	370	477

	Technology S\$'000	Trademarks, licences, mastheads and others S\$'000	Total S\$'000
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Company 2020

Cost			
Beginning and end of financial year	178	55,580	55,758
Accumulated amortisation and impairment			
Beginning of financial year	178	14,269	14,447
Amortisation	–	2,761	2,761
End of financial year	178	17,030	17,208
Net book value	–	38,550	38,550

2019

Cost			
Beginning and end of financial year	178	55,580	55,758
Accumulated amortisation and impairment			
Beginning of financial year	178	11,509	11,687
Amortisation	–	2,760	2,760
End of financial year	178	14,269	14,447
Net book value	–	41,311	41,311

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14. TRADE AND OTHER RECEIVABLES

(a) Non-current

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Amounts owing by subsidiaries [Note 14(a)(i)]	–	–	1,267,699	1,151,571
Loans to subsidiaries [Note 14(a)(i)]	–	–	1,041,734	914,726
Loan to associate [Note 14(a)(ii)]	630	–	–	–
Loans to joint ventures [Note 14(a)(iii)]	239,983	244,020	–	–
Staff loans	2,310	3,111	2,074	2,653
Sundry debtors	3,327	4,206	417	347
	246,250	251,337	2,311,924	2,069,297

- (i) The amounts owing by subsidiaries are non-trade, unsecured, interest-free and repayable on demand. The amounts included an allowance for impairment of S\$3.7 million (2019: S\$2.3 million).

The loans to subsidiaries are non-trade, unsecured, interest-free and repayable on demand, except for the following:

- S\$280 million with interest rate of 0.86% (2019: 2.59%) per annum and repayable in September 2021; and
- S\$300 million (2019: S\$156.7 million) with interest rate of 4% (2019: 1.16%) per annum and repayable on demand.

The loans included an allowance for impairment of S\$165.8 million (2019: S\$151.1 million). During the financial year, an allowance for impairment loss of S\$14.7 million (2019: S\$24.3 million) was recognised following a review of the subsidiaries' businesses.

The Company does not expect repayment within the next 12 months for both the amounts owing by subsidiaries and loans to subsidiaries.

- (ii) The loan to an associate is non-trade, unsecured, with interest rate of 3% per annum and repayable in November 2021.
- (iii) The loans to joint ventures of S\$255 million (2019: S\$255 million) are non-trade, unsecured, interest-free and repayable in September 2021, subject to the subordination agreement under the bank term loan facilities undertaken by the joint ventures. During the financial year, the share of losses exceeded the investment amount in WR 3 by S\$9.4 million, and was taken against the loan amount [Note 11]. As at 31 August 2020, the loans stated at amortised cost amounted to S\$240 million (2019: S\$244 million). The unamortised fair value amount as at the reporting date was S\$5.6 million (2019: S\$11 million).

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31 August 2020

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Current

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Trade receivables				
– Non-related parties	90,601	80,739	48,127	52,123
– Less: Allowance made				
– non-related parties [14(b)(i)]	(13,366)	(4,468)	(2,778)	(1,850)
	77,235	76,271	45,349	50,273
Amounts owing by				
– Subsidiaries [Note 14(b)(ii)]	–	–	431,806	576,139
– Associates [Note 14(b)(ii)]	36	60	–	–
– Joint ventures [Note 14(b)(ii)]	153	21	–	–
	189	81	431,806	576,139
Loans to subsidiaries [Note 14(b)(iii)]	–	–	813,944	123,338
Accrued interest	1,901	848	1,411	91
Sundry debtors	53,441	59,742	8,159	3,767
Prepayments	10,562	9,172	6,687	6,316
Staff loans	967	1,294	938	1,184
	144,295	147,408	1,308,294	761,108

- (i) During the financial year, an allowance for impairment of S\$8.5 million was recognised in relation to the retail mall tenants' assistance relief mandated by the Australia authorities.
- (ii) The amounts owing by subsidiaries, associates and joint ventures are non-trade, unsecured, interest-free and repayable on demand. The amounts owing by subsidiaries included an allowance for impairment of S\$5 million (2019: S\$2.2 million).
- (iii) The loans to subsidiaries are non-trade, unsecured, interest-free and repayable on demand except for S\$756.9 million (2019: S\$65.3 million) with interest rates ranging from 0.36% to 2.07% (2019: 1.16%) per annum. The loans included an allowance for impairment of S\$0.5 million (2019: Nil) as at 31 August 2020.

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15. DERIVATIVES

	Contract Notional Amount S\$'000	Fair Value	
		Assets S\$'000	Liabilities S\$'000
Group			
2020			
Non-current			
Cash flow hedge			
– Interest rate swaps [Note 20(i)]	572,190	–	9,127
– Cross currency interest rate swaps [Note 20(ii)]	78,904	–	4,402
– Cross currency swaps	19,233	–	404
Equity option on investment		200	–
		<u>200</u>	<u>13,933</u>
Current			
Cash flow hedge			
– Interest rate swaps [Note 20(i)]	45,000	–	680
		<u>–</u>	<u>680</u>
2019			
Non-current			
Cash flow hedge			
– Interest rate swaps [Note 20(i)]	235,000	–	2,339
– Cross currency interest rate swaps [Note 20(ii)]	78,904	910	–
– Cross currency swaps	19,233	955	–
Equity option on investment		200	–
		<u>2,065</u>	<u>2,339</u>
Current			
Cash flow hedge			
– Interest rate swaps [Note 20(i)]	280,000	–	1,561
Derivatives that do not qualify as hedges			
– Currency forwards	34,692	20	–
		<u>20</u>	<u>1,561</u>
Company			
2020			
Non-current			
Cash flow hedge			
– Interest rate swaps [Note 20(i)]	140,000	–	2,548
2019			
Non-current			
Cash flow hedge			
– Interest rate swaps [Note 20(i)]	140,000	–	1,096

Notes to the Financial Statements

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16. INVENTORIES

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Raw materials and consumable stores	21,635	25,251	20,114	23,179
Allowance for write-down of inventories	(1,572)	(1,779)	(1,572)	(1,688)
	20,063	23,472	18,542	21,491

The cost of inventories recognised as an expense and included in materials, production and distribution costs in the income statement amounted to S\$31.3 million (2019: S\$49.9 million).

During the financial year, the Group wrote-back an allowance for stock obsolescence amounting to S\$0.2 million as the stocks were utilised (2019: An allowance of S\$1.1 million was made).

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Cash held as fixed bank deposits	595,608	64,164	551,291	23,051
Cash and bank balances	271,041	490,271	121,756	96,765
	866,649	554,435	673,047	119,816
Allowance on cash and cash equivalents	(1,956)	–	(1,956)	–
	864,693	554,435	671,091	119,816

18. TRADE AND OTHER PAYABLES

(a) Non-current

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Amount owing to subsidiary [Note 18(a)(i)]	–	–	102	105
Deposits received	39,451	40,475	–	–
Deferred income	16,285	–	413	–
	55,736	40,475	515	105

- (i) The amount owing to a subsidiary is non-trade, unsecured, interest-free and not repayable within the next 12 months.

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18. TRADE AND OTHER PAYABLES (CONT'D)

(b) Current

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Trade payables – non-related parties	27,555	22,290	12,211	8,445
Amounts owing to				
– Subsidiaries [Note 18(b)(i)]	–	–	694,243	652,669
– Associates [Note 18(b)(i)]	1,510	1,241	–	–
	1,510	1,241	694,243	652,669
Accrued expenses	114,058	107,193	56,841	60,387
Deposits received	39,006	36,683	8,757	9,728
Sundry creditors	32,517	17,498	4,241	6,144
Deferred income	70,894	43,423	21,883	14,852
	285,540	228,328	798,176	752,225

- (i) The amounts owing to subsidiaries and associates are non-trade, unsecured, interest-free and repayable on demand.

19. INCOME TAXES

(a) Deferred taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown on the statements of financial position:

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Deferred tax liabilities	42,052	34,431	5,930	7,363

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

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Hedging reserve	(247)	(186)	(247)	(186)

Notes to the Financial Statements

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19. INCOME TAXES

(a) Deferred taxes (cont'd)

Deferred tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and capital allowances of S\$18.3 million (2019: S\$16.5 million) and S\$33,000 (2019: S\$0.5 million) respectively at the reporting date which can be carried forward and used to offset against future taxable income, subject to meeting of certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses have no expiry dates (2019: S\$3.5 million which can be carried forward to a maximum of 5 years).

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

(i) Deferred tax liabilities

	Accelerated Tax Depreciation S\$'000	Fair Value Changes S\$'000	Others S\$'000	Total S\$'000
Group				
2020				
Beginning of financial year	13,779	4,517	18,773	37,069
Recognised in income statement	(3,391)	13,728	(1,356)	8,981
Currency translation differences	(9)	533	–	524
End of financial year	10,379	18,778	17,417	46,574
2019				
Beginning of financial year	15,788	2,546	18,459	36,793
Adjustment on initial application of SFRS(I) 9	–	(2,546)	–	(2,546)
Recognised in income statement	(2,035)	4,517	320	2,802
Disposal of subsidiaries [Note 30(b)]	39	–	(6)	33
Currency translation differences	(13)	–	–	(13)
End of financial year	13,779	4,517	18,773	37,069
Company				
2020				
Beginning of financial year	9,426	–	16	9,442
Recognised in income statement	(677)	–	224	(453)
End of financial year	8,749	–	240	8,989
2019				
Beginning of financial year	9,496	–	10	9,506
Recognised in income statement	(70)	–	6	(64)
End of financial year	9,426	–	16	9,442

Notes to the Financial Statements

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19. INCOME TAXES (CONT'D)

(a) Deferred taxes (cont'd)

(ii) Deferred tax assets

	Provisions S\$'000	Fair Value Changes S\$'000	Total S\$'000
Group			
2020			
Beginning of financial year	(2,458)	(180)	(2,638)
Recognised in income statement	(661)	(6)	(667)
Recognised in equity	–	(247)	(247)
Acquisition of subsidiaries [Note 30(a)]	(1,051)	–	(1,051)
Disposal of subsidiaries [Note 30(b)]	79	–	79
Currency translation differences	2	–	2
End of financial year	<u>(4,089)</u>	<u>(433)</u>	<u>(4,522)</u>
2019			
Beginning of financial year	(3,696)	(4)	(3,700)
Recognised in income statement	1,096	–	1,096
Recognised in equity	–	(186)	(186)
Disposal of subsidiaries [Note 30(b)]	143	–	143
Currency translation differences	(1)	10	9
End of financial year	<u>(2,458)</u>	<u>(180)</u>	<u>(2,638)</u>
Company			
2020			
Beginning of financial year	(1,893)	(186)	(2,079)
Recognised in income statement	(733)	–	(733)
Recognised in equity	–	(247)	(247)
End of financial year	<u>(2,626)</u>	<u>(433)</u>	<u>(3,059)</u>
2019			
Beginning of financial year	(3,068)	–	(3,068)
Recognised in income statement	1,175	–	1,175
Recognised in equity	–	(186)	(186)
End of financial year	<u>(1,893)</u>	<u>(186)</u>	<u>(2,079)</u>

Notes to the Financial Statements

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19. INCOME TAXES (CONT'D)

(b) Income tax expense

	Group	
	2020	2019
	S\$'000	S\$'000
Current year		
– Current tax	18,836	36,944
– Deferred tax	8,349	4,092
	27,185	41,036
Prior years		
– Current tax	90	(2,106)
– Deferred tax	(35)	(194)
	55	(2,300)
	27,240	38,736

The income tax expense on (loss)/profit for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to the following factors:

	Group	
	2020	2019
	S\$'000	S\$'000
(Loss)/Profit before taxation	(85,262)	298,282
Tax calculated at corporate tax rate of 17%	(14,495)	50,708
Singapore statutory stepped income exemption	(252)	(330)
Income taxed at concessionary rate	(123)	(136)
Effect of different tax rates in other countries	3,424	(302)
Income not subject to tax	(4,891)	(22,052)
Expenses not deductible for tax purposes	43,309	12,996
Others	213	152
Under/(Over)-provision in prior years	55	(2,300)
Tax charge	27,240	38,736

Notes to the Financial Statements

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20. BORROWINGS

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Secured				
Term loans [Note 20(a), 20(b) and 20(c)]	1,969,721	1,734,557	–	–
Bonds [20(d)]	40,452	–	–	–
Unsecured				
Term loan [Note 20(e)]	139,720	139,440	139,720	139,440
Notes [Note 20(f)]	498,000	–	498,000	–
Loans from non-controlling interests [Note 20(g)]	52,839	51,676	–	–
Other banking facilities [Note 20(h)]	708,839	131,336	708,839	131,336
Lease liabilities [Note 20(l) and 32]	67,647	–	8,342	–
Intra-group financial guarantee [Note 20(k)]	–	–	7,959	10,092
	3,477,218	2,057,009	1,362,860	280,868
Borrowings are repayable:				
Within 1 year	1,286,045	411,001	714,448	134,058
Between 1 – 5 years	1,656,387	1,646,008	150,412	146,810
After 5 years	534,786	–	498,000	–
	3,477,218	2,057,009	1,362,860	280,868

- (a) As at 31 August 2020, SPH REIT Group had secured term loans of S\$995 million and A\$305 million (S\$304.9 million).

SPH REIT had a secured term loan of S\$995 million (2019: S\$995 million). As at the reporting date, the loan stated at amortised cost amounted to S\$993.6 million (2019: S\$993.4 million). The loan has various repayment dates of which S\$45 million is repayable in June 2021, S\$170 million in July 2021, S\$50 million in December 2021, S\$135 million in March 2022, S\$55 million in July 2022, S\$50 million in December 2022, S\$95 million in July 2023, S\$115 million in July 2024, and S\$280 million in July 2025.

The term loan taken up by SPH REIT is secured by way of a first legal mortgage on SPH REIT's investment property – Paragon [Note 8], first legal charge over the tenancy account and sales proceeds account for Paragon, and an assignment of certain insurances taken in relation to Paragon.

FHT, a subsidiary of SPH REIT, had a secured term loan of A\$105 million (S\$105.3 million) (2019: A\$105 million (S\$98.1 million)). As at the reporting date, the loan stated at amortised cost amounted to S\$105.1 million (2019: S\$97.8 million). The loan is repayable in December 2022.

The term loan taken by FHT is secured by way of mortgage over the investment property – Figtree [Note 8] 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.

MST, a subsidiary of SPH REIT, obtained a secured term loan of A\$200 million (S\$200.6 million) during the financial year. As at the reporting date, the loan stated at amortised cost amounted to S\$199.8 million. The loan has various repayment dates of which A\$80 million is repayable in December 2022 and A\$120 million in December 2024.

Notes to the Financial Statements

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20. BORROWINGS (CONT'D)

The term loan taken up by MST is secured by way of mortgage over the investment property – Westfield Marion [Note 8], all-asset general security deed over current and future assets of MAAM TT (Marion) Pty Ltd in its own capacity and as trustee for MST and such specified entities constituted to receive income derived from Westfield Marion.

After taking into account fixed interest rates and interest rate swap arrangements totalling S\$644.5 million (2019: S\$718.3 million), the effective interest rate as at the reporting date on the outstanding term loans of the SPH REIT Group was 2.66% (2019: 2.91%) per annum.

- (b) TSMPL had a secured term loan of S\$300 million (2019: S\$300 million). As at the reporting date, the loan stated at amortised cost amounted to S\$299.9 million (2019: S\$299.7 million). The loan is repayable in June 2021.

The term loan is secured by way of a first legal mortgage on TSMPL's investment property – The Seletar Mall [Note 8], first legal charge over the tenancy account and sales proceeds account for The Seletar Mall, and an assignment of certain insurances taken in relation to The Seletar Mall.

As at 31 August 2020, the effective interest rate on the outstanding term loan was 0.75% (2019: 2.53%) per annum.

- (c) SCT had a secured term loan of £205 million (S\$372.8 million) (2019: £205 million (S\$345.7 million)). As at the reporting date, the loan stated at amortised cost amounted to S\$371.2 million (2019: S\$343.7 million). The loan is repayable in June 2023.

The term loan is secured, inter alia, by way of property mortgages against the PBSA portfolio [Note 8], and a corporate guarantee from the Company [Note 20(i)].

After taking into account interest rate swap arrangements totalling £100 million (S\$181.9 million) entered during the financial year, the effective interest rate as at the reporting date on the outstanding term loan was 1.12% (2019: 1.58%) per annum.

As at 31 August 2019, the effective interest rate on the outstanding term loan was 1.58% per annum.

- (d) TMK1 and TMK2, subsidiaries of Straits Silver Trust, issued secured bonds of ¥3.2 billion (S\$41.3 million) during the financial year. As at the reporting date, the bonds stated at amortised cost amounted to S\$40.5 million. The bonds have various repayment dates of which ¥2.1 billion is repayable in March 2025 and ¥1.1 billion in August 2025.

The bonds are secured by the statutory general lien under the Japan law. In addition, the bond issued by TMK1 is also secured by way of property mortgages in respect of the 3 properties owned by TMK1 [Note 8].

As at 31 August 2020, the effective interest rates of the bonds issued by TMK1 and TMK2 were 1.6% and 1.55% per annum respectively.

Notes to the Financial Statements

31 August 2020

20. BORROWINGS (CONT'D)

- (e) The Company had an unsecured term loan of S\$140 million (2019: S\$140 million). As at the reporting date, the loan stated at amortised cost amounted to S\$139.7 million (2019: S\$139.4 million). The loan is repayable in September 2021. After taking into account interest rate swap arrangements totalling S\$140 million (2019: S\$140 million), the effective interest rate as at the reporting date on the outstanding term loan was 2.63% (2019: 2.63%) per annum.
- (f) During the financial year, the Company issued S\$500 million 10-year unsecured Notes ("Notes") due on 22 January 2030. As at the reporting date, the Notes stated at amortised cost amounted to S\$498 million. Interest at 3.2% per annum is payable semi-annually in arrears. The Notes are listed on the SGX-ST.
- (g) TSMPL had unsecured loans of S\$53.7 million (2019: S\$53.7 million) from its non-controlling interest. The loans stated at amortised cost amounted to S\$52.8 million (2019: S\$51.6 million). The loans are interest-free and repayment is subject to the subordination agreement under the S\$300 million term loan facility taken by TSMPL from a bank [Note 20(b)]. The unamortised fair value gain as at the reporting date was S\$0.9 million (2019: S\$2.1 million).
- (h) As at 31 August 2020, the other banking facilities included S\$708.8 million (2019: S\$131.3 million) [Note 31(b)] of unsecured facilities drawn down by the Company. The amounts drawn have various repayment dates of which S\$35.1 million is repayable in September 2020, S\$22.7 million in October 2020, S\$326 million in February 2021 and S\$325 million in April 2021 (2019: S\$65.3 million in September 2019 and S\$66 million in October 2019).
- (i) In respect of bank borrowings, where appropriate, the Group's policy is to minimise its interest rate risk exposure by entering into interest rate swaps over the duration of its borrowings. Accordingly, the Company, SCT and SPH REIT Group entered into fixed rate loans and/or interest rate swap contracts to swap floating rates for fixed interest rates as part of their interest rate risk management. Under the interest rate swaps, the Company, SCT and SPH REIT Group agreed with other parties to exchange at specified intervals, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts. As at 31 August 2020, the fixed interest rates for the Company was 1.84% to 2.05% (2019: 1.84% to 2.05%), SCT was 0.395% to 0.585%, and for SPH REIT Group was 0.39% to 3.69% (2019: 2.04% to 3.69%) per annum. The floating rates for the Company and SPH REIT Group are referenced to Singapore dollar swap offer rate and repriced every 3 months. The floating rates for SCT are referenced to GBP-LIBOR-BBA ("GBP London Interbank Offered Rate") and are repriced every 3 months.

The notional principal amounts of the outstanding interest rate swap contracts and their corresponding fair values as at 31 August 2020 are:

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Notional due:				
Within 1 year	45,000	280,000	—	—
Between 1 – 5 years	651,094	313,904	140,000	140,000
Fair values	(12,919)	(5,656)	(2,548)	(1,096)

Notes to the Financial Statements

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20. BORROWINGS (CONT'D)

(j) Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Borrowings	
	2020 S\$'000	2019 S\$'000
Group		
Beginning of financial year	2,057,009	1,607,360
Financing cash flows		
Proceeds from borrowings	2,472,754	1,278,196
Repayment of borrowings	(1,187,968)	(808,169)
Payment of lease liabilities	(15,432)	–
	1,269,354	470,027
Non-cash changes		
Amortisation of transaction costs	2,243	1,555
Amortisation of fair value gain on interest-free loans	1,163	1,138
Amortisation of lease liabilities	3,145	–
Recognition of lease liabilities	109,537	–
De-recognition of lease liabilities	(29,624)	–
Currency translation differences	64,391	(23,071)
	150,855	(20,378)
End of financial year	3,477,218	2,057,009

(k) Intra-group financial guarantee comprises a guarantee given by the Company to certain banks in respect of a term loan amounting to £205 million [Note 20(c) and 31(b)] granted to a wholly-owned subsidiary, SCT. The guarantee expires on 18 June 2023. The Company does not consider it probable that a claim will be made against the Company under the guarantee. As at 31 August 2020, the carrying amount represented the initial fair value of the differential in interest rates that will be charged by the bank with and without the guarantee, less the cumulative amount of income earned by the Company from SCT for providing the guarantee.

(l) The Group's lease liabilities were discounted at borrowing rates ranging from 2.13% to 5.63% and of varying maturities between 1 year and 117 years. The Company's lease liabilities were discounted at borrowing rates ranging from 2.13% to 3.13% and of varying maturities between 1 year and 5 years.

Notes to the Financial Statements

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21. CAPITAL AND OTHER COMMITMENTS

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Authorised and contracted for				
– Property, plant and equipment	4,830	3,080	4,825	2,761
– Investment properties	5,912	973	–	–
– Investments	143,209	28,180	–	–
	153,951	32,233	4,825	2,761

22. OPERATING REVENUE

	Group	
	2020 S\$'000	2019 S\$'000
Media		
Sale of services – Advertisements	267,586	390,064
Sale of goods – Circulation	140,189	139,683
Others	37,370	47,134
	445,145	576,881
Property		
Rental and rental-related services	327,174	296,512
Others		
Sale of services – Advertisements	19,664	19,408
Sale of services – Multimedia, aged care and other services	48,010	66,454
Sale of goods – Aged care	24,536	–
Rental and rental-related services	1,133	–
	93,343	85,862
	865,662	959,255
Timing of revenue recognition		
Products transferred at a point in time		
– Media	445,145	576,881
– Others	60,975	54,189
	506,120	631,070
Products and services transferred over time		
– Property	327,174	296,512
– Others	32,368	31,673
	359,542	328,185
	865,662	959,255

The Group applies the practical expedient available in SFRS(I) 15 and does not disclose information about its remaining performance obligations if it is part of a contract that has an original expected duration of 1 year or less, or if the Group has a right to invoice the customer for an amount that corresponds directly with its performance to date and recognises revenue for that amount.

Notes to the Financial Statements

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23. GOVERNMENT GRANTS

The Group has been awarded certain government grants. The grant income recognised in other operating income was S\$68.5 million and relates mainly to the Jobs Support Scheme and property tax rebates. The corresponding expenses are recognised in staff costs and premises costs respectively. The Group recognised grant receivables of S\$20.7 million in Trade and other receivables and deferred income and grant liabilities of S\$17.5 million in Trade and other payables.

24. STAFF COSTS

	Group	
	2020	2019
	S\$'000	S\$'000
Salaries, bonuses and other costs	293,065	294,986
Employers' contribution to defined contribution plans	32,763	34,987
Share-based compensation expense	2,601	3,336
	328,429	333,309

25. OTHER OPERATING EXPENSES

	Group	
	2020	2019
	S\$'000	S\$'000
Included in other operating expenses are:		
Audit fees [#]		
– Company's auditors	1,745	1,660
– Other auditors	835	398
Non-audit fees [#]		
– Company's auditors	320	277
Retrenchment costs	17,416	–
Net foreign exchange differences from operations	(1,937)	(1,965)
Bad debts recovery	(19)	(46)
Impairment of property, plant and equipment	4,458	–
Profit on disposal of property, plant and equipment	(507)	(75)
Amortisation of intangible assets [Note 13(b) and 13(c)]	7,740	8,062

[#] Audit fees comprise fees incurred for statutory audit, quarterly reviews of financial results and other assurance engagements. Non-audit fees relate to tax and other advisory services. In the previous financial year, S\$155,000 of audit fees directly attributable to the issuance of perpetual securities are accounted for as a deduction from equity.

26. FINANCE COSTS

	Group	
	2020	2019
	S\$'000	S\$'000
Interest expense		
– Bank loans	48,564	46,666
– Loans from non-controlling interest	1,163	1,138
– Notes and bonds	9,964	–
– Lease liabilities	3,145	–
Cash flow hedges, reclassified from hedging reserve*	2,229	1,468
	65,065	49,272

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

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27. NET INCOME FROM INVESTMENTS

	Group	
	2020	2019
	S\$'000	S\$'000
Financial assets at FVOCI		
Interest income	687	945
Dividend income	5,264	1,749
Net foreign exchange differences	(224)	46
	5,727	2,740
Financial assets at FVTPL		
Net fair value changes on investments	7,406	4,274
Deposits with financial institutions		
Interest income	4,320	2,780
Net foreign exchange differences	(71)	40
	4,249	2,820
	17,382	9,834

28. DIVIDENDS AND DISTRIBUTIONS

(a) Dividends

	Company	
	2020	2019
	S\$'000	S\$'000
Tax-exempt dividends paid:		
– Final dividend of 5.5 cents per share in respect of previous financial year (2019: 3 cents per share)	88,601	48,400
– Special final dividend of 1 cent per share in respect of previous financial year (2019: 4 cents per share)	16,109	64,534
– Interim dividend of 1.5 cents per share (2019: 5.5 cents per share)	24,132	88,794
	128,842	201,728

The Directors have proposed a final dividend of 1 cent per share for the financial year, amounting to a total of S\$16.1 million. This dividend is tax-exempt.

These financial statements do not reflect the proposed dividend, which will be accounted for in shareholders' interests as an appropriation of retained profit in the financial year ending 31 August 2021 when they are approved at the next annual general meeting.

(b) Distributions

	Company	
	2020	2019
	S\$'000	S\$'000
Distributions attributable to perpetual securities holders:		
– 4.5% S\$150 million	6,670	1,688
– 4.0% S\$300 million	9,668	–
	16,338	1,688

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29. (LOSS)/EARNINGS PER SHARE

	Group			
	2020		2019	
	Basic S\$'000	Diluted S\$'000	Basic S\$'000	Diluted S\$'000
(Loss)/Profit after taxation attributable to shareholders of the Company	(83,676)	(83,676)	213,211	213,211
Distribution for perpetual securities	(24,502)	(24,502)	(1,688)	(1,688)
	(108,178)	(108,178)	211,523	211,523
	Number of Shares '000		Number of Shares '000	
Weighted average number of shares	1,609,414	1,609,414	1,613,808	1,613,808
Adjustment for assumed conversion of performance shares	–	7,321	–	5,985
Weighted average number of shares used to compute earnings per share	1,609,414	1,616,735	1,613,808	1,619,793
	Basic	Diluted	Basic	Diluted
(Loss)/Earnings per share (S\$)	(0.07)	(0.07)	0.13	0.13

30. ACQUISITION/DISPOSAL OF SUBSIDIARIES/BUSINESSES

(a) Acquisition of subsidiaries

	Group At fair values	
	2020 S\$'000	2019 S\$'000
Identifiable assets and liabilities		
Property, plant and equipment [Note 7(a)]	311	–
Investment properties [Note 8]	730,461	229,523
Intangible assets (excluding goodwill) [Note 13(b)]	15,189	–
Current assets (including cash)	41,714	11,053
Deferred tax assets [Note 19(a)(ii)]	1,051	–
Current liabilities	(278,943)	(162,435)
Identifiable net assets acquired	509,783	78,141
Repayment of loans of the acquired subsidiaries	233,834	153,050
Goodwill on acquisition [Note 13(a)]	–	2,015
Total purchase consideration	743,617	233,206
Less: Cash and cash equivalents in subsidiaries acquired	(23,188)	(4,441)
Add: Consideration refundable from vendor	–	3,142
Net cash outflow on acquisition of subsidiaries	720,429	231,907

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30. ACQUISITION/DISPOSAL OF SUBSIDIARIES/BUSINESSES (CONT'D)

(a) Acquisition of subsidiaries (cont'd)

2020

Student Castle Investments Holdco Limited group of companies ("SCIH group")

On 20 December 2019, the Group acquired all shares in SCIH group in the United Kingdom. SCIH group has a PBSA portfolio that spans 7 cities in the United Kingdom and has a total capacity of 2,383 beds.

The total consideration for the acquisition was S\$743.6 million. The Group has recognised intangible assets of S\$15.2 million with the completion of the purchase price allocation exercise.

The acquired business contributed revenue of S\$17.5 million and recognised a net loss of S\$2.7 million, including an impairment charge of S\$5.4 million on an intangible asset [Note 13(b)], for the period 20 December 2019 to 31 August 2020. If the acquisition had occurred on 1 September 2019, Group operating revenue and net loss would have increased by an additional S\$8.5 million and S\$0.4 million respectively.

The acquisition was accounted for as an asset acquisition as the Group has elected to early adopt the Amendments to SFRS(I) 3 *Definition of a Business*. Based on the concentration test, substantially all of the fair values of the gross assets is concentrated in investment properties. As such, the acquisition was accounted for as an acquisition of assets.

Deferred tax liabilities relate to temporary differences recognised on the Group's investment properties. Under SFRS(I) 1-12 *Income taxes*, deferred tax is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit or loss. This acquisition was accounted for as an acquisition of assets and not a business combination, and neither affected accounting or taxable profit at the point of acquisition. Accordingly, the initial recognition exemption in SFRS(I) 1-12 applies. As at 31 August 2020, the Group has not recognised deferred tax liabilities of S\$53.5 million (£29.4 million) relating to temporary differences on the initial recognition of assets and liabilities of the subsidiaries acquired.

2019

Privilege Leeds S.à r.l.

Privilege Sheffield S.à r.l.

Privilege Southampton S.à r.l.

Hampton Square Living S.à r.l. (collectively "Privilege group")

On 16 April 2019, the Group acquired all the shares in Privilege group in Luxembourg. Privilege group has a combined PBSA portfolio that spans 3 cities, Leeds, Sheffield and Southampton, in the United Kingdom and has a total capacity of 1,243 beds.

The total consideration for the acquisition was S\$233.2 million, including repayment of loans of the acquired subsidiaries of S\$153.1 million. The Group had recognised goodwill of S\$2 million.

The acquired business contributed revenue of S\$6 million and net profit of S\$4.5 million for the period 17 April 2019 to 31 August 2019, including fair value uplift on the investment properties as at 31 August 2019. If the acquisition had occurred on 1 September 2018, Group operating revenue and net profit would have increased by an additional S\$11.5 million and S\$0.6 million respectively.

Notes to the Financial Statements

31 August 2020

30. ACQUISITION/DISPOSAL OF SUBSIDIARIES/BUSINESSES (CONT'D)

(b) Disposal of subsidiaries

	Group At fair values	
	2020 S\$'000	2019 S\$'000
Identifiable assets and liabilities		
Property, plant and equipment [Note 7(a) and 7(e)]	3,142	321
Associates	–	587
Intangible assets (including goodwill) [Note 13(b)]	–	5,436
Non-current assets	2,213	69
Current assets (including cash)	5,861	14,598
Deferred tax asset [Note 19(a)(ii)]	79	176
Non-current liabilities	(2,408)	–
Current liabilities	(5,119)	(4,509)
Net assets derecognised	3,768	16,678
Non-controlling interests	1,739	(74)
(Loss)/Gain on disposal	(98)	396
Total sale consideration	5,409	17,000
Less: Cash and cash equivalents in subsidiaries disposed	(2,008)	(2,685)
Less: Settlement of amounts owing to SI.com group	–	(9,600)
Net cash inflow	3,401	4,715

2020

Buzz Shop Pte. Ltd. (f.k.a. SPH Buzz Pte. Ltd.) ("Buzz")

On 1 July 2020, the Group completed the divestment of its entire stake in Buzz for a consideration of S\$5.2 million.

Blu Inc Media Holdings (Malaysia) Sdn. Bhd. group of companies ("BIMH M'sia group")

On 27 August 2020, the Group completed the divestment of its entire stake in BIMH M'sia group for a consideration of S\$0.2 million.

2019

Shareinvestor.com Holdings Pte Ltd group of companies ("SI.com group")

On 13 November 2018, the Group completed the divestment of its entire stake in SI.com group for a consideration of S\$17 million.

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31. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, particularly market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. Where appropriate, the Group's risk management policies seek to minimise potential adverse effects of these risks on the financial performance of the Group.

Matters pertaining to risk management strategies and execution require the decision and approval of the Board of Directors ("Board").

Financial risk management is mainly carried out by a central treasury department ("Treasury & Investment") in accordance with policies approved by the Board. Treasury & Investment analyses its investment portfolio and works closely with business units to identify, evaluate and hedge financial risks where appropriate. Guidelines for authority levels and exposure limits are in place to prevent unauthorised transactions. The Board is regularly updated on the Group's financial investments and hedging activities.

The policies for managing these risks are summarised below.

(a) Market risk

(i) Currency risk

The Group has investments in foreign subsidiaries, associates and joint ventures, whose net assets are exposed to currency translation risk. The currency risk of the Group also arises from its operational purchases of raw materials, capital expenditure and foreign currency investments. The Group enters into foreign exchange forward contracts and cross currency swaps to hedge against its currency risk, where appropriate.

The Group has GBP and EUR denominated bank loans (S\$697.2 million and S\$22.7 million) which mitigate its currency risk from the PBSA portfolio in UK and Germany respectively. In addition, the Group has AUD denominated bank loans (S\$304.9 million) and AUD cross currency swaps (S\$98.1 million) to hedge against the currency risk arising from its Australia assets. The Group also has JPY denominated bank loans (S\$35.2 million) and issued JPY denominated bonds (S\$40.5 million) to minimise its currency risk from the Japan aged care assets.

Notes to the Financial Statements

31 August 2020

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

Excluding the GBP, AUD, JPY and EUR denominated borrowings and AUD cross currency swaps, the Group's currency exposure on its monetary financial assets and liabilities based on the information provided to key management is as follows:

	SGD S\$'000	USD S\$'000	GBP S\$'000	AUD S\$'000	Others S\$'000	Total S\$'000
Group 2020						
Assets						
Investments	25,000	–	–	–	–	25,000
Trade and other receivables	327,483	3,973	16,982	8,019	121	356,578
Cash and cash equivalents	797,540	1,829	26,390	30,039	8,895	864,693
	1,150,023	5,802	43,372	38,058	9,016	1,246,271
Liabilities						
Trade and other payables	(194,615)	(6,698)	(29,438)	(13,702)	(4,509)	(248,962)
Borrowings	(2,375,141)	(78)	(676)	–	(834)	(2,376,729)
	(2,569,756)	(6,776)	(30,114)	(13,702)	(5,343)	(2,625,691)
Net (liabilities)/assets	(1,419,733)	(974)	13,258	24,356	3,673	(1,379,420)
Less: Net liabilities/ (assets) denominated in the respective entities' functional currencies	1,419,733	262	(14,054)	(23,581)	(3,191)	1,379,169
Less: Firm commitments in foreign currencies	–	(652)	–	–	–	(652)
Currency exposure	–	(1,364)	(796)	775	482	(903)

Notes to the Financial Statements

31 August 2020

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	SGD S\$'000	USD S\$'000	GBP S\$'000	AUD S\$'000	Others S\$'000	Total S\$'000
Group 2019						
Assets						
Investments	10,957	5,549	–	–	–	16,506
Trade and other receivables	336,564	36,445	7,382	1,862	2,361	384,614
Cash and cash equivalents	515,954	4,821	17,930	7,147	8,583	554,435
	863,475	46,815	25,312	9,009	10,944	955,555
Liabilities						
Trade and other payables	(207,865)	(4,553)	(7,450)	(2,661)	(2,851)	(225,380)
Borrowings	(1,550,219)	–	–	–	–	(1,550,219)
	(1,758,084)	(4,553)	(7,450)	(2,661)	(2,851)	(1,775,599)
Net (liabilities)/assets	(894,609)	42,262	17,862	6,348	8,093	(820,044)
Less: Net liabilities/ (assets) denominated in the respective entities' functional currencies	894,609	(54)	(17,883)	(5,122)	(7,624)	863,926
Less: Firm commitments in foreign currencies	–	(305)	–	–	–	(305)
Less: Currency forwards	–	(34,680)	–	–	–	(34,680)
Currency exposure	–	7,223	(21)	1,226	469	8,897

Notes to the Financial Statements

31 August 2020

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	SGD S\$'000	USD S\$'000	GBP S\$'000	Others S\$'000	Total S\$'000
Company					
2020					
Assets					
Trade and other receivables	3,043,155	1,222	503,472	58,138	3,605,987
Cash and cash equivalents	669,542	1,066	189	294	671,091
	<u>3,712,697</u>	<u>2,288</u>	<u>503,661</u>	<u>58,432</u>	<u>4,277,078</u>
Liabilities					
Trade and other payables	(769,516)	(6,748)	(51)	(80)	(776,395)
Borrowings	(971,061)	–	(333,943)	(57,856)	(1,362,860)
	<u>(1,740,577)</u>	<u>(6,748)</u>	<u>(333,994)</u>	<u>(57,936)</u>	<u>(2,139,255)</u>
Net assets/(liabilities)	1,972,120	(4,460)	169,667	496	2,137,823
Less: Net assets denominated in the Company's functional currency	(1,972,120)	–	–	–	(1,972,120)
Less: Firm commitments in foreign currencies	–	(652)	–	–	(652)
Currency exposure	–	(5,112)	169,667*	496	165,051
2019					
Assets					
Trade and other receivables	2,596,898	805	226,133	253	2,824,089
Cash and cash equivalents	115,232	4,454	–	130	119,816
	<u>2,712,130</u>	<u>5,259</u>	<u>226,133</u>	<u>383</u>	<u>2,943,905</u>
Liabilities					
Trade and other payables	(729,732)	(4,328)	(3,144)	(274)	(737,478)
Borrowings	(205,440)	–	(75,428)	–	(280,868)
	<u>(935,172)</u>	<u>(4,328)</u>	<u>(78,572)</u>	<u>(274)</u>	<u>(1,018,346)</u>
Net assets	1,776,958	931	147,561	109	1,925,559
Less: Net assets denominated in the Company's functional currency	(1,776,958)	–	–	–	(1,776,958)
Less: Firm commitments in foreign currencies	–	(305)	–	–	(305)
Currency exposure	–	626	147,561*	109	148,296

* This amount represents loan to a subsidiary.

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

A reasonably possible strengthening (weakening) of the following foreign currencies by 5% (2019: 5%) against the SGD at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2020		2019	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
Group				
USD against SGD				
– strengthened	(57)	–	300	–
– weakened	57	–	(300)	–
GBP against SGD				
– strengthened	(33)	–	(1)	–
– weakened	33	–	1	–
AUD against SGD				
– strengthened	32	–	61	–
– weakened	(32)	–	(61)	–
Company				
USD against SGD				
– strengthened	(212)	–	26	–
– weakened	212	–	(26)	–
GBP against SGD				
– strengthened	7,041	–	6,124	–
– weakened	(7,041)	–	(6,124)	–

Notes to the Financial Statements

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(ii) Price risk

The Group is exposed to securities price risk arising from its investments which are classified either as FVOCI or FVTPL. To manage the price risk arising from its investments, the Group diversifies its portfolio across different markets and industries, where appropriate.

A change of 20% (2019: 20%) in prices for investments at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2020		2019	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
Group				
Investments				
– prices increase	1,610	78,103	8,469	67,258
– prices decrease	(1,610)	(78,103)	(8,469)	(67,258)

(iii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has cash balances placed with reputable banks and financial institutions, and investments in bonds and government-related securities, which generate interest income for the Group. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

The Group's debt comprises mainly bank borrowings taken up by the Company and its subsidiaries to finance the acquisitions of investment properties and investments in joint ventures. Where appropriate, the Group seeks to minimise its cash flow interest rate risk exposure by entering into interest rate swap contract to swap floating interest rate for fixed interest rate over the duration of its borrowings.

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in GBP and SGD.

A change of 0.25% (2019: 0.25%) in interest rate at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(iii) Interest rate risk (cont'd)

	2020		2019	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
Group				
Borrowings				
– interest rates increase	(2,845)	–	(2,424)	–
– interest rates decrease	2,845	–	2,424	–

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, thereby resulting in financial loss to the Group. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position which comprise mainly trade and other receivables, investments in bonds and notes, and bank deposits.

Bank deposits and investments in bonds and notes are neither past due nor impaired, notwithstanding an allowance of S\$2 million which was made on bank deposits. Bank deposits are placed with reputable banks and financial institutions. The Group's bond portfolio included investment grade securities. In addition, the Company is the primary obligor for unsecured composite advance facilities which could be utilised by the Company and its designated subsidiaries. The amounts utilised by the Company as at 31 August 2020 was S\$708.8 million (2019: S\$131.3 million) [Note 20(h)]. At 31 August 2020, the Company has issued a guarantee to certain banks in respect of a term loan granted to a wholly-owned subsidiary [Note 20(k)]. The Group's policy is to provide financial guarantees only for wholly-owned subsidiaries' liabilities.

For trade receivables, the Group manages its credit risk through the application of credit approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains collateral in the form of deposits, bankers'/insurance guarantees from its customers, and imposes cash terms and/or advance payments from customers of lower credit standing. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. As such, management has determined the credit quality of the customers to be of acceptable risk. Trade receivables that are neither past due nor impaired are substantially due from companies with a good collection track record with the Group.

Notes to the Financial Statements

31 August 2020

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

(i) Trade receivables

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

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
By types of customers				
Advertisement	31,332	47,235	30,076	40,916
Circulation	14,101	7,964	14,101	7,762
Multimedia	4,848	4,465	–	–
Rental	24,532	6,712	–	–
Others	2,422	9,895	1,172	1,595
	77,235	76,271	45,349	50,273

As at 31 August 2020, 50% – 75% (2019: 35% – 60%) of the trade receivables were backed by bankers' insurance guarantees and/or deposits from customers.

The Group and Company have trade receivables of S\$67.5 million (2019: S\$70.4 million) and S\$44.7 million (2019: S\$50.3 million) respectively in Singapore.

The Group uses an allowance matrix to measure the ECL of trade receivables from its customers as there is no applicable credit ratings (or equivalent).

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures by type of customers based on the common credit risk characteristics.

Loss rates are based on actual credit loss experience over the past 10 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

(i) Trade receivables (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	Weighted average loss rate %	Gross carrying amount S\$'000	Loss allowance S\$'000	Net carrying amount S\$'000	Credit Impaired
Group					
2020					
Not past due	1.24	47,308	(585)	46,723	No
Past due 1 to 30 days	4.66	15,615	(727)	14,888	No
Past due 31 to 60 days	14.03	3,393	(476)	2,917	No
Past due 61 to 90 days	8.28	8,081	(669)	7,412	No
Past due 91 to 120 days	67.32	16,204	(10,909)	5,295	Yes
	14.75	90,601	(13,366)	77,235	
2019					
Not past due	1.13	52,713	(595)	52,118	No
Past due 1 to 30 days	2.15	14,624	(314)	14,310	No
Past due 31 to 60 days	6.07	4,237	(257)	3,980	No
Past due 61 to 90 days	16.06	2,192	(352)	1,840	No
Past due 91 to 120 days	42.31	6,973	(2,950)	4,023	Yes
	5.53	80,739	(4,468)	76,271	
Company					
2020					
Not past due	1.48	34,347	(509)	33,838	No
Past due 1 to 30 days	5.55	5,240	(291)	4,949	No
Past due 31 to 60 days	6.75	2,118	(143)	1,975	No
Past due 61 to 90 days	10.37	887	(92)	795	No
Past due 91 to 120 days	31.49	5,535	(1,743)	3,792	Yes
	5.77	48,127	(2,778)	45,349	
2019					
Not past due	1.16	36,757	(426)	36,331	No
Past due 1 to 30 days	2.03	8,268	(168)	8,100	No
Past due 31 to 60 days	8.14	2,200	(179)	2,021	No
Past due 61 to 90 days	9.11	1,251	(114)	1,137	No
Past due 91 to 120 days	26.41	3,647	(963)	2,684	Yes
	3.55	52,123	(1,850)	50,273	

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31 August 2020

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

(i) Trade receivables (cont'd)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Company	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Beginning of financial year	4,468	4,897	1,850	1,938
Allowance made	9,844	690	1,340	106
Allowance utilised	(897)	(1,095)	(412)	(194)
Disposal of subsidiaries [Note 30(b)]	(451)	–	–	–
Currency translation difference	402	(24)	–	–
End of financial year	13,366	4,468	2,778	1,850

(ii) Non-trade amounts due from subsidiaries

The Company had non-trade amount owing by subsidiaries of S\$1,699.5 million (2019: S\$1,727.7 million) and loans to subsidiaries of S\$1,855.7 million (2019: S\$1,038.1 million). These balances are mainly amounts lent to subsidiaries to satisfy short term funding requirements and investing activities. The Company uses a similar approach for assessment of ECLs for these receivables to that used for trade receivables. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the credit risk of the exposures. During the year, the Company provided loss allowance on credit impaired receivables of S\$19.4 million (2019: S\$24.3 million) [Note 14(a) and 14(b)].

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuation in cash flows.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows.

	Less than 1 year S\$'000	Between 1 and 2 years S\$'000	Between 2 and 5 years S\$'000	Over 5 years S\$'000
Group				
At 31 August 2020				
Net-settled interest rate swaps	(5,430)	(3,394)	(1,764)	–
Gross-settled cross currency swaps				
– Receipts	741	49,313	49,430	–
– Payments	(2,794)	(51,510)	(50,596)	–
Trade and other payables	(209,511)	(13,702)	(23,564)	(2,185)
Borrowings	(1,330,972)	(420,835)	(1,329,035)	(570,312)
	(1,547,966)	(440,128)	(1,355,529)	(572,497)
At 31 August 2019				
Net-settled interest rate swaps	(3,324)	(2,501)	(1,710)	–
Gross-settled cross currency swaps				
– Receipts	2,437	2,437	100,107	–
– Payments	(2,813)	(2,813)	(95,273)	–
Gross-settled currency forwards				
– Receipts	34,692	–	–	–
– Payments	(34,672)	–	–	–
Trade and other payables	(184,905)	(19,073)	(21,014)	(388)
Borrowings	(459,368)	(606,491)	(1,120,182)	–
	(647,953)	(628,441)	(1,138,072)	(388)

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

	Less than 1 year S\$'000	Between 1 and 2 years S\$'000	Between 2 and 5 years S\$'000	Over 5 years S\$'000
Company				
At 31 August 2020				
Net-settled interest rate swaps	(135)	(22)	–	–
Trade and other payables	(776,293)	(102)	–	–
Borrowings	(735,767)	(159,038)	(50,285)	(570,312)
	(1,512,195)	(159,162)	(50,285)	(570,312)
At 31 August 2019				
Net-settled interest rate swaps	(270)	(588)	(139)	–
Trade and other payables	(737,373)	(105)	–	–
Borrowings	(137,951)	(6,355)	(144,892)	–
	(875,594)	(7,048)	(145,031)	–

As at 31 August 2020, the Company has issued a guarantee to certain banks in respect of a £205 million term loan granted to Straits Capitol Trust, and the loan is secured against the PBSA portfolio [Note 20(c)].

(d) Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The total capital of the Group and the Company is represented by the respective "Shareholders' interests" as presented on the statements of financial position.

Management uses the "Return on Shareholders' Funds" as a measure of efficiency in managing capital. The "Return on Shareholders' Funds" is calculated as profit attributable to shareholders less distribution for perpetual securities, divided by shareholders' interests. The "Return on Shareholders' Funds" was -4.1% per annum for the financial year ended 31 August 2020 (2019: 6.1% per annum) and is in line with the Group's objectives. The "Return on Shareholders' Funds" for the last 5 years was between -4.1% and 10%.

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) Inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group 2020				
Assets				
Investment properties	–	–	6,420,294	6,420,294
Financial assets at FVTPL	–	24,016	9,034	33,050
Financial assets at FVOCI	176,961	47,445	166,108	390,514
Derivatives	–	–	200	200
	176,961	71,461	6,595,636	6,844,058
Liabilities				
Derivatives	–	(14,613)	–	(14,613)
2019				
Assets				
Investment properties	–	–	5,014,896	5,014,896
Financial assets at FVTPL	4,220	32,339	15,223	51,782
Financial assets at FVOCI	140,012	39,549	165,187	344,748
Derivatives	–	1,885	200	2,085
	144,232	73,773	5,195,506	5,413,511
Liabilities				
Derivatives	–	(3,900)	–	(3,900)

Except for the above, the fair values of other financial assets and liabilities approximate their carrying amounts.

The assessment of the fair value of unquoted financial instruments is performed on a quarterly basis by the Group's Finance department. The determination of the fair value of investment properties is performed on an annual basis by external independent property valuers having appropriate recognised professional qualifications and experience in the category of property being valued. Management reviews the appropriateness of the valuation methodologies and assumptions adopted and addresses any significant issues that may arise.

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

The fair value of investment properties and FVOCI financial assets included in Level 3 is determined as follows:

Description	Valuation technique(s)	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment properties			
Completed – Retail, residential and commercial	Capitalisation approach	– Capitalisation rate: 3.6% to 6.3% (2019: 3.6% to 6%)	The estimated fair value varies inversely with the capitalisation rate.
	Discounted cashflow approach	– Discount rate: 3.9% to 9.7% (2019: 6.2% to 9.3%)	The estimated fair value varies inversely with the discount rate and terminal yield rate.
		– Terminal yield rate: 3.8% to 7% (2019: 3.8% to 7.2%)	
Comparable sales method	– Comparable sales prices ⁺ : S\$1,146 psf to S\$2,624 psf (2019: S\$1,175 psf to S\$3,502 psf)	The estimated fair value varies with the adjusted comparable sales prices.	
Financial assets at FVOCI			
Equities	Net tangible assets	– Net tangible assets ¹	N.A.
	Derived from funding exercise	– Derived from funding exercise ²	N.A.
Bonds	Net asset value	– Net asset value ³	N.A.
Investment funds	Net asset value	– Net asset value ³	N.A.

⁺ Comparable sales prices have been adjusted by the size, tenure, location, age and condition and development of the comparable properties to arrive at the fair value of the investment properties held by the Group. The comparable sales method was not applied in the valuation for a certain property this financial year.

¹ Fair value of certain unquoted equities is determined by reference to the underlying net tangible assets of the investee companies.

² Fair value of certain unquoted equities for which the underlying companies are performing to market expectations is estimated to be equivalent to their recent cost of acquisition or value achieved during funding exercises.

³ Fair value of unquoted bonds and unquoted investment funds is determined by reference to the underlying asset value of the investee companies, which comprise mainly investment properties at fair value or portfolio investments at fair value.

N.A. Not applicable

Notes to the Financial Statements

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

The Group recognises transfers between the levels of the fair value hierarchy at the event or change in circumstances that caused the transfer.

Movements in Level 3 assets are as follows:

	Financial assets at FVTPL			Financial assets at FVOCI			Derivatives S\$'000
	Investment properties S\$'000	Bonds S\$'000	Investment funds S\$'000	Equities S\$'000	Bonds S\$'000	Investment funds S\$'000	
Group 2020							
Beginning of financial year	5,014,896	5,549	9,674	64,040	8,457	92,690	200
Additions	786,201	–	–	–	–	2,608	–
Acquisition of subsidiaries [Note 30(a)]	730,461	–	–	–	–	–	–
Disposals (Losses)/Gains recognised in income statement	–	–	(5,367)	–	(8,457)	(30,571)	–
Gains/(Losses) recognised in other comprehensive income	(232,013)	985	926	–	–	–	–
Reclassification from FVTPL to FVOCI	–	–	(5,233)	–	–	5,233	–
Transferred from Level 2	–	2,500	–	36,553	–	–	–
Transferred to Level 2	–	–	–	(2,922)	–	–	–
End of financial year	6,420,294	9,034	–	80,225	–	85,883	200

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

Movements in Level 3 assets are as follows:

	Investment properties S\$'000	Financial assets at FVTPL		Financial assets at FVOCI			Derivatives S\$'000
		Bonds S\$'000	Investment funds S\$'000	Equities S\$'000	Bonds S\$'000	Investment funds S\$'000	
Group 2019							
Beginning of financial year	4,155,122	6,031	–	17,436	8,456	101,169	200
Adjustment on initial application of SFRS(I) 9	–	–	10,339	–	–	(10,339)	–
	4,155,122	6,031	10,339	17,436	8,456	90,830	200
Additions	584,497	–	–	–	–	7,707	–
Acquisition of subsidiaries [Note 30(a)]	229,523	–	–	–	–	–	–
Disposals	–	–	–	–	–	(14,512)	–
Gains/(Losses) recognised in income statement	82,407	61	(665)	–	–	–	–
(Losses)/Gains recognised in other comprehensive income	–	–	–	(1,111)	1	8,665	–
Currency translation differences	(36,653)	–	–	–	–	–	–
Transferred from Level 2	–	–	–	61,282	–	–	–
Transferred to Level 2	–	(543)	–	(13,567)	–	–	–
End of financial year	5,014,896	5,549	9,674	64,040	8,457	92,690	200

Notes to the Financial Statements

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Offsetting financial assets and liabilities

The disclosures set out in the tables below include financial assets and liabilities that are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statements of financial position.

	Gross amount of recognised financial assets/ (liabilities) S\$'000	Gross amount of recognised financial assets/ (liabilities) offset in the statement of financial position S\$'000	Net amount of financial assets/ (liabilities) presented in the statement of financial position S\$'000	Related amount not offset in the statement of financial position S\$'000	Net amount S\$'000
Group					
2020					
Liabilities					
Cross currency interest rate swaps	(4,402)	–	(4,402)	–	(4,402)
Cross currency swaps	(404)	–	(404)	–	(404)
Interest rate swaps	(9,807)	–	(9,807)	–	(9,807)
	(14,613)	–	(14,613)	–	(14,613)
2019					
Assets					
Currency forwards	20	–	20	–	20
Cross currency interest rate swaps	910	–	910	–	910
Cross currency swaps	955	–	955	–	955
	1,885	–	1,885	–	1,885
Liabilities					
Interest rate swaps	(3,900)	–	(3,900)	–	(3,900)
Company					
2020					
Liabilities					
Interest rate swaps	(2,548)	–	(2,548)	–	(2,548)
2019					
Liabilities					
Interest rate swaps	(1,096)	–	(1,096)	–	(1,096)

Notes to the Financial Statements

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(g) Hedge accounting

The Group has the following instruments to hedge exposures to changes in interest rates and foreign currencies.

Cash flow hedges

The Group determined the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item by looking at the critical terms.

	Group		Company
	Maturity Within 1 year	Maturity Within 2 to 5 years	Maturity Within 2 to 5 years

2020

Interest rate risk

Interest rate swaps/Cross currency interest rate swaps

Net exposure (in S\$'000)	45,000	651,094	140,000
Average fixed interest rate (%)	2.04%	1.33%	1.95%

	2020		
Designated as hedged items	Change in value of the hedged item used for calculating hedge ineffectiveness S\$'000	Hedging reserve S\$'000	Balances remaining in hedging reserve from hedging relationships for which hedge accounting is no longer applied S\$'000

Group

Interest rate risk

Borrowings	9,282	(12,195)	–
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Company

Interest rate risk

Borrowings	286	(2,114)	–
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Notes to the Financial Statements

31 August 2020

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(g) Hedge accounting (cont'd)

Cash flow hedges (cont'd)

Designated as hedged instruments	2020	During the period – 2020			Amount reclassified from hedging reserve to finance costs in income statement S\$'000
	Carrying amount assets/ (liabilities) S\$'000	Hedging (gains)/ losses recognised in OCI S\$'000	Hedge ineffectiveness recognised in income statement S\$'000	Line item in income statement that includes hedge ineffectiveness	
Group					
Interest rate swaps/ Cross currency interest rate swap	(12,919)	9,282	–	Not applicable	2,229
Company					
Interest rate swaps	(2,548)	286	–	Not applicable	(1,106)

The hedging instruments are included as Derivatives in the statement of financial position.

	Group		Company
	Maturity Within 1 year	Maturity Within 2 to 5 years	Maturity Within 2 to 5 years

2019

Interest rate risk

Interest rate swaps/Cross currency interest rate swaps

Net exposure (in S\$'000)	280,000	313,904	140,000
Average fixed interest rate (%)	2.28	2.31	1.95

Designated as hedged items	2019		
	Change in value of the hedged item used for calculating hedge ineffectiveness S\$'000	Hedging reserve S\$'000	Balances remaining in hedging reserve from hedging relationships for which hedge accounting is no longer applied S\$'000

Group

Interest rate risk

Borrowings	4,138	(5,470)	–
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Company

Interest rate risk

Borrowings	843	(910)	–
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Notes to the Financial Statements

31 August 2020

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(g) Hedge accounting (cont'd)

Cash flow hedges (cont'd)

	2019	During the period – 2019			Amount reclassified from hedging reserve to finance costs in income statement S\$'000
	Carrying amount assets/ (liabilities) S\$'000	Hedging (gains)/ losses recognised in OCI S\$'000	Hedge ineffectiveness recognised in income statement S\$'000	Line item in income statement that includes hedge ineffectiveness	
Designated as hedged instruments					

Group

Interest rate swaps/ Cross currency interest rate swap	(5,656)	4,138	–	Not applicable	1,468
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Company

Interest rate swaps	(1,096)	843	–	Not applicable	(81)
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Net investment hedge

The Group has foreign currency exposure when its net investments in overseas subsidiaries have a different functional currency. The risk arises from the fluctuation in spot exchange rates between the local functional currency and the SGD, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedges is the risk of a weakening local functional currency against the SGD that will result in a reduction in the carrying amount of the Group's net investment in its overseas subsidiaries.

Part of the Group's net investment is hedged through the use of cross currency swaps, cross currency interest rate swaps and foreign currencies denominated borrowings which mitigate the foreign currency risk from the subsidiaries' net assets.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the hedging instrument that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method).

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(g) Hedge accounting (cont'd)

Net investment hedge (cont'd)

Designated as hedged items	2020		
	Change in value of the hedged item used for calculating hedge ineffectiveness S\$'000	Foreign currency translation reserve S\$'000	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied S\$'000

Group

AUD net investment	(6,732)	5,315	–
GBP net investment	–	–	771
JPY net investment	1,133	(1,131)	–

Designated as hedged instruments	2020		During the period – 2020		Amount reclassified from foreign currency translation reserve to foreign exchange differences in income statement S\$'000
	Carrying amount (assets/ liabilities) S\$'000	Hedging (gains)/losses recognised in OCI S\$'000	Hedge ineffectiveness recognised in income statement S\$'000	Line item in income statement that includes hedge ineffectiveness	

Group

AUD cross currency swaps/cross currency interest rate swaps	(1,694)	5,315	–	Not applicable	–
GBP denominated borrowings	–	771	–	Not applicable	–
JPY denominated borrowings	(35,160)	(1,133)	(290)	Other operating expenses	–

The cross currency swaps and cross currency interest rate swaps are included as Derivatives in the statement of financial position.

Notes to the Financial Statements

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(g) Hedge accounting (cont'd)

Net investment hedge (cont'd)

Designated as hedged items	2019			Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied S\$'000
	Change in value of the hedged item used for calculating hedge ineffectiveness S\$'000	Foreign currency translation reserve S\$'000		

Group

AUD net investment	3,682	(3,621)		–
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Designated as hedged instruments	2019		During the period – 2019		Amount reclassified from foreign currency translation reserve to foreign exchange differences in income statement S\$'000
	Carrying amount assets/(liabilities) S\$'000	Hedging (gains)/losses recognised in OCI S\$'000	Hedge ineffectiveness recognised in income statement S\$'000	Line item in income statement that includes hedge ineffectiveness	

Group

AUD cross currency swaps/cross currency interest rate swaps	3,621	(3,621)	–	Not applicable	–
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Notes to the Financial Statements

31 August 2020

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(h) Financial instruments by category

	Financial assets/ (liabilities) at amortised cost S\$'000	Financial assets measured at FVOCI S\$'000	Financial assets measured at FVTPL S\$'000	Derivatives used for hedging S\$'000	Total S\$'000
Group					
2020					
Assets					
Investments	–	390,514	33,050	–	423,564
Trade and other receivables excluding non-financial instruments	356,578	–	–	–	356,578
Derivatives	–	–	200	–	200
Cash and cash equivalents	864,693	–	–	–	864,693
	1,221,271	390,514	33,250	–	1,645,035
Liabilities					
Trade and other payables excluding non-financial instruments	(248,962)	–	–	–	(248,962)
Borrowings	(3,477,218)	–	–	–	(3,477,218)
Derivatives	–	–	–	(14,613)	(14,613)
	(3,726,180)	–	–	(14,613)	(3,740,793)
2019					
Assets					
Investments	–	344,748	51,782	–	396,530
Trade and other receivables excluding non-financial instruments	384,614	–	–	–	384,614
Derivatives	–	–	220	1,865	2,085
Cash and cash equivalents	554,435	–	–	–	554,435
	939,049	344,748	52,002	1,865	1,337,664
Liabilities					
Trade and other payables excluding non-financial instruments	(225,380)	–	–	–	(225,380)
Borrowings	(2,057,009)	–	–	–	(2,057,009)
Derivatives	–	–	–	(3,900)	(3,900)
	(2,282,389)	–	–	(3,900)	(2,286,289)

Notes to the Financial Statements

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(h) Financial instruments by category (cont'd)

	Financial assets/ (liabilities) at amortised cost S\$'000	Derivatives used for hedging S\$'000	Total S\$'000
Company			
2020			
Assets			
Trade and other receivables excluding non-financial instruments	3,605,987	–	3,605,987
Cash and cash equivalents	671,091	–	671,091
	4,277,078	–	4,277,078
Liabilities			
Trade and other payables excluding non-financial instruments	(776,395)	–	(776,395)
Borrowings	(1,362,860)	–	(1,362,860)
Derivatives	–	(2,548)	(2,548)
	(2,139,255)	(2,548)	(2,141,803)
2019			
Assets			
Trade and other receivables excluding non-financial instruments	2,824,089	–	2,824,089
Cash and cash equivalents	119,816	–	119,816
	2,943,905	–	2,943,905
Liabilities			
Trade and other payables excluding non-financial instruments	(737,478)	–	(737,478)
Borrowings	(280,868)	–	(280,868)
Derivatives	–	(1,096)	(1,096)
	(1,018,346)	(1,096)	(1,019,442)

Notes to the Financial Statements

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32. LEASES

(a) Leases as lessee

The Group leases commercial and residential spaces, and plant and equipment. Lease payments are renegotiated periodically to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

Certain commercial spaces were entered into many years ago as combined leases of land and buildings. Previously, these leases were classified as operating leases under SFRS(I) 1-17.

Information about leases for which the Group is a lessee is presented below.

Amounts recognised in profit or loss

	S\$'000
2020 – Leases under SFRS(I) 16	
Interest on lease liabilities	<u>3,145</u>
2019 – Operating leases under SFRS(I) 1-17	
Lease expense	<u>19,600</u>

Amounts recognised in statement of cash flows

	2020 S\$'000
Total cash outflow for leases	<u>15,432</u>

Operating lease commitments – where the Group and/or Company is a lessee

As at 31 August 2019*, the future minimum lease payables under non-cancellable operating leases contracted for but not recognised as payables, are as follows:

	Group* S\$'000	Company S\$'000
Within 1 year	15,012	2,869
Between 1 – 5 years	32,137	6,983
After 5 years	48,188	286
	<u>95,337</u>	<u>10,138</u>

* Certain contingent rent payments based on future market indices were included in the operating lease commitment disclosure in the Group's consolidated financial statements at 31 August 2019 which should have been excluded under SFRS(I) 1-17. Accordingly, the operating lease commitment disclosure was restated to reflect the appropriate reconciliation as required under SFRS(I) 16.

The Group and Company lease various commercial/residential space and plant and machinery under non-cancellable operating lease agreements with varying terms and renewal rights.

Notes to the Financial Statements

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32. LEASES (CONT'D)

(b) Leases as lessor

The Group leases out its investment properties [Note 8] and certain leased properties. All leases are classified as operating leases from a lessor perspective with the exception of sub-leases of the leased properties, which the Group has classified as finance sub-leases. The income from sub-leasing and the lease receivables as at end of the financial year are immaterial.

Operating leases

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 8 sets out information about the operating leases of investment properties.

Rental income from investment properties recognised by the Group during 2020 was S\$328.3 million (2019: S\$295.5 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	S\$'000
2020 – Operating leases under SFRS(I) 16	
Less than 1 year	232,523
1 to 2 years	171,904
2 to 3 years	106,758
3 to 4 years	52,403
4 to 5 years	24,091
More than 5 years	98,261
Total	685,940
2019 – Operating leases under SFRS(I) 1-17	
Less than 1 year	224,262
Between 1 and 5 years	234,888
More than 5 years	25,555
Total	484,705

Notes to the Financial Statements

31 August 2020

33. RELATED PARTY TRANSACTIONS

Key management personnel compensation and transactions are as follows:

	Group	
	2020	2019
	S\$'000	S\$'000
Remuneration and other short-term employee benefits	17,604	20,230
Employers' contribution to defined contribution plans	622	791
Share-based compensation expense	2,704	2,033
	20,930	23,054
Staff loans granted to key management personnel	–	100

The above includes total emoluments of the Company's directors of S\$3.2 million (2019: S\$3.4 million).

34. SEGMENTAL INFORMATION

(a) Operating segments

Management has determined the operating segments based on the reports provided to the Chief Executive Officer of the Company that are used to make strategic decisions.

The Group is organised into three major operating segments, namely Media, Property, and 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.

Segment performance is evaluated based on profit/(loss) before taxation which is used as a measure of performance as management believes this is most relevant in evaluating the results of the segments.

Inter-segment pricing is determined on mutually agreed terms. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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31 August 2020

34. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

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

2020

	Media S\$'000	Property S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue					
External sales	445,145	327,174	93,343	–	865,662
Inter-segmental sales	3,442	2,967	1,109	(7,518)	–
Total operating revenue	448,587	330,141	94,452	(7,518)	865,662
Result					
Segment result	(9,403)	212,292	(10,195)	–	192,694
Finance costs	(2,030)	(52,623)	(10,412)	–	(65,065)
Fair value change on investment properties	–	(228,592)	(3,421)	–	(232,013)
Share of results of associates and joint ventures	69	(6,840)	10,189	–	3,418
Gain on divestment of a property	–	–	25,712	–	25,712
Impairment of an associate	–	–	(10,008)	–	(10,008)
(Loss)/Profit before taxation	(11,364)	(75,763)	1,865	–	(85,262)
Taxation					(27,240)
Loss after taxation					(112,502)
Non-controlling interests					28,826
Loss attributable to Shareholders					(83,676)
Other information					
Segment assets	236,302	6,932,310	1,681,115	–	8,849,727
Segment assets includes:					
Associates/Joint ventures	1,410	30,637	340,941	–	372,988
Additions to:					
– property, plant and equipment	19,270	1,369	4,416	–	25,055
– investment properties	–	1,440,367	76,295	–	1,516,662
– intangible assets	–	15,189	–	–	15,189
Segment liabilities	157,375	2,700,825	974,907	–	3,833,107
Current tax liabilities					22,622
Deferred tax liabilities					42,052
Consolidated total liabilities					3,897,781
Depreciation	29,458	829	10,341	–	40,628
Impairment of property, plant and equipment	4,375	–	83	–	4,458
Amortisation of intangible assets	65	375	7,300	–	7,740
Impairment of goodwill	–	–	11,688	–	11,688
Impairment of intangible assets	–	5,371	392	–	5,763
Allowance on cash and cash equivalents	–	–	1,956	–	1,956

Notes to the Financial Statements

31 August 2020

34. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

With effect from 2020, the Treasury and Investment segment has been reported under the Others segment as it is not significant to be reported separately. The following tables show the revised comparative segment results for 2019 and the previously reported results for 2019.

2019 (Comparative results for the combined Others segment)

	Media S\$'000	Property S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue					
External sales	576,881	296,512	85,862	–	959,255
Inter-segmental sales	5,433	3,188	1,501	(10,122)	–
Total operating revenue	582,314	299,700	87,363	(10,122)	959,255
Result					
Segment result	55,657	214,644	(24,273)	–	246,028
Finance costs	–	(49,171)	(101)	–	(49,272)
Fair value change on investment properties	–	82,407	–	–	82,407
Share of results of associates and joint ventures	(990)	15,118	4,991	–	19,119
Profit/(Loss) before taxation	54,667	262,998	(19,383)	–	298,282
Taxation					(38,736)
Profit after taxation					259,546
Non-controlling interests					(46,335)
Profit attributable to Shareholders					213,211
Other information					
Segment assets	249,067	5,810,383	1,047,940	–	7,107,390
Segment assets includes:					
Associates/Joint ventures	10,078	35,602	342,327	–	388,007
Additions to:					
– property, plant and equipment	22,340	511	2,935	–	25,786
– investment properties	–	814,020	–	–	814,020
– intangible assets	–	2,015	256	–	2,271
Segment liabilities	124,250	2,178,429	27,033	–	2,329,712
Current tax liabilities					
Deferred tax liabilities					36,099
Consolidated total liabilities					34,431
					2,400,242
Depreciation	21,218	489	5,674	–	27,381
Amortisation of intangible assets	373	–	7,689	–	8,062
Impairment of goodwill	146	–	22,000	–	22,146
Impairment of intangible assets	666	–	791	–	1,457

The Group initially applied SFRS(I) 16 at 1 September 2019, which requires the recognition of right-of-use assets and lease liabilities for lease contracts that were previously classified as operating leases [Note 2(v)]. As a result, the Group recognised S\$93.1 million of right-of-use assets and S\$96.6 million of liabilities from those lease contracts. The assets and liabilities are included in the Media and Others segments as at 31 August 2020. The Group has applied SFRS(I) 16 using the modified retrospective approach, under which comparative information is not restated [Note 2(v)].

Notes to the Financial Statements

31 August 2020

34. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

2019 (Previously reported results)

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

Notes to the Financial Statements

31 August 2020

34. SEGMENTAL INFORMATION (CONT'D)

(b) Geographical segments

The principal geographical area in which the Group operates is Singapore. The Group's overseas operations include holding and managing student accommodation, retail properties and aged care assets, 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	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Singapore	746,248	894,348	5,445,270	5,518,216	6,387,767	6,240,561
United Kingdom	57,207	36,372	1,417,096	608,960	1,455,218	634,505
Other countries	62,207	28,535	958,310	211,146	1,006,742	232,324
	865,662	959,255	7,820,676	6,338,322	8,849,727	7,107,390

35. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards and interpretations and amendments to standards are effective for the Group's annual periods beginning 1 September 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)
- SFRS(I) 17 *Insurance Contracts*

36. CONTINGENCIES

The Group has considered the claims and liabilities at year end pertaining to ongoing disputes related to its businesses. The Group does not expect the outcome of such disputes to have a material effect on its financial position.

37. SUBSEQUENT EVENT

Subsequent to the financial year ended 31 August 2020, the Company entered into a business transfer agreement with its subsidiary, SPH Magazines Pte Ltd ("SPHM"), to transfer SPHM's publishing business to the Company.

38. AUTHORISATION OF FINANCIAL STATEMENTS

On 13 October 2020, the Board of Directors of Singapore Press Holdings Limited authorised these financial statements for issue.

Operating Companies of the Group

31 August 2020

SUBSIDIARIES

Name of Subsidiary	Principal Activities	Country of Incorporation
Beerfest Asia Pte. Ltd.	Organising events, concerts and exhibitions	Singapore
CT Point Investments Pte. Ltd.	Holding investments	Singapore
Culcreative International Pte. Ltd.	Holding investments	Singapore
Digi Ventures Private Limited	Fund management and holding investments	Singapore
Fastco Pte Ltd	Development of software for interactive digital media and investment holding	Singapore
FastJobs Philippines, Inc.	Consultancy services regarding job vacancies, work opportunities and employment	Philippines
FastJobs Sdn. Bhd.	Providing recruitment and human resource services	Malaysia
Figtree Trust	Holding property investments	Australia
Figtree Holding Trust	Holding investments	Australia
Focus Publishing Ltd	Publishing magazines and providing editorial services	Singapore
GK Straits Himawari GK One	Holding investments	Japan
Hampton Square Living S.à r.l.	Property management services	Luxembourg
Han Culture & Education Group Pte. Ltd.	Holding investments	Singapore
Han Curriculum & Enrichment Pte. Ltd.	Managing and developing curriculum and intellectual property	Singapore
Han Language Centre Pte. Ltd.	Operating tuition and enrichment centres	Singapore
Invest Healthcare Pte. Ltd.	Holding investments	Singapore
Invest Learning Pte. Ltd.	Holding investments	Singapore
Invest Media Pte. Ltd.	Holding investments	Singapore
Lianhe Investments Pte. Ltd.	Holding investments	Singapore
Life-Medic Healthcare Supplies Pte. Ltd.	Trading of medical and healthcare equipment and consumables	Singapore
Marion Sub Trust	Holding property investments	Australia
Marion Advertising Trust	Provide advertising services through signage and other advertising mediums in a property	Australia
Moon Holdings Pte. Ltd.	Holding investments	Singapore
New Beginnings Management Consulting (Shanghai) Company Limited	Business management and consultancy services	The People's Republic of China
OctoRocket Pte Ltd	Operating online business to business marketplace	Singapore
Orange Valley 3-T Rehab Pte. Ltd.	Providing rehabilitation services	Singapore
Orange Valley Nursing Homes Pte. Ltd.	Nursing home operator and home care services	Singapore
Orange Valley Properties Pte. Ltd.	Properties holding	Singapore
Orchard 290 Ltd	Holding investments and management of shopping centres	Singapore
PE One Pte. Ltd.	Holding investments	Singapore
Privilege Leeds S.à r.l.	Holding property investments	Luxembourg
Privilege Sheffield S.à r.l.	Holding property investments	Luxembourg
Privilege Southampton S.à r.l.	Holding property investments	Luxembourg
Quotz Pte. Ltd.	Providing online system for sales of vehicles and related services	Singapore

Operating Companies of the Group

31 August 2020

SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Activities	Country of Incorporation
Red Anthill Ventures Pte. Ltd.	Hosting and developing digital platforms and producing contents	Singapore
SC Causewayside Limited	Holding property investments and managing student accommodation assets	United Kingdom
SC Claypath Limited	Holding property investments	United Kingdom
SC Claypath Management Limited	Managing student accommodation assets	United Kingdom
SC Midco Limited	Holding investments	United Kingdom
SC Mitchams Corner Limited	Holding property investments	United Kingdom
SC Mitchams Corner Management Limited	Managing student accommodation assets	United Kingdom
SC Osney Lane Limited	Holding property investments	United Kingdom
SC Osney Lane Management Limited	Managing student accommodation assets	United Kingdom
SC Pelham Terrace Limited	Holding property investments	United Kingdom
SC Pelham Terrace Management Limited	Managing student accommodation assets	United Kingdom
SC Pulteney Road Limited	Holding property investments	United Kingdom
SC Pulteney Road Management Limited	Managing student accommodation assets	United Kingdom
SC Walmgate Limited	Holding property investments	United Kingdom
SC Walmgate Management Limited	Managing student accommodation assets	United Kingdom
SGCM Pte. Ltd.	Providing online classifieds services for cars	Singapore
Silver Himawari Offshore Pte Ltd	Holding investments	Singapore
Silver Himawari TK Pte Ltd	Holding investments	Singapore
Sin Chew Jit Poh (Singapore) Limited	Holding investments and properties	Singapore
Singapore News and Publication Limited	Holding investments and properties	Singapore
Singapore Newspaper Services Private Limited	Holding investments and properties	Singapore
Singapore Nutri-Diet Industries Pte. Ltd.	Provision of food services to customers	Singapore
Singapore Press Holdings (Overseas) Limited	Providing marketing and other services and holding investments	Singapore
SPH (Americas) Pte Ltd	Providing news reporting services	Singapore
SPH AlphaOne Pte. Ltd.	Holding investments	Singapore
SPH Data Services Pte Ltd	Licensing copyrights and trademarks	Singapore
SPH Digital Media Pte. Ltd.	Holding investments	Singapore
SPH Interactive International Pte. Ltd.	Licensing software, providing technical services and holding investments	Singapore
SPH Interactive Pte. Ltd.	Holding investments and licensing the right of use of software and providing technical services	Singapore
SPH Invest Ltd.	Holding investments	Singapore
SPH Magazines Pte. Ltd.	Publishing magazines, providing online marketing services and editorial services and holding investments	Singapore
SPH Multimedia Private Limited	Holding investments	Singapore
SPH JPAM Pte. Ltd	Property fund management	Singapore
SPH Radio Private Limited	Radio broadcasting	Singapore
SPH REIT	Holding property investments	Singapore
SPH REIT Australia Trust	Holding investments	Australia
SPH REIT (Investments) Pte. Ltd.	Holding investments	Singapore
SPH REIT Marion Trust	Holding investments	Australia
SPH REIT Moelis Australia Trust	Holding investments	Australia
SPH REIT Management Pte. Ltd.	Property fund management	Singapore

Operating Companies of the Group

31 August 2020

SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Activities	Country of Incorporation
SPH Retail Property Management Services Pte. Ltd.	Managing shopping centres	Singapore
SPH Silver Care Pte. Ltd.	Holding investments	Singapore
SPH Ventures Pte. Ltd.	Holding investments	Singapore
Sphere Exhibits Malaysia Sdn. Bhd.	Management and promotion of events, exhibitions and meetings	Malaysia
Sphere Exhibits Pte. Ltd.	Organising conventions, conferences and exhibitions and holding investments	Singapore
Straits Capitol Limited	Providing business support services	United Kingdom
Straits Capitol Trust	Holding property investments	Singapore
Straits CM Pte. Ltd.	Property fund management	Singapore
Straits One Pte. Ltd.	Holding investments	Singapore
Straits One (Jersey) Limited	Holding property investments	Jersey
Straits Two Pte. Ltd.	Holding investments	Singapore
Straits Two (Jersey) Limited	Holding property investments	Jersey
Straits Three Pte. Ltd.	Holding investments	Singapore
Straits Three (Jersey) Limited	Holding property investments	Jersey
Straits Five Pte. Ltd.	Holding investments	Singapore
Straits Six Pte. Ltd.	Holding investments	Singapore
Straits Seven Pte. Ltd.	Holding investments	Singapore
Straits Eight Pte. Ltd.	Holding investments	Singapore
Straits Nine Pte. Ltd.	Holding property investments	Singapore
Straits Ten Pte. Ltd.	Holding investments	Singapore
Straits Digital Pte. Ltd.	Holding investments	Singapore
Straits Digital Innovation Co., Ltd	Providing technological development and consulting services	The People's Republic of China
Straits Property Management Services Limited	Managing student accommodation assets	United Kingdom
Straits Himawari TMK One TMK	Holding property investments	Japan
Straits Himawari TMK Two TMK	Holding property investments	Japan
Straits Silver Trust	Holding property investments	Singapore
Straits Silver Himawari Pte Ltd	Holding investments	Singapore
Student Castle Property Management Services Limited	Holding investments and managing student accommodation assets	United Kingdom
Student Castle Developments Limited	Holding investments	United Kingdom
Student Castle Investments Holdco Limited	Holding investments	United Kingdom
The Seletar Mall Pte. Ltd.	Holding property investments and management of shopping centre	Singapore
The Straits Times Press (1975) Limited	Holding Investments	Singapore
Times Properties Private Limited	Letting properties and provision of property management services	Singapore
Times Genting Pte. Ltd.	Holding investments	Singapore
TPM Pte Ltd	Holding investments	Singapore
TPR Holdings Pte. Ltd.	Holding investments	Singapore
WM 2 Pte. Ltd.	Holding investments	Singapore
WM 3 Pte. Ltd.	Holding investments	Singapore
WM 8 Pte. Ltd.	Holding investments	Singapore
WR 8 Pte. Ltd.	Holding investments	Singapore

Operating Companies of the Group

31 August 2020

ASSOCIATES

Name of Associate	Principal Activities	Country of Incorporation
AsiaOne Online Pte. Ltd.	Development of software for interactive digital media	Singapore
DC Frontiers Pte. Ltd.	Provision for research services	Singapore
KBS US Prime Property Management Pte. Ltd.	Property fund management	Singapore
Konnectivity Pte. Ltd.	Holding investments	Singapore
Kyosei Ventures Pte. Ltd.	Online marketing, and specialises in search and social media marketing	Singapore
Magzter Inc.	Self-service digital magazine store and newsstand	United States
MindChamps Preschool Limited	Provision of childcare, learning and other related services, and investment holding	Singapore
sgCarMart Financial Services Pte Ltd	Providing inventory financing to car dealers and vehicle hire purchase to consumers	Singapore
Target Media Culcreative Pte Ltd	Deployment of in-lift digital displays and display content	Singapore

JOINT VENTURES

Name of Joint Venture	Principal Activities	Country of Incorporation
703Search (Indonesia) B.V.	Investment holding and other activities	The Netherlands
Memphis 1 Pte. Ltd.	Property holding and provision of co-location services	Singapore
Singapore Media Exchange Pte. Ltd.	Sale of advertising and digital advertising inventory	Singapore
The Woodleigh Mall Pte. Ltd.	Holding property investments	Singapore
The Woodleigh Residences Pte. Ltd.	Property developer	Singapore
WR 2 Pte. Ltd.	Holding investments	Singapore
WR 3 Pte. Ltd.	Holding investments	Singapore

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Properties of the Group

As at 31 August 2020

Location	Tenure	Expiry Date of Lease	Land (Sq M)	Built-In (Sq M)	Existing Use	Effective Group Interest (%)
SINGAPORE						
News Centre 1000 Toa Payoh North	Leasehold	March 2, 2031	21,730	54,275	Industrial	100
Print Centre 2 Jurong Port Road	Leasehold	June 8, 2034	110,075	102,352	Industrial	100
Manhattan House 151 Chin Swee Road Units #01-39 to #01-48 and #01-51 to #01-56	Leasehold	October 15, 2068	–	554	Commercial	100
20A Yarwood Avenue	Leasehold	May 6, 2878	1,721	488	Residential	100
42 Nassim Road	Freehold	–	1,406	686	Residential	100
42A Nassim Road	Freehold	–	1,444	645	Residential	100
42B Nassim Road	Freehold	–	1,418	645	Residential	100
Paragon 290 Orchard Road	Freehold	–	17,362	94,502	Commercial	66
The Clementi Mall 3155 Commonwealth Avenue West	Leasehold	August 31, 2109	–	26,973	Commercial	66
The Seletar Mall 33 Sengkang West Avenue	Leasehold	April 17, 2111	8,790	26,370	Commercial	70
The Rail Mall 380 to 400 & 422 to 484 (Even Numbers) Upper Bukit Timah Road	Leasehold	March 17, 2046	9,807	4,623	Commercial	66
Orange Valley Nursing Homes Pte Ltd 11, Woodlands Avenue 1	Leasehold	September 30, 2033	2,000	3,597	Nursing	100
Orange Valley Properties Pte Ltd 221, Clementi Avenue 4 6, Simei Street 3	Leasehold Leasehold	July 15, 2031 April 14, 2034	2,345 2,200	4,417 3,959	Nursing Nursing	100 100
HONGKONG						
Tower Two, Lippo Centre Unit 1308 13th Floor 89 Queensway, Hong Kong	Leasehold	February 14, 2059	–	368	Commercial	100
CHINA						
New Beginnings Room 1302, Block A, No. 868 East Longhua Road, Shanghai 200023, PRC	Leasehold	February 17, 2058	–	170	Commercial	100
Blu Inc Media China Unit 1902-1905, No. 425, Yishan Road, Xuhui District, Shanghai 200235, PRC	Leasehold	August 27, 2054	–	647	Commercial	100

Properties of the Group

As at 31 August 2020

Location	Tenure	Expiry Date of Lease	Land (Sq M)	Built-In (Sq M)	Existing Use	Effective Group Interest (%)
AUSTRALIA						
Figtree Grove Shopping Centre 19 & 23 Princes Highway, Figtree, NSW 2525	Freehold	–	51,366	21,986*	Commercial	56
Westfield Marion 297 Diagonal Road, Oaklands Park SA 5046	Freehold	–	229,000	138,837*	Commercial	33
Japan						
Elyse Kodaira 383-5, Misonocho 3-chome, Kodaira-shi, Tokyo	Freehold	–	2,298	2,731	Nursing Home	100%
Alpha Residence Gakuenmae 76-431, Asahimachi 5-chome, Toyohira-ku, Sapporo	Freehold	–	1,500	3,155	Apartment (Senior Living)	100%
Charm Nara Sango 136, Seyahigashi, Sango-cho 6-chome, Ikoma-gun, Nara	Freehold	–	3,203	2,687	Nursing Home	100%
Kagayaki Heiwa Dori 54-1, Heiwadori 4-chome kita, Shiroishi-ku, Sapporo	Freehold	–	1,607	2,881	Nursing Home	100%
Li-Fe-Le Nishioka 427-171, Nishioka 4-jo 13-chome, Toyohira-ku, Sapporo	Freehold	–	1,820	3,550	Nursing Home	100%
UNITED KINGDOM						
Londonderry House 2 Newton St, Birmingham, B4 6NB	Leasehold	27 Sep 2098	175	4,364	Student Accommodation	100
Culver House 26 Park Street Culver House, Bristol BS1 5JA	Freehold	–	97	3,416	Student Accommodation	100
Transom House Victoria Street, Bristol, BS1 6AH	Leasehold	20 Nov 2137	134	4,635	Student Accommodation	100
Bernard Myers 4-6 Havil Street, London, SE5 7RU	Freehold	–	123	3,075	Student Accommodation	100
St Marks 20 St. Marks Street, Lincoln, LN5 7BA	Freehold	–	116	2,801	Student Accommodation	100
Clifton House 1 Clifton Place, Glasgow, G3 7DL	Freehold	–	213	6,550	Student Accommodation	100
Stewart House 123 Elderslie St, Glasgow, G3 7AR	Freehold	–	51	1,600	Student Accommodation	100

* Gross Lettable Area

Properties of the Group

As at 31 August 2020

Location	Tenure	Expiry Date of Lease	Beds	Built-In (Sq M)	Existing Use	Effective Group Interest (%)
UNITED KINGDOM						
Firth Point 100 Firth Street, Huddersfield HD1 3BQ	Freehold	–	200	5,117	Student Accommodation	100
Saw Mill King's Mill Lane, Huddersfield HD1 3AN	Freehold	–	378	6,969	Student Accommodation	100
Snow Island King's Mill Lane, Huddersfield HD1 3AU	Freehold/ Leasehold	28 Sep 2917	427	11,622	Student Accommodation	100
Central Point 50 Royal Parade, Plymouth, PL1 1DZ	Leasehold	20 Jun 2124	235	9,324	Student Accommodation	100
Discovery Height 27-31 Cobourg Street, Plymouth, PL1 1UH	Freehold	–	281	7,469	Student Accommodation	100
St Teresa House Beaumont Road, Plymouth, PL4 9AZ	Freehold	–	109	1,755	Student Accommodation	100
St Thomas Court 20 Gasking Street, Plymouth, PL4 9AP	Freehold	–	237	6,650	Student Accommodation	100
Sunlight Apartments Sunlight Square, London, E2 6LD	Freehold	–	24	575	Student Accommodation	100
Alexandra Works 119 Alexandra Road, Plymouth, PL4 7DU	Freehold	–	246	5,693	Student Accommodation	100
Central Quay 33 Alma Street, Sheffield, S3 8RA	Freehold	–	767	27,677	Student Accommodation	100
ASA Briggs House 6 St. John's Road, Leeds, LS3 1HF	Freehold	–	320	8,720	Student Accommodation	100
Sharman Court Broad Lane, Sheffield, S1 4FA	Freehold	–	397	14,986	Student Accommodation	100
Hampton Square 2 Mayfield Road, Southampton, SO17 3SX	Freehold	–	526	14,763	Student Accommodation	100
Student Castle York 80 Walmgate, York, YO1 9TL	Freehold	–	648	14,800	Student Accommodation	100
Student Castle Cambridge 1 Milton Road, Cambridge, CB4 1UY	Freehold	–	212	8,100	Student Accommodation	100
Student Castle Bath 33-34 Pulteney Road, Bath, BA2 4EZ	Freehold	–	183	6,500	Student Accommodation	100
Student Castle Edinburgh 199 Causewayside, Edinburgh, EH9 1PH	Freehold	–	146	3,378	Student Accommodation	100

Properties of the Group

As at 31 August 2020

Location	Tenure	Expiry Date of Lease	Beds	Built-In (Sq M)	Existing Use	Effective Group Interest (%)
UNITED KINGDOM						
Student Castle Durham 20 Claypath, Durham, DH1 1RH	Freehold	–	473	13,500	Student Accommodation	100
Student Castle Brighton 4 Pelham Terrace, Brighton, BN2 4GS	Freehold	–	206	8,184	Student Accommodation	100
Student Castle Oxford Osney Lane, Oxford, OX1 1TE	Freehold	–	515	15,787	Student Accommodation	100
GERMANY						
Galileo Residenz Fahrenheitstraße 19-25, 28359 Bremen	Freehold	–	284	5,210	Student Accommodation	100

Shareholding Statistics

As at 7 October 2020

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%*
1 – 99	338	0.55	12,786	0.00
100 – 1,000	7,962	13.00	7,001,525	0.44
1,001 – 10,000	37,309	60.90	179,202,038	11.27
10,001 – 1,000,000	15,584	25.44	692,380,502	43.53
1,000,001 and above	69	0.11	711,977,346	44.76
TOTAL	61,262	100.00	1,590,574,197	100.00

* Based on 1,590,574,197 shares (excluding 10,074,924 shares held as treasury shares) as at 7 October 2020

TWENTY LARGEST ORDINARY SHAREHOLDERS

	NAME OF SHAREHOLDER	NO. OF SHARES	%*
1	DBS NOMINEES PTE LTD	174,975,688	11.00
2	CITIBANK NOMINEES SINGAPORE PTE LTD	161,039,149	10.12
3	DBSN SERVICES PTE LTD	46,240,660	2.91
4	RAFFLES NOMINEES (PTE) LIMITED	35,770,791	2.25
5	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	28,177,691	1.77
6	HSBC (SINGAPORE) NOMINEES PTE LTD	25,450,151	1.60
7	OCBC NOMINEES SINGAPORE PTE LTD	18,535,924	1.17
8	LEE FOUNDATION STATES OF MALAYA	15,215,522	0.96
9	UOB KAY HIAN PTE LTD	13,497,336	0.85
10	OCBC SECURITIES PRIVATE LTD	12,450,965	0.78
11	CHAN SIEW KIM ALICE	11,205,000	0.70
12	PHILLIP SECURITIES PTE LTD	10,692,992	0.67
13	PHAY THONG HUAT PTE LTD	9,032,000	0.57
14	GAN THIAN CHIN	8,952,000	0.56
15	LEE FOUNDATION	8,210,940	0.52
16	OEI HONG LEONG	8,000,000	0.50
17	BPSS NOMINEES SINGAPORE (PTE.) LTD.	5,977,574	0.38
18	MAYBANK KIM ENG SECURITIES PTE. LTD	5,479,006	0.34
19	MERRILL LYNCH (SINGAPORE) PTE LTD	5,396,361	0.34
20	YONG SIEW YOON	5,000,000	0.31
	Total:	609,299,750	38.30

* Based on 1,590,574,197 shares (excluding 10,074,924 shares held as treasury shares) as at 7 October 2020

Shareholding Statistics

As at 7 October 2020

DISTRIBUTION OF MANAGEMENT SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	10	52.63	48	0.00
100 – 1,000	0	0.00	0	0.00
1,001 – 10,000	0	0.00	0	0.00
10,001 – 1,000,000	3	15.79	2,193,317	13.41
1,000,001 and above	6	31.58	14,168,404	86.59
TOTAL	19	100.00	16,361,769	100.00

HOLDERS OF MANAGEMENT SHARES

	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED	3,698,297	22.60
2	OVERSEA-CHINESE BANKING CORPORATION LTD	2,748,829	16.80
3	NTUC INCOME INSURANCE COOPERATIVE LIMITED	2,674,219	16.35
4	SINGAPORE TELECOMMUNICATIONS LIMITED	2,176,119	13.30
5	DBS BANK LTD	1,554,362	9.50
6	UNITED OVERSEAS BANK LTD	1,316,578	8.05
7	NATIONAL UNIVERSITY OF SINGAPORE	876,797	5.36
8	FULLERTON (PRIVATE) LIMITED	658,260	4.02
9	NANYANG TECHNOLOGICAL UNIVERSITY	658,260	4.02
10	NG YAT CHUNG	12	0.00
11	DIRECTORS* (FOUR EACH)	36	0.00
	Total:	16,361,769	100.00

* Excluding the Chief Executive Officer.

Note:

1. Not less than 99.9% of the ordinary shares in the Company is held by the public and Rule 723 of the SGX Listing Manual has been complied with.
2. The Company has no subsidiary holdings.

VOTING RIGHTS OF SHAREHOLDERS

The holders of management and ordinary shares shall be entitled to one (1) vote for each share, EXCEPT that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, the holders of the management shares shall be entitled either on a poll or by show of hands to two hundred (200) votes for each management share held.

Notice of Annual General Meeting

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

NOTICE IS HEREBY GIVEN that the Thirty-Sixth Annual General Meeting of Singapore Press Holdings Limited (the “Company”) will be convened and held by way of electronic means on Friday, 27 November 2020 at 2.30 p.m. (Singapore time) to transact the following business:

ROUTINE BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 August 2020 and the Auditor’s Report thereon.
2. To declare a final dividend of 1 cent per share, on a tax-exempt basis, in respect of the financial year ended 31 August 2020.
3. To re-elect the following Directors who are retiring by rotation in accordance with Articles 116 and 117 of the Company’s Constitution, and who, being eligible, offer themselves for re-election:
 - (i) Bahren Shaari
 - (ii) Quek See Tiat
 - (iii) Andrew Lim Ming-Hui
4. To re-elect Tracey Woon, a Director who will cease to hold office in accordance with Article 120 of the Company’s Constitution, and who, being eligible, offers herself for re-election.
5. To approve Directors’ fees of up to S\$1,350,000 for the financial year ending 31 August 2021 (2020: up to S\$1,400,000).
6. To re-appoint the Auditor and to authorise the Directors to fix its remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:
 - (i) “That pursuant to Section 161 of the Companies Act, Chapter 50 and the listing rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), and subject to the provisions of the Newspaper and Printing Presses Act, Chapter 206, authority be and is hereby given to the Directors of the Company to:
 - (a) (i) issue shares of the Company whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
 - (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

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provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
 - (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."
- (ii) "That the Directors of the Company be and are hereby authorised to grant awards ("**Awards**") in accordance with the provisions of the SPH Performance Share Plan 2016 (the "**SPH Performance Share Plan**") and to allot and issue from time to time such number of fully paid-up ordinary shares of the Company ("**Ordinary Shares**") as may be required to be delivered pursuant to the vesting of Awards under the SPH Performance Share Plan, provided that:
- (a) the aggregate number of (1) new Ordinary Shares allotted and issued and/or to be allotted and issued, (2) existing Ordinary Shares (including Ordinary Shares held as treasury shares) delivered and/or to be delivered, and (3) Ordinary Shares released and/or to be released in the form of cash in lieu of Ordinary Shares, pursuant to Awards granted under the SPH Performance Share Plan, shall not exceed 5 per cent. of the total number of issued Ordinary Shares (excluding treasury shares and subsidiary holdings) from time to time;

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- (b) the aggregate number of Ordinary Shares under Awards to be granted pursuant to the SPH Performance Share Plan during the period (the "**Relevant Year**") commencing from this Annual General Meeting and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 1 per cent. of the total number of issued Ordinary Shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"); and
- (c) if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used for the grant of Awards in subsequent years for the duration of the SPH Performance Share Plan,

and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited."

(iii) "That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Ordinary Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy Back Mandate**");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
 - (iii) the date on which purchases or acquisitions of Ordinary Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;

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(c) in this Resolution:

"Average Closing Price" means the average of the last dealt prices of an Ordinary Share for the five consecutive trading days on which the Ordinary Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action which occurs during the relevant five day period and the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase;

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Ordinary Shares from holders of Ordinary Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Ordinary Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"Maximum Limit" means that number of issued Ordinary Shares representing 10 per cent. of the total number of the issued Ordinary Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

"Maximum Price", in relation to an Ordinary Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, in the case of a market purchase of an Ordinary Share and off-market purchase pursuant to an equal access scheme, 105 per cent. of the Average Closing Price of the Ordinary Share; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution."

By Order of the Board

Ginney Lim May Ling
Khor Siew Kim
Company Secretaries

Singapore,
2 November 2020

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NOTES:

1. The Annual General Meeting ("**AGM**") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members (but will be made available on request). Instead, this Notice will be sent to members by electronic means via publication on the Company's website at the URL <https://investor.sph.com.sg/agm2020.html> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Please refer to paragraph 10 below on how to make a request for a printed copy of this Notice.
 2. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person.**
 3. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at or before the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company's announcement dated 2 November 2020. This announcement may be accessed at the Company's website at the URL <https://investor.sph.com.sg/agm2020.html> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
 4. Pre-registrations for access to the live audio-visual webcast or live audio-only stream of the AGM may be made online at the Company's website at the URL <https://investor.sph.com.sg/agm2020.html>.
 5. Questions to the Chairman of the Meeting in advance of the AGM may be submitted in the following manner:
 - (a) online via the Company's website at the URL <https://investor.sph.com.sg/agm2020.html>;
 - (b) via email to AGM@sph.com.sg; or
 - (c) by post to:

Singapore Press Holdings Limited
1000 Toa Payoh North,
News Centre,
Singapore 318994.
Attention: Investor Relations Department (SPH AGM 2020).
- The deadline for pre-registration and submission of questions is 2.30 p.m. on 24 November 2020. Please refer to the Company's announcement dated 2 November 2020 for more details.
6. **A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** The accompanying proxy form for the AGM may be downloaded from the Company's website at the URL <https://investor.sph.com.sg/agm2020.html> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of the proxy form will be made available to members upon request. Please refer to paragraph 10 below on how to make a request.

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Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 November 2020.

7. The Chairman of the Meeting, as proxy, need not be a member of the Company.
8. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road, #11-02, Singapore 068898; or
 - (b) if submitted electronically:
 - (i) be submitted via email to the Company's Share Registrar at sg.is.sphproxy@singapore.tricorglobal.com; or
 - (ii) be uploaded via the Company's website at the URL <https://investor.sph.com.sg/agm2020.html>,

in each case by 2.30 p.m. on 24 November 2020, being not less than 72 hours before the time appointed for holding the AGM.

A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above or uploading it onto the Company's website at the URL provided above.

Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically.

9. The Annual Report 2020 and the Letter to Shareholders dated 2 November 2020 (in relation to the proposed renewal of the share buy back mandate) have been published and may be accessed at the Company's website as follows:
 - (a) the Annual Report 2020 may be accessed at the URL <https://corporate.sph.com.sg/investor-relations/financial-results/annual-report> by going to "Please click here to download the Full Annual Report 2020" and clicking on the relevant hyperlink; and
 - (b) the Letter to Shareholders dated 2 November 2020 may be accessed at the URL <https://investor.sph.com.sg/agm2020.html> by clicking on the hyperlink for "Letter to Shareholders".

The above documents may also be accessed on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of these documents will be made available to members upon request. Please refer to paragraph 10 below on how to make a request.

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- 10 A member may request for a printed copy of this Notice, the proxy form, the Annual Report 2020 and/or the Letter to Shareholders dated 2 November 2020 by submitting the request to the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), by post to 80 Robinson Road, #11-02, Singapore 068898 or via email to sg.is.sphproxy@sg.tricorglobal.com. To be valid, the request must:
- (a) be addressed to Singapore Press Holdings Limited c/o the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.);
 - (b) state the following:
 - (i) the document(s) requested;
 - (ii) the full name of the member;
 - (iii) the mailing address;
 - (iv) the manner in which the member holds shares in the Company (e.g., via CDP, CPF/SRS and/or scrip); and
 - (v) the member's CDP Securities Account No. (if his shares in the Company are held through CDP); and
 - (c) be received by the Company's Share Registrar no later than 13 November 2020.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

EXPLANATORY NOTES & STATEMENT PURSUANT TO ARTICLE 75 OF THE COMPANY'S CONSTITUTION

1. In relation to Ordinary Resolution No. 3(i):

Bahren Shaari* will, upon re-election, continue as Chairman of the Nominating Committee and a member of the Executive Committee. He is considered an independent Director.
2. In relation to Ordinary Resolution No. 3(ii):

Quek See Tiat* will, upon re-election, continue as Chairman of the Audit Committee and a member of the Executive Committee. He is considered an independent Director.

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3. In relation to Ordinary Resolution No. 3(iii):

Andrew Lim Ming-Hui* will, upon re-election, continue as Chairman of the Board Risk Committee, and a member of the Audit Committee and the Nominating Committee. He is considered an independent Director.

4. In relation to Ordinary Resolution No. 4:

Tracey Woon* will, upon re-election, continue as a member of the Executive Committee and the Board Risk Committee. She is considered an independent Director.

* Detailed information on these Directors (including information as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited) can be found on pages 31 to 35 and on pages 136 to 138 of the Annual Report 2020.

5. Ordinary Resolution No. 5, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is, during the financial year from 1 September 2020 to 31 August 2021. The amount of Directors' fees is computed based on the anticipated number of Board and Board Committee meetings, assuming full attendance by all the Directors. The amount also includes a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director, additional unscheduled Board meetings and/or for the formation of additional Board Committees. In order to align Directors' interests with that of shareholders, up to 25 per cent. of their fees may be used to acquire ordinary shares of the Company in their names from the open market.

6. The effects of the Resolutions under the heading "Special Business" in the Notice of the Thirty-Sixth Annual General Meeting are:

- (a) Ordinary Resolution No. 7(i) is to authorise the Directors of the Company from the date of that meeting until the next AGM, subject to the provisions of the Newspaper and Printing Presses Act, Chapter 206, to issue shares of the Company and/or to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which up to 10 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) may be issued other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time that Ordinary Resolution No. 7(i) is passed, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Ordinary Resolution No. 7(i) is passed, and (ii) any subsequent bonus issue, consolidation or subdivision of shares. For the avoidance of doubt, any consolidation or subdivision of shares of the Company will require shareholders' approval. As at 7 October 2020, the Company had 10,074,924 treasury shares and no subsidiary holdings.

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- (b) Ordinary Resolution No. 7(ii) is to empower the Directors to grant awards, and to allot and issue new ordinary shares of the Company, pursuant to the SPH Performance Share Plan 2016. The total number of ordinary shares which may be delivered pursuant to awards granted under the SPH Performance Share Plan 2016 (whether in the form of ordinary shares or in the form of cash in lieu of ordinary shares) shall not exceed 5 per cent. of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time. In addition, Ordinary Resolution No. 7(ii) will provide that the total number of ordinary shares under awards to be granted pursuant to the SPH Performance Share Plan 2016 from this AGM to the next AGM (the "**Relevant Year**") shall not exceed 1 per cent. of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"), provided that if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used by the Directors to make grants of awards under the SPH Performance Share Plan 2016 in subsequent years, for the duration of the SPH Performance Share Plan 2016.
- (c) Ordinary Resolution No. 7(iii) is to renew the mandate to permit the Company to purchase or acquire issued ordinary shares of the Company on the terms and subject to the conditions of the Resolution.

The Company may use internal sources of funds, or a combination of internal resources and external borrowings, to finance the purchase or acquisition of its ordinary shares. The amount of funding required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired and the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Buy Back Mandate on the audited financial statements of the Company and the Group for the financial year ended 31 August 2020, based on certain assumptions, are set out in paragraph 2.6 of the Letter to Shareholders dated 2 November 2020.

VOTING RIGHTS OF SHAREHOLDERS

The holders of management and ordinary shares shall be entitled to one (1) vote for each share, except that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, the holders of the management shares shall be entitled either on a poll or show of hands to two hundred (200) votes for each management share held in accordance with the provisions of the Newspaper and Printing Presses Act, Chapter 206.

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SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Co Regn No: 198402868E

Proxy Form

IMPORTANT

1. The Annual General Meeting ("AGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM will not be sent to members (but will be made available on request). Instead, the Notice of AGM will be sent to members by electronic means via publication on the Company's website at the URL <https://investor.sph.com.sg/agsm2020.html> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Please refer to paragraph 10 of the Notes to the Notice of AGM on how to make a request for a printed copy of the Notice of AGM.
2. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person.**
3. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at or before the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company's announcement dated 2 November 2020. This announcement may be accessed at the Company's website at the URL <https://investor.sph.com.sg/agsm2020.html> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
4. **A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**
5. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 November 2020.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

Personal Data Privacy

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the accompanying Notice of AGM.

I/We, _____ (Name) _____ (NRIC/Passport/Co. Reg. No.)

of _____ (Address)

being a member/members of Singapore Press Holdings Limited (the "Company"), hereby appoint the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the AGM of the Company to be convened and held by way of electronic means on Friday, 27 November 2020 at 2.30 p.m. (Singapore time) and at any adjournment thereof. I/We direct the Chairman of the Meeting to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder.

Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares (and, if you hold both ordinary shares and management shares, the relevant class of shares) "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares (and, if you hold both ordinary shares and management shares, the relevant class of shares) in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

No.	Resolutions	For	Against	Abstain
	Routine Business			
1.	To receive and adopt the Directors' Statement and Audited Financial Statements and the Auditor's Report thereon			
2.	To declare a Final Dividend			
3.	To re-elect Directors pursuant to Articles 116 and 117			
	(i) Bahren Shaari			
	(ii) Quek See Tiat			
	(iii) Andrew Lim Ming-Hui			
4.	To re-elect Director pursuant to Article 120			
	Tracey Woon			
5.	To approve Directors' fees for the financial year ending 31 August 2021			
6.	To re-appoint the Auditor and authorise the Directors to fix its remuneration			
	Special Business			
7.	(i) To authorise the Directors to issue shares and instruments convertible into shares pursuant to Section 161 of the Companies Act, Chapter 50			
	(ii) To authorise the Directors to grant awards and allot and issue ordinary shares pursuant to the SPH Performance Share Plan 2016			
	(iii) To approve the renewal of the Share Buy Back Mandate			

Dated this _____ day of _____ 2020.

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Total Number of
Ordinary Shares held

Total Number of
Management Shares held

IMPORTANT

Note:

1. Please insert the total number of ordinary shares and/or management shares ("Shares") held by you. If you have ordinary shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of ordinary shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have ordinary shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the Meeting as proxy shall be deemed to relate to all the Shares held by you.
2. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** This proxy form may be downloaded from the Company's website at the URL <https://investor.sph.com.sg/agm2020.html> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of this proxy form will be made available to members upon request. Please refer to paragraph 10 of the Notes to the Notice of AGM on how to make a request.
Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. CPF and SRS investors who wish to appoint the Chairman of the Meeting as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 17 November 2020**.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

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5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road, #11-02, Singapore 068898; or
 - (b) if submitted electronically:
 - (i) be submitted via email to the Company's Share Registrar at sg.is.sphproxy@sg.tricorglobal.com; or
 - (ii) be uploaded via the Company's website at the URL <https://investor.sph.com.sg/agm2020.html>,in each case by **2.30 p.m. on 24 November 2020**, being not less than 72 hours before the time appointed for holding the AGM.
A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above or uploading it onto the Company's website at the URL provided above.
Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically.
6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email or via upload onto the Company's website, be emailed or uploaded (as the case may be) with the instrument of proxy, failing which the instrument may be treated as invalid.
7. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged or submitted if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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BUSINESS REPLY SERVICE
PERMIT NO. 07859



SINGAPORE PRESS HOLDINGS LIMITED
c/o Tricor Barbinder Share Registration Services
80 Robinson Road
#02-00
Singapore 068898

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SINGAPORE PRESS HOLDINGS LIMITED

Co. Reg. No 198402868E

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