

SEIZING OPPORTUNITIES  
FOR TRANSFORMATION

Annual  
Report  
2019



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## CORPORATE PROFILE

Incorporated in 1984, Singapore Press Holdings Ltd (SPH) turned 35 this year. It is Asia's leading media organisation, engaging minds and enriching lives across multiple languages and platforms.

SPH publishes newspapers, magazines and books in both print and digital editions. Its media business also includes digital products, online classifieds, radio stations and outdoor media.

On the property front, SPH owns approximately 70% in a real estate investment trust called SPH REIT which comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road, The Clementi Mall, a mid-market suburban mall and The Rail Mall, a stretch of shopping and dining outlets along Upper Bukit Timah Road. SPH REIT also holds 85% equity stake in Figtree Grove, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia. SPH owns and operates The Seletar Mall and is developing a new commercial cum residential site, The Woodleigh Residences and The Woodleigh Mall. It also owns a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom.

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

SPH runs a regional events arm and a chain of Buzz retail outlets. It also invested in the education business.

For more information, please visit [www.sph.com.sg](http://www.sph.com.sg)

## ● ● CELEBRATING 35 YEARS

### CELEBRATING 35 YEARS

**This year marks SPH's 35<sup>th</sup> anniversary. As part of the celebrations, a host of events and promotions were organised for both staff and members of the public.**

#### SPH Earth Day

SPH Earth Day on 22 April at News Centre Auditorium saw staff donating more than 500kg of textiles, including clothes, shoes and bags. It far exceeded the original target of 350kg which was set to mark SPH's 35<sup>th</sup> anniversary. The collected textiles were recycled, donated or re-purposed as industrial cloths. The event also featured an eco-bazaar, sustainability talks and upcycling workshops.





### SPH Charity Carnival

SPH divisions and subsidiaries, together with external charities, set up 35 stalls at this year's SPH Charity Carnival on 14 May at News Centre Auditorium. The event raised a total of \$31,122.40 for different charities and causes.

### SPH's Got Talent

To mark SPH's 35<sup>th</sup> anniversary, a talent competition was held for SPH employees on 25 July at News Centre. Staff displayed amazing talents and wowed their colleagues with memorable performances.



### How much do you know about SPH? Social Media Campaign

SPH thanked members of the public for their 35 years of unwavering support through a social media campaign which started on 1 August 2019. Shoppers at The Clementi Mall and fans on social media were quizzed about their knowledge on SPH. Winners walked away with SPH mall vouchers.

### SPH 35<sup>th</sup> Anniversary subscription promotion

To reward existing subscribers and attract new ones, a 35<sup>th</sup> anniversary subscription promotion offering 35% discount off all SPH publications' digital plans was rolled out from 1 to 4 August.



### SPH 35<sup>th</sup> Birthday Concert

Ding Yi Music Company celebrated SPH's birthday on 4 August with a string of Xinyao and pop classics to entertain shoppers at Paragon Shopping Centre. Shoppers also won SPH mall vouchers as part of the celebration.



## ●● CELEBRATING 35 YEARS



### SPH 35<sup>th</sup> Anniversary Bazaar

SPH staff were treated to free ice-cream, muah chee and other yummy delights at the SPH 35<sup>th</sup> Anniversary Bazaar at News Centre on 6 August. The event also celebrated the nation's 54<sup>th</sup> birthday.

### SPH Tech Day

This inaugural SPH Tech Day on 19 August celebrated the company's continuous journey of digital transformation over its 35-year history. It also showcased SPH's commitment to be a tech leader in the industry, embracing technological advancements to provide the best customer experience.



### SPH's "Double the Love" Fundraising Campaign and 35<sup>th</sup> Anniversary Charity Concert

In partnership with Community Chest, the "Double the Love" fundraising campaign was held from 7 May to 31 July. Every dollar donated to this campaign was matched by SPH and SPH Foundation, leading to a total amount of \$426,000 raised. Dr Lee Boon Yang, Chairman of SPH and SPH Foundation, presented the cheque to Mr Phillip Tan, Chairman of Community Chest at a special charity concert on 22 August at Capitol Theatre.

### Launch of staff newsletter SPHConnect

SPH's staff newsletter Presslines was revamped and renamed SPHConnect. The bi-monthly magazine was printed inhouse by the new HP PageWide Web Press T240HD printer at Print Centre. Its debut issue in September 2019 came with a special 35th anniversary supplement offering a range of staff perks.

SPHCONNECT



CELEBRATING  
**35**  
YEARS OF EXCELLENCE

SPH marks its 35th anniversary with a series of celebratory events.  
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### SPH 35th Anniversary staff perks

We collaborated with different partners on a variety of exclusive offers, ranging from dining, travel, shopping to health and fitness for our staff throughout the year. Participating partners included Samsung, Qatar Airways, Shell and Si Chuan Dou Hua; SPH subsidiaries sgCarMart and Orange Valley, and our malls. The perks were featured in a special supplement published with staff newsletter SPHConnect.

### Celebrating 12 years of STI

To mark SPH's 35<sup>th</sup> and Singapore Exchange's 20th anniversaries respectively, the two companies partnered global index provider FTSE Russell to commemorate 12 years of Straits Times Index (STI) and opened the market by hitting the gong at the IPO Arena at SGX Centre on 5 September.

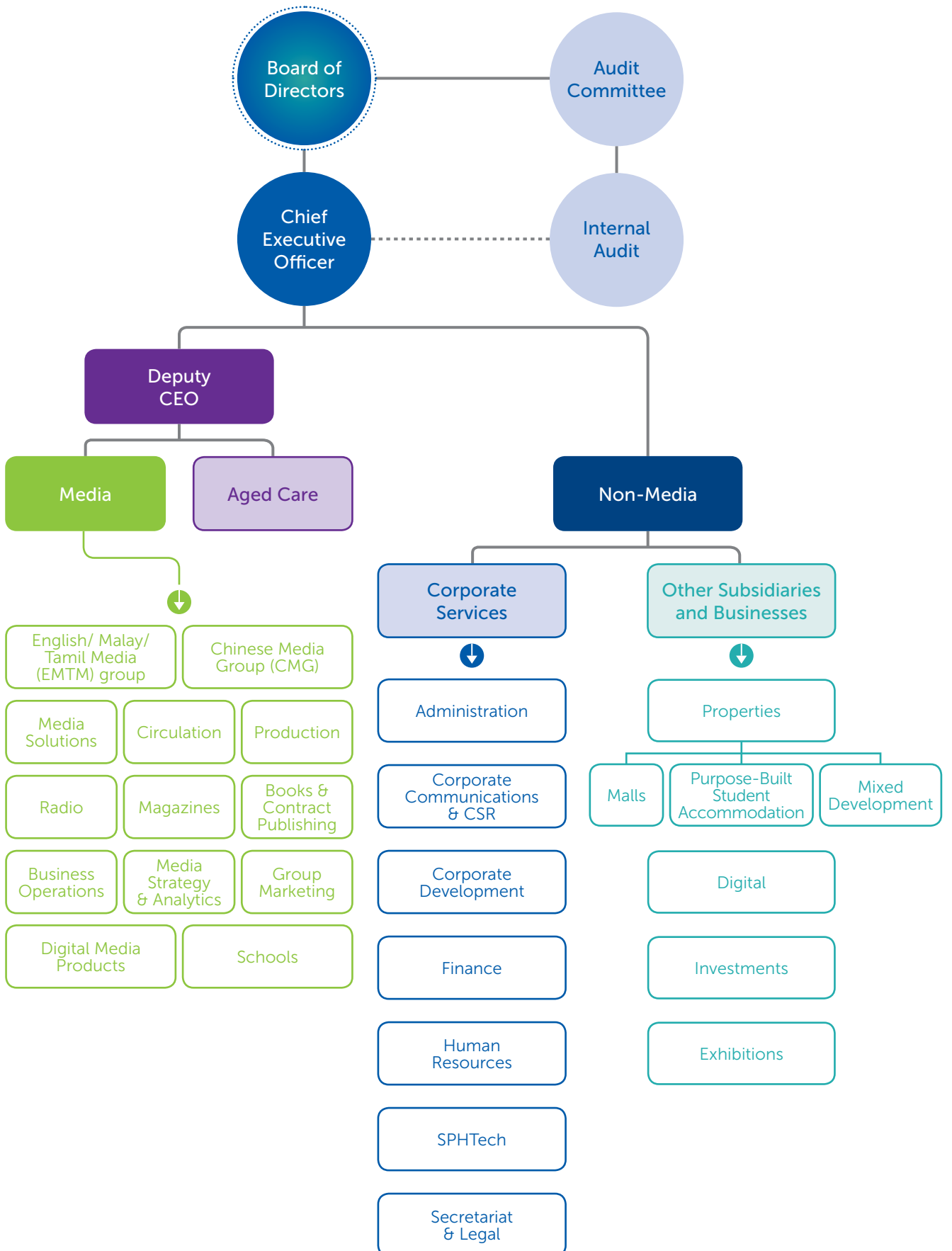


### The Straits Times Run 2019

Back for the seventh year, The Straits Times Run 2019 included a 3.5km Fun Run, marking SPH's 35<sup>th</sup> Anniversary on 29 September. An SPH35 – Panasonic Schools Challenge was also part of the event, rallying students to bring glory to their schools. SPH also served free coffee at its 35<sup>th</sup> anniversary booth.



# ORGANISATION STRUCTURE





# GROUP FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019

	2019 S\$'000	2018* S\$'000	Change %
Operating revenue	959,255	982,555	(2.4)
Operating profit	186,922	212,948	(12.2)
Profit before taxation	298,282	368,897	(19.1)
Profit after taxation	259,546	321,267	(19.2)
Non-controlling interests	46,335	42,887	8.0
Profit attributable to shareholders	213,211	278,380	(23.4)
Shareholders' interests	3,488,456	3,430,279	1.7
Perpetual securities	150,512	–	NM
Non-controlling interests	1,068,180	761,152	40.3
Total assets	7,107,390	6,154,209	15.5
Total liabilities	2,400,242	1,962,778	22.3
Dividends declared for the financial year	193,504	209,895	(7.8)

Profitability ratios	%	%	% points
Operating margin	19.5	21.7	(2.2)
Return on operating revenue	22.2	28.3	(6.1)
Return on shareholders' funds	6.1	8.1	(2.0)

Per share data			%
Net assets attributable to shareholders (S\$)	2.16	2.12	1.9
Profit attributable to shareholders (S\$)	0.13	0.17	(23.5)
Dividends declared for the financial year (cents)#	12	13	(7.7)
Dividend cover for the financial year (times)	1.1	1.3	(15.4)

\* 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.

# These dividends are tax-exempt. The proposed final dividend of 6.5 cents per share, comprising a normal dividend of 5.5 cents per share and a special dividend of 1 cent per share, is subject to approval by shareholders at the Annual General Meeting on 29 November 2019.

NM Not meaningful

## ●● CHAIRMAN'S STATEMENT



➔ **We will continue on this transformation journey, diversify our business, increase recurring income and deliver sustainable returns to our shareholders.**

.....  
**LEE BOON YANG**  
Chairman

SPH celebrates our 35<sup>th</sup> anniversary this year. While we aim to be the region's leading media company, we have, over the years, also made investments in digital initiatives and diversified into new businesses. We will continue on this transformation journey, diversify our business, increase recurring income and deliver sustainable returns to our shareholders.

Global trade tensions and political instabilities had adversely impacted the global economic prospects and caused volatility in financial markets over the past year. Against this challenging backdrop, SPH reported recurring earnings of S\$186.9 million for the year ended 31 August 2019 (FY 2019). Net profit attributable to shareholders fell S\$65.2 million or 23.4% to S\$213.2 million. Other information on the Group is set out in this report.

The Board has proposed a dividend of 6.5 cents per share, comprising a Normal Dividend of 5.5 cents per share and a Special Dividend of 1 cent per share in respect of the financial year ended 31 August 2019. We had earlier declared and paid an interim dividend of 5.5 cents per share.

## PROPERTIES AND ASSET MANAGEMENT

Property remains the Group's largest profit segment.

We continue to adopt a disciplined approach to invest and grow recurring income. This also means that we will look for opportunities to increase geographically diversified revenue streams as we look beyond Singapore for growth.

We have expanded our Purpose-Built Student Accommodation (PBSA) portfolio to 5,059 beds across 20 assets in 10 cities in the United Kingdom (UK), establishing SPH as a leading player in the PBSA sector in the UK.

We expect the British student accommodation sector to continue to grow, with overall investor interest remaining strong, and analysts expecting up to £3.5 billion of investments this year. We will widen our marketing capabilities to capitalise on the growing demand from international students heading to the UK for higher education, and build our Capitol Students brand to be the accommodation of choice in the market.

SPH REIT acquired 85% in Figtree Grove Shopping Centre in December 2018. This mall, which is located 3.7km south-west of central Wollongong, Australia, represents SPH REIT's first foray overseas and is a strategic fit to the SPH Group's portfolio of quality assets.

In July, we invested approximately US\$60 million for a 7.38% stake in the IPO of Prime US REIT, and in August, we exercised our option to acquire a 20% stake in the REIT manager, KBS US Prime Property Management Pte Ltd. Prime US REIT holds a portfolio of Grade A office properties in the US. The investment will add to SPH's stream of recurring income and provide opportunities to build partnerships in the US market.

We will continue to seek international acquisitions in PBSA and other cash-yielding defensive sectors.

As part of our strategy, we constantly review our existing businesses and investments with a view to recycle capital and enhance capital management. In May, we divested our investment in Chinatown Point and recognised a S\$10.4 million gain.

## MEDIA

The media sector remains challenging with falling advertising revenue. However, our continuing focus on digital innovations to transform our media business to meet our readers and advertisers' needs and expectations remains unchanged.

Digital advertising revenue and circulation remain on the upswing.

While average daily print circulation copies decline 9.6% year-on-year, average daily digital circulation copies grew 32.3% to 279,500 in FY2019. Print and digital circulation copies grew 1.7% to 797,000 despite the continued challenges faced by the media industry.

Results for The Straits Times premium subscription packages, which were launched to meet the reading needs of different subscribers, have been very encouraging, with over 23,000 new subscriptions this year and most new subscribers opting for the higher-value packages.

We partnered with Samsung to introduce our first Chinese News Tablet app to provide a seamless digital experience on the Samsung Galaxy Tab A Wi-Fi tablet, so our elderly readers who do not read English can also be plugged into our Smart Nation and encourage their children to subscribe to our Chinese publications at the same time.

We are pleased that 10,000 subscribers have signed up for the package as at mid-October 2019. The news tablet was subsequently rolled out for Berita Harian readers.

We will continue to engage our audience by delivering quality, creative products and content across multiple platforms to build loyalty. Our digital media and mobile strategies have been recognised internationally with 13 awards at the

## ●● CHAIRMAN'S STATEMENT

Asian Digital Media Awards 2018, including a Gold for Best Innovation to Engage Youth Audience for our NewsEd learning portal.

SPH also clinched four accolades at the International News Media Association (INMA) Global Media Awards in May. The Straits Times Asia Report, a magazine which curates some of the best features on the region from the ST Foreign Desk, was named Best New Print Product and Best in Asia/Pacific for Regional/Local Brands and our corporate innovation initiative - "Project Storm: An Innovation Journey" - notched the third place for the Best New Corporate Innovation Initiative.

By leveraging our strong reputation and award-winning journalism, we aim to be a leading media organisation in the region, offering independent and credible news coverage in different languages.

### DIGITAL BUSINESS

We aim to grow our digital portfolio and build synergies with our existing media businesses.

In April, SPH partnered Keppel Corp to acquire and privatise M1. M1 will embark on a transformational journey to sharpen its competitiveness and explore new growth areas. We will also leverage M1's mobile platform to improve our digital offerings to customers.

A report by multinational technology company Cisco and consulting firm A.T.Kearney noted that Singapore is best placed among all Southeast Asian countries to capitalise on the new revenue opportunities generated by 5G mobile technology. Revenues of Singapore telcos could, as a result, increase by up to S\$704 million by 2025 as the digital push intensifies. M1 will actively explore opportunities in this new area.

### AGED CARE

Orange Valley is one of Singapore's leading nursing home operators. Its Balestier branch has introduced day care services and a multi-sensory room, specially designed for dementia care.

We intend to leverage our skills and expertise in this area and capitalise on opportunities in the aged market globally, in line with our internationalisation strategy.

### SUSTAINABILITY

The world is grappling with climate change today. Small island states like Singapore are vulnerable to rising sea levels, and we need to address this critical issue individually and as an organisation, through conviction and practical action.

This year, we have published our Sustainability Report in accordance with the regulatory requirements by the Singapore Exchange and the Global Reporting Initiative Standards: Core option for the first time.

➔ **By leveraging our strong reputation and award-winning journalism, we aim to be a leading media organisation in the region, offering independent and credible news coverage in different languages.**

The report highlights SPH's role in promoting sustainability issues and agendas, and engaging our audience to effect change, across our various media platforms.

We are also embarking on a go-green journey here in News Centre. Our staff are excited to introduce more green initiatives and activities to do our part to build a sustainable workplace for all.

We continue to champion corporate citizenry, with our active corporate social responsibility efforts garnering awards including the Corporate Platinum Award by the Community Chest, Patron of the Arts Award by the National Arts Council, Patron of Heritage Awards 2018 (Supporter Category) by the National Heritage Board and Champion of Good Award by the National Volunteer & Philanthropy Centre.

## TRIBUTE AND THANKS

I would like to thank Ms Chong Siak Ching, who is retiring from the Board, for her contributions over the past nine years. She has been a valuable and dedicated member of our team.

I would also like to welcome our new director Mr Lim Ming Yan, who joined the Board on 3 June 2019. He brings a wealth of experience in real estate and business digitalisation to complement our diverse strengths and expertise.

We have come a long way with the support of all our stakeholders during the past 35 years. I would like to express my heartfelt gratitude to each and every one of you. I hope that you will continue to be part of our transformation and growth for the many more years ahead.



**Lee Boon Yang**  
Chairman

## CEO'S BUSINESS REVIEW

➔ **Over the past FY, we have been constantly innovating and expanding our product offerings and services to acquire and retain customers.**

.....  
**NG YAT CHUNG**  
Chief Executive Officer



The last Financial Year (FY) has been challenging for SPH. We continued to be impacted by media disruption. Global trade tensions between the United States and China, protests in Hong Kong and risk of a no-deal Brexit weighed on the overall economic outlook and roiled financial markets.

Under such challenging economic climate, our operating profit was S\$186.9 million for the year ended 31 August 2019 (FY2019) as operating revenue declined S\$23.3 million or 2.4% to S\$959.3 million. The Group's net profit attributable to shareholders fell S\$65.2 million or 23.4% to S\$213.2 million.

Despite facing economic uncertainties and technological disruptions to the media business in the last FY, SPH stayed focused

in strengthening its fundamentals and seizing growth opportunities for transformation.

### GROWING DIGITAL MEDIA

Over the past FY, we have been constantly innovating and expanding our product offerings and services to acquire and retain customers.

The Straits Times' (ST) premium subscription packages launched last year continued to gain momentum with a total of 23,000

new subscriptions as at 31 August 2019, a growth of 8% year-on-year. #readwithST Campaign, a movement that encourages families to get together by reading and sharing the real life stories in ST which ran for three months, successfully garnered 6,900 new sign-ups.

In March 2019, SPH launched an innovative news tablet app via the Samsung Knox solution for our Chinese news products. With the news tablet, subscribers were able



to enjoy easy no-login access to e-paper editions of Lianhe Zaobao, Lianhe Wanbao and Shin Min Daily News, which would be updated automatically daily. The device allows users to read in an offline mode and encourages social sharing. A total of 10,000 subscribers signed up for this package as at mid-October 2019, a record high for digital packages for Chinese publications. There are plans to roll out our news tablets to other newspaper titles in the new FY.

A revamped biometric login was launched for SPH subscribers to seamlessly log in on their SPH mobile and tablet apps using Touch ID or Face-ID. Users are no longer required to re-enter their passwords for subsequent logins. The revamped login system resulted in better usability for users and shortened login time. It also allows for seamless biometric payment for mobile ecommerce in future.

The SPH Rewards programme launched a mobile app to reward loyal subscribers with exclusive benefits and privileges ranging from retail giveaways to wellness getaways.

We also strengthened our vending machine network with an additional 65 machines this year. Readers can now purchase one of our daily newspapers from any of the 115 machines that are conveniently located island-wide.

SPH is now developing a subscription propensity model

to identify news readers who would likely buy a subscription. A conversion score is generated by taking into consideration several metrics from the users' actions on our website. This score can then be used to segment these users and present unique experiences on the page as they continue their user journey, so as to increase the conversion rates of those who show a higher tendency to subscribe.

Digital media remains on the upswing with newspaper digital ad revenue rising 6% compared to a year ago.

We have come up with new initiatives and innovations to drive business value and provide media solutions for customers.

A new online ad format called "social cards" was launched. A first of its kind in Singapore, it allows any social media posts to be displayed as a normal online display ad for brands to extend their reach on Facebook and Instagram.

To better monitor advertisers and sales activities, we adopted the Salesforce CRM system which allowed the sales teams to have a comprehensive view of each customer and collaboration across divisions. AdPoint, a sales selling integrated solutions system which went live in February 2019, helped staff to take in bookings for all four platforms. It is linked to Salesforce to monitor sales activities, as well as to integrate with the pagination and scheduling systems for print and digital platforms.

The Agency Self-Service Portal (Addy), launched in July 2019, was conceived to consolidate the many sales systems and sites that our agency partners access on a daily basis. They can access Addy for

## CEO'S BUSINESS REVIEW

all matters relating to ad booking, bidding for premium advertisement positions and packages, transmission of materials, finance / accounts, rate cards, latest promotions and campaign brief templates.

### Transforming newsrooms

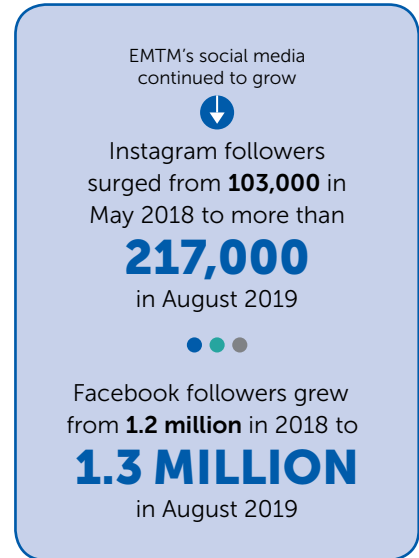
The newsrooms at English, Malay and Tamil Media (EMTM) Group underwent significant physical and organisational revamps to meet the new demands of consumers. The new set-up allows journalists and editors from different desks to collaborate and work more seamlessly across platforms, producing content for digital, mobile, video, radio and print products.

EMTM podcasts' monthly downloads rose from 5,000 in October 2018 to over 20,500 in July 2019. SPH secured US\$100,000 in funding

from Google to build its podcast infrastructure, split equally between EMTM and the Chinese Media Group (CMG). EMTM's social media continued to grow with Instagram followers surging from 103,000 in May 2018 to more than 217,000 in August 2019. Facebook followers grew from 1.2 million in 2018 to 1.3 million in August 2019.

Berita Harian (BH) is forging ahead as the voice of the Malay community and the go-to platform for Singaporean Malays. Its podcast series #NoTapis climbed to No.3 on Spotify within 2 months after launch. BH is also gearing up for a website and app revamp at the end of the year.

Tamil Murasu (TM) refreshed its digital identity and unveiled a new website in January 2019. The site's user base grew more than threefold (to about 63,000) and pageviews increased more than fourfold (to about 240,000) between September 2018 and July 2019.



CMG restructured its newsrooms last year, embedding digital capabilities into the core of its Lianhe Zaobao and Lianhe Wanbao NewsHub workflow to facilitate digital content creation across desks and drive audience-centric content development and delivery. CMG also set up an Audiences Development team to grow new audiences and deepen audience engagement across its platforms.

CMG was the sole winner from Singapore in the first Google News Initiative (GNI) Asia Pacific Innovation Challenge, which aims to support digital innovations and new business models in news organisations.





Zaobao.sg explored different storytelling elements and new interactive techniques to engage readers. It developed memorable characters in "Ah Boy & Friends", a short-form video series to highlight Singapore's customs and traditions, and used 3D technology to create a virtual museum in "Treasures Before Us", a video series which mark Singapore's Bicentennial.

In the era of fake news, our journalists continued to produce quality journalism and trusted media products, sweeping local and global accolades for their editorial excellence. The Straits Times Asia Report bagged two top honours at the prestigious International News Media Association (INMA) Global Media Awards 2019. Our financial journalists from Lianhe Zaobao and The Business Times also clinched awards for excellent reporting at the SIAS Investors' Choice Awards 2018.

### Innovative initiatives from magazines

Our magazines have also been developing digital media content. For example, Augmented Reality (AR) technology was used in Nuyou magazine for a more immersive storytelling. Brand Lab, SPH Magazine's in-house boutique content agency, was repositioned to deliver more video-centric solutions for advertisers.

SPH Magazines also continued to expand its distribution networks and platforms for retaining existing and attracting new readers. WIFI Library, SPH Magazines' proprietary solution which allowed out-of-home establishments to serve magazine content free to their

customers while logged into their Wi-Fi network, had since been rolled out successfully in Singapore, Malaysia, Indonesia, Thailand and the Philippines.

### More listeners on digital radio

Audiences are spending a longer time listening to SPH Radio, and more of them are tuning in digitally. The five radio stations maintained their overall share of audience in the first half of 2019, based on the findings of Nielsen radio diary survey. The half-yearly survey, which measures the listenership of traditional analog radio stations, also showed that audiences are tuning in to SPH Radio's stations for a longer duration each time.

SPH Radio's listenership continued to expand at a healthy rate. Analytics tracked by SPH showed that most of its stations registered double-digit growth in digital audiences over the last half-year in 2019. More than 890,000 people tuned in digitally through either the SPH Radio app or website to at least one of SPH's radio stations in May 2019, up 10% from October 2018. Podcasts are also emerging as a highly popular format among listeners, as total downloads increased by 45% across all five stations, as compared to October 2018.



### BOOSTING PRINT TECHNOLOGY

The new Digital Inkjet Press System at Print Centre enabled SPH to expand its print capabilities beyond newspaper production to include digital print solutions for SPH's internal products, advertisers and brand owners.

The new digital press provided greater content customisation across text, graphics and images and delivered more targeted ads to readers via personalised messages, wraparound and unique codes.

In terms of cost savings, the manpower requirement to operate the digital printing system is around 35% as compared to that of a single newspaper press. SPH can now in-source print jobs. The digital printing system reduces cash outflow from the company by allowing SPH to be a vendor for the business consumers to consider printing products other than newspapers.

## CEO'S BUSINESS REVIEW

SPH signed a memorandum of understanding with Times Printers on 31 July 2019 to further strengthen our printing capabilities in digital and offset printing and post-finishing production, pooling together relevant expertise and resources. With combined experience and sales network, this partnership allows both parties to achieve a comprehensive and cost-effective commercial print service.

### EXPANDING PBSA PORTFOLIO AND OTHER PROPERTY ASSETS

Since our initial acquisition of Purpose-Built Student Accommodation (PBSA) in September 2018, we have grown our portfolio significantly. Our latest acquisition was in April this year, adding £133.7 million (S\$236.5 million) worth of assets, bringing our total portfolio to 5,059 beds across 20 assets in 10 cities in the United Kingdom (UK).

The Assets Under Management (AUM) for PBSA are now in excess of S\$600 million, establishing SPH as a leading PBSA player in the UK. We recognised a fair value gain on investment properties of S\$35 million on our PBSA portfolio. The gain comes within a year of the Group's expansion into the student accommodation sector, reflecting strong investor demand for the assets.

The growth was supported by positive demand-supply dynamics in the UK, driven by an increase in the number of 18-year-olds as well as demand from international students. Applications from China rose more than 30% last year to a record high, fuelled by United States' visa restrictions over students from China. Another factor supporting growth has been the attractive value of Sterling.



We started operationalising our asset management capabilities for PBSA under the new Capitol Students brand. It has a dedicated team of five in the UK and eight in Singapore overseeing the portfolio together with more than 100 employees managing these assets.

There are plans to ramp up marketing capabilities in China through partnerships. We have also transformed our PBSA's operational capabilities by building Capitol Students into a brand of choice in the PBSA sector. We aim to establish service differentiation and brand presence in the competitive industry.

Riding on the growth of our PBSA portfolio, we will continue to seek

international acquisitions and cash-yielding property investments in defensive sectors with strong recurring income potential.

Back on the home front, we launched The Woodleigh Residences together with Kajima Development in May 2019. The development, which is Singapore's only premium integrated development that combines Japanese design and quality, is around 20% sold as at September 2019.

SPH also invested US\$60m for a 7.38% stake in the Prime US REIT IPO and a 20% stake in the REIT manager. The forecasted 2019 distribution yield of Prime US REIT is 7.4% based on IPO price of US\$0.88. We divested our investment in

➔ **Riding on the growth of our PBSA portfolio, we will continue to seek international acquisitions and cash-yielding property investments in defensive sectors with strong recurring income potential.**



Chinatown Point and recognised a S\$10.4m gain in May 2019.

In the face of a challenging retail environment, SPH REIT turned in a commendable performance this FY. Its net property income (NPI) for FY2019 was S\$179.8 million, an increase of S\$13.8million or 8.3% compared to last year.

Paragon and The Clementi Mall continued to deliver steady performance and contributed an increase in NPI of approximately S\$2 million.

SPH REIT expanded overseas for the first time by acquiring an 85% stake in Figtree Grove Shopping Centre in Australia in December 2018, following its acquisition of The Rail Mall in June 2018. For FY2019, NPI contribution from The Rail Mall and Figtree Grove Shopping Centre were S\$3.8 million and S\$8.5 million, respectively.

SPH REIT established a S\$1 billion multi-currency debt issuance programme in August 2019. The debt programme involved the REIT issuing notes and perpetual securities. It was very well received with a good mix of both institutional and private investors. Net proceeds will be used for general working capital, capital expenditure, corporate requirements such as acquisitions and investments, and refinancing borrowings.

SPH REIT's properties maintained high occupancy at 99.1% as at FY2019. Paragon continued to record positive rental reversion of 9.7% for new and renewed leases. This represented 26.6% of Paragon's net lettable area. The Clementi Mall and The Rail Mall recorded positive rental reversion of 5% and 9.4% respectively. The overall portfolio registered a positive rental reversion

## CEO'S BUSINESS REVIEW

of 8.4%. The newly-acquired Figtree Grove enjoyed a high occupancy rate of 99.2%.

SPH REIT will continue to explore growth opportunities in Singapore and the Asia-Pacific region. It will adopt a disciplined approach to invest and grow recurring income in Singapore and beyond.

### INVESTING IN TECHNOLOGY

To transform SPH into an innovative, tech-savvy and progressive company, SPH announced the merger of the Information Technology Division and the technology unit of Digital Division to form SPHTech in 2018.

With an increasing pressure to ensure organisational cybersecurity and protection of customers' data against cyber attacks, the Group has implemented a series of IT programmes such as source code scanning tools, secure coding benchmarking system and the integration of a gamified secure coding training platform to increase our proficiency in dealing with cyber threats.

The Mainframe Replacement Project was successfully completed, facilitating improvements in operational performance and scalability, and ensuring future growth and stability of our core media business. SPHTech also created new apps such as eClaims, eMemo and eCSAR to promote environmentally friendly practices and improve internal workflow efficiencies.

For external audiences, the team developed innovative products such as news tablets to enhance users' experience and Photonic,

an award-winning website offering high-quality stock images on Asia.

On 19 August 2019, SPHTech organised the inaugural SPH Tech Day to raise the awareness on technology disruption and help staff understand new tech trends, embrace the right technologies and develop new business models.

### BUILDING DIGITAL BUSINESSES

On 7 January 2019, SPH and Keppel Corporation, through our joint venture company, Konnectivity Pte Ltd, made a formal Voluntary Conditional General Offer for all the issued and paid up ordinary shares in the capital of telco M1 Limited. The Offer closed successfully on 18 March 2019. SPH's stake in Konnectivity is 20% and effective stake in M1 is 16% post transaction.

The successful execution of the general offer was followed by the delisting of M1 on 24 April 2019. SPH and Keppel are working closely with M1 on a multi-year transformational journey to enhance its competitiveness, creating greater value for M1's customers. We will fully leverage synergies between Keppel and SPH's comprehensive suite of product offerings with M1's mobile platform to offer on demand and ready digital content to better serve our customers.

sgCarMart, the leading marketplace for cars, generated a steady revenue growth and profit margins throughout the year. The company's Quotz bidding system, which puts used cars up for bidding, is a key growth driver. It also launched sgCarMart Financial Services in late 2018 to offer loans for car dealers and buyers.

FastJobs strengthened its market foothold in the region with more than 2.5 million downloads across Singapore, Malaysia and the Philippines, and gained industry recognition with three awards at the HR Vendors of the Year 2018, Singapore.

OctoRocket was launched as a joint venture with Y3 Technologies in January 2019 to enable cross-border trade between suppliers and buyers from Singapore, Indonesia, Malaysia, Thailand and Vietnam.

Seven regional media publishers and marketplace owners were added to Singapore Media Exchange (SMX). The expansion offers advertisers increased options to reach audiences in the region.

SPH Ventures continued to invest in promising startups in sectors such as Digital Media, Marketing Technology and Consumer Internet. Its investments include SoCash and Pouchnation. SoCash enabled Buzz convenience stores to conduct cash services, attracting footfall to the stores.

### STRENGTHENING AGED CARE BUSINESS

Orange Valley (OV) Nursing Homes leveraged on its market positioning as one of Singapore's largest private sector players to pilot new initiatives. It focused on enhancing operational capabilities and rationalising costs to be more efficient.

OV continued to improve bed occupancy rate supported by 2.5% year-on-year growth in average bill size. It introduced age-care technologies for its smart nursing home in Balestier. Partnering StarHub, the Balestier Care Centre commenced a living lab concept involving installation of the Fall & Motion sensors on residents' beds.

The Balestier Care Centre also launched the Longevity Day Care services for the elderly to care for and engage them with activities in the day. The Day Care programmes include coordinated activities and a dementia centric therapy programme known as Namaste Care, targeted at clients with dementia. OV also renovated its facilities at the Changi branch.

## VALUING OUR HUMAN CAPITAL

We invest in the training and development of our staff. This includes helping them to strengthen their multimedia competencies in the face of the changing demands from a new generation of media consumers.

In FY2019, close to 700 staff attended digital-based courses such as WOW Innovation Foundation training, Google Analytics, Digital Marketing and Social Media Content training.

We will continue with our Innovation Foundation Training. We have developed 30 practitioner-level employees from over 300 employees who went through the training programme. Out of the 30 staff, three will be developed as coaches. These employees will form the backbone of the company's transformational efforts.

The emphasis over the next few years is to roll out core skills training to all staff to equip them with the relevant skills to take on challenges in the media industry.

We will also continue to refresh and update our on-boarding and induction programmes, on-the-job training, soft skills training, functional skills training, managerial and leadership development programmes to meet the training needs of employees. An updated

career and training roadmap was launched for the newsrooms in 2019. We are currently reviewing the training roadmaps for the other media and SPHTech divisions.

SPH participated in the Singapore-Industry Scholarship (SgIS) scheme, supported by IMDA to build a talent pipeline for SPHTech and Production divisions by sponsoring undergraduates to study technology or engineering in local universities. We actively participated in career talks and fairs at junior colleges and universities in Singapore to create awareness and highlight career opportunities in the company.

SPH also provided bond-free scholarships to deserving children of employees and newspaper vendors for higher education.

## LOOKING AHEAD

We will continue to execute our media transformation strategy, grow our recurring income and diversify our revenue streams. We have been reviewing our existing businesses and investments regularly with a view to recycling capital and enhancing capital management to deliver sustainable shareholder returns.



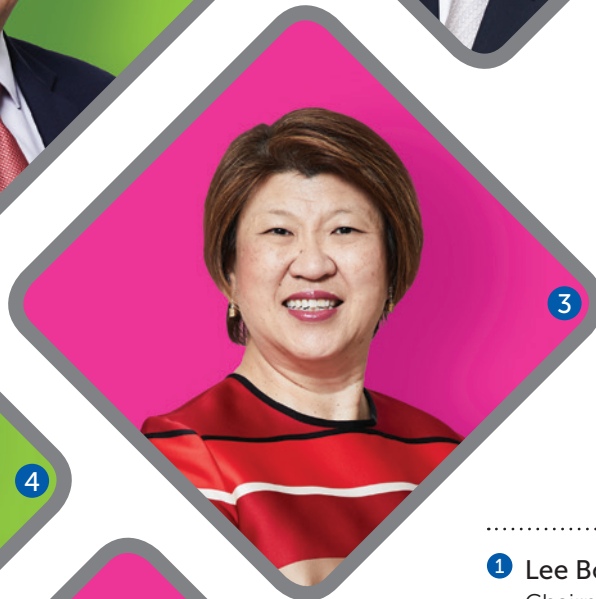
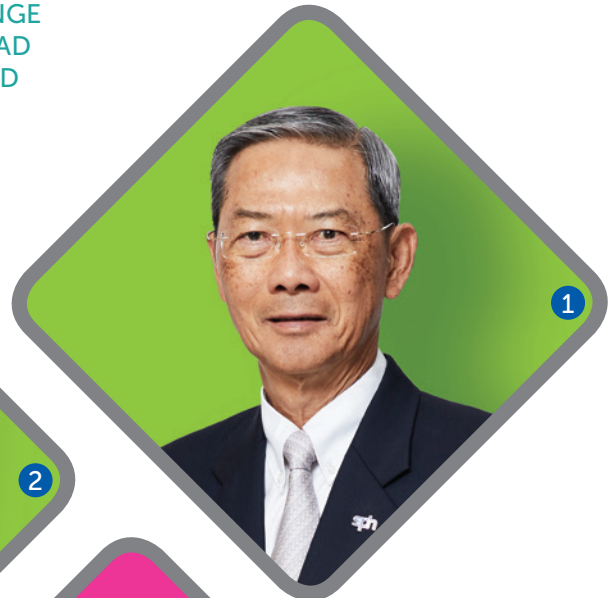
We strive to strengthen our management bench with strategic new hires, review overall cost structure and exercise cost management where necessary and relevant.

I would like to take this opportunity to thank shareholders, readers, advertisers, colleagues, unions and other stakeholders for your unstinting support as we continue to seize opportunities to transform for greater growth.

**Ng Yat Chung**  
Chief Executive Officer

## ●● BOARD OF DIRECTORS

OUR BOARD OF DIRECTORS COME FROM A WIDE RANGE OF BACKGROUNDS TO ENABLE US TO ACCESS A BROAD KNOWLEDGE BASE. THEY DEFINE SPH'S STRATEGY AND OVERSEE ITS PERFORMANCE.



- 
- ① **Lee Boon Yang**  
Chairman  
Non-Executive and  
Independent Director
  - ② **Ng Yat Chung**  
Chief Executive Officer  
Executive and  
Non-Independent Director
  - ③ **Janet Ang Guat Har**  
Non-Executive and  
Independent Director
  - ④ **Bahren Shaari**  
Non-Executive and  
Independent Director
  - ⑤ **Chong Siak Ching**  
Non-Executive and  
Independent Director

- .....
- ⑥ **Andrew Lim Ming-Hui**  
Non-Executive and Independent Director
  - ⑦ **Lim Ming Yan**  
Non-Executive and Independent Director
  - ⑧ **Quek See Tiat**  
Non-Executive and Independent Director
  - ⑨ **Tan Chin Hwee**  
Non-Executive and Independent Director
  - ⑩ **Tan Yen Yen**  
Non-Executive and Independent Director





## BOARD OF DIRECTORS

1

### 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 and Information.

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.

2

### 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.



3

**JANET ANG GUAT HAR**

Janet was appointed Director of SPH on 17 October 2014.

She has more than 37 years of experience in the Info-Comm Technology Industry. Her most recent role was IBM Vice President, Asia Pacific where she was responsible for leading IBM's industry value creation for Asia Pacific clients across key industries by bringing together IBM's portfolio of Cognitive, AI, Blockchain and Cloud technologies and industry platforms. She also led the charge for helping cities in Asia become smarter, cognitive cities. Janet has been an IBM Executive since 1997 and a member of the IBM Industry Academy. She has assumed different management roles including as Managing Director of IBM Singapore. Janet has been on international assignments in Tokyo and Beijing including four years with the Lenovo Group.

Janet is the Chairman of the NUS' Institute of Systems Science, Chairman of Caritas Board of Trustees, Chairman of SISTIC.com Pte Ltd, Board Member of The Esplanade Company Ltd, Board Member of SBF Foundation and Council Member of the Singapore Business Federation chairing SBF's Digitalisation Committee. She also serves on the NUS Alumni Advisory Board, the Council of Board Diversity, the Advisory Board of Honour (Singapore) and the Advisory Board of mobilityX.com Pte Ltd. She was most recently, 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 award and on National Day 2019, Janet was recognized for her leadership and contributions with the Public Service Medal.

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

4

**BAHREN SHAARI**

Bahren was appointed to the Board on 1 April 2012. He is Chief Executive Officer of Bank of Singapore.

Bahren was appointed Chief Executive Officer of Bank of Singapore on 1 February 2015. He was previously the Senior Managing Director and Global Market Head of South East Asia. He has more than 30 years of banking experience and is an executive committee member of Singapore's Private Banking Industry Group. 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.

He has been an alternate member of the Council of Presidential Advisers since 2017. In 2019, he was appointed by the Monetary Authority of Singapore to serve on the Corporate Governance Advisory Committee. The Committee is an industry-led body established to advocate good corporate governance practices among entities listed on the Singapore Exchange.

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

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



## BOARD OF DIRECTORS

### 5 ..... CHONG SIAK CHING

Siak Ching was appointed a Director of SPH on 22 October 2010.

She is the Chief Executive Officer and a Board Director of the National Gallery Singapore. She was recognised as the 'Outstanding CEO of the Year' in the Singapore Business Awards 2009.

Siak Ching is the Chairperson of the Singapore Note and Coin Advisory Committee (SNCAC). She is also a Director of Mandai Park Holdings Pte. Ltd., the Singapore Tyler Print Institute, the Singapore Art Museum and Yale-NUS College Governing Board. She is Singapore's Non-Resident Ambassador to Chile.

She was the President and Chief Executive Officer of Ascendas Pte Ltd and served in the Ascendas group of companies from 2000 to 2013. Prior to this, she was the Deputy Chief Executive Officer of JTC Corporation from 2000 to 2001.

Siak Ching graduated from the National University of Singapore (NUS) with an Honours Degree in Estate Management. She also has a Masters in Business Administration from NUS and has completed the Advance Management Program at Harvard Business School. She was conferred a Distinguished Alumni Award by NUS in the Faculty of Architecture and Building Management in 1999. In 2009, she was again conferred a NUS Distinguished Alumni Service Award in recognition of her unwavering commitment and service to her alma mater.

### 6 ..... 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.

## 7 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 Ascot Limited from 2009 to 2012 and CEO of CapitaLand China from 2000 to 2009.

He built "One CapitaLand" through the sale of AustraLand and the privatisation of CapitaMall Asia. As the CEO of CapitaLand China, he grew the company into the largest and most successful foreign real estate player in China. Under his leadership and guidance, the Ascott Group grew four times from a portfolio of about 25,000 serviced residence units to one of more than 100,000 units. Ming Yan also spearheaded rapid adoption of new technology within the Group.

Ming Yan Lim serves on various committees in the community. He is the Chairman of Workforce Singapore, a member of Singapore's Future Economy Council and Co-Chairman of its Built Environment Sub-Committee. He is also a board director of Business China and of the Singapore Tourism Board, Governor of Singapore-China Foundation Ltd and a member of the Board of Trustees of the Chinese Development Assistance Council.

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.

## 8 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. 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.



## BOARD OF DIRECTORS

### 9 ..... TAN CHIN HWEE

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 as well as the International Olympic Council in a Independent Advisor role.

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 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).

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. 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.

### 10 ..... TAN YEN YEN

Yen Yen joined the Board on 1 April 2012.

She is currently President, Asia Pacific, Vodafone Global Enterprise Singapore Pte Ltd.

She is 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 was the Regional Vice-President and Managing Director of SAS South Asia Pacific, SAS Institute Inc. Prior to that, she was Senior Vice President, Applications, Oracle Corporation Asia Pacific, and Vice President and Managing Director for Hewlett-Packard Singapore.

Yen Yen has played an active role in Singapore's infocomm industry, having served as Chairman of the Singapore Infocomm Technology Federation and Deputy Chairperson on the Ministry of Information, Communications and the Arts (MICA) Internet and Media Advisory Committee. She was also a member of the Government Parliamentary Council of MICA and the Economic Strategies Committee's IT Working Group subcommittee and the Singapore Institute of Management's International Academic Panel. She was in the Ministry of Culture, Community and Youth's High Performance Sports Performance & Selection Sub-Committee that steers the development of High Performance Sports in Singapore. She was also a member of the ASEAN Para Games Organising Steering Committee and the sub-committee for Corporate Capabilities and Innovation for the Singapore Government's Committee on the 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.

## FURTHER INFORMATION ON BOARD OF DIRECTORS

1 .....

### LEE BOON YANG

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 (1/9/14 - 31/8/19)**

Nil

2 .....

### NG YAT CHUNG

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:**

1 December 2016

**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 (Director) (as manager of SPH REIT\*)

**Major Appointments (other than Directorships)**

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

**Directorships over the past 5 years (1/9/14 - 31/8/19)**

- ➔ Neptune Orient Lines Ltd\* (Director)

## FURTHER INFORMATION ON BOARD OF DIRECTORS

3

### JANET ANG GUAT HAR

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
- ➔ Board Risk Committee

**Academic & Professional Qualifications**

- ➔ Business Administration (Honors),  
National University of Singapore

**Present Directorships**

- ➔ The Esplanade Company Ltd (Board Member)
- ➔ SISTIC.com Pte Ltd (Chairman)
- ➔ mobilityX.com Pte Ltd (Advisory Board member)

**Major Appointments (other than Directorships)**

- ➔ Caritas Singapore (Chairman)
- ➔ NUS Institute of Systems Science (ISS) (Chairman)
- ➔ Singapore Business Federation (Council Member)  
and Digitalisation Committee (Chairman)
- ➔ Business China (Member)
- ➔ Diversity Action Committee (DAC) (Member)

**Directorships over the past 5 years (1/9/14 - 31/8/19)**

- ➔ IBM Singapore Pte. Ltd. (Director)
- ➔ 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)

4

### BAHREN SHAARI

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  
(Alternate Member)

**Directorships over the past 5 years (1/9/14 - 31/8/19)**

- ➔ BOS Korea Securities Co. Ltd (Director)

5 .....

**CHONG SIAK CHING**

Non-Executive and Independent Director

**Date of first appointment as a director:**

22 October 2010

**Date of last re-election as a director:**

1 December 2016

**Board Committee(s) served on:**

- ➔ Nominating Committee
- ➔ Remuneration Committee

**Academic & Professional Qualifications**

- ➔ Estate Management (Hons), National University of Singapore
- ➔ Masters in Business Administration, National University of Singapore
- ➔ Advanced Management Program, Harvard Business School.

**Present Directorships**

- ➔ Mandai Park Holdings Pte. Ltd. (Director)

**Major Appointments (other than Directorships)**

- ➔ Singapore-India Partnership Foundation (Director)
- ➔ Yale-NUS College Governing Board (Director)
- ➔ 3Fleur Pte. Ltd. (Director)
- ➔ National Gallery Singapore (Director)
- ➔ Singapore Tyler Print Institute (Director)
- ➔ Singapore Art Museum (Director)
- ➔ Ministry of Foreign Affairs, Ambassador to Chile (Non-Resident)
- ➔ Singapore Note and Coin Advisory Committee (SNCAC) (Chairperson)

**Directorships over the past 5 years (1/9/14 - 31/8/19)**

- ➔ National University of Singapore Board of Trustees (Trustee)
- ➔ Jurong Health Services Pte. Ltd. (Director)
- ➔ Institute of South Asian Studies (ISAS), National University of Singapore (Member)
- ➔ Nanyang Business School Advisory Board (Director)
- ➔ Economic Development Innovations Singapore Pte Ltd (Director)
- ➔ National Arts Council (Council Member)

6 .....

**ANDREW LIM MING-HUI**

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 (1/9/14 - 31/8/19)**

- ➔ 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)

## FURTHER INFORMATION ON BOARD OF DIRECTORS

7

### LIM MING YAN

Non-Executive and Independent Director

**Date of first appointment as a director:**

3 June 2019

**Date of last re-election as a director:**

not applicable

**Board Committee(s) served on:**

- ➔ Nominating Committee<sup>@</sup>
- ➔ Remuneration Committee<sup>@</sup>

**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) (Independent Director)
- ➔ Central China Real Estate Limited (Director)

**Major Appointments (other than Directorships)**

- ➔ Business China (Director)
- ➔ Singapore Tourism Board (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)
- ➔ Indonesia-Singapore Business Council (Member)

**Directorships over the past 5 years (1/9/14 - 31/8/19)**

- ➔ 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)

8

### QUEK SEE TIAT

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)
- ➔ Pavillion Energy Pte Ltd (Director)
- ➔ Temasek Foundation Connects CLG Limited (Director)

**Major Appointments (other than Directorships)**

- ➔ Monetary Authority of Singapore (Board Member)
- ➔ Council of Estate Agencies (President)

**Directorships over the past 5 years (1/9/14 - 31/8/19)**

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

\* Public-listed company  
@ appointed on 3 June 2019



9

**TAN CHIN HWEE**

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)**

- ➔ 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)
- ➔ International Olympic Council (Independent Advisor)

**Directorships over the past 5 years (1/9/14 - 31/8/19)**

- ➔ Keppel REIT Management Limited (Director) (as manager of Keppel REIT\*)
- ➔ 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)

10

**TAN YEN YEN**

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:**

- ➔ Remuneration Committee
- ➔ Board Risk Committee

**Academic & Professional Qualifications**

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

**Present Directorships**

- ➔ 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)
- ➔ Asia Pacific, Vodafone Global Enterprise Singapore Pte Ltd (President)

**Directorships over the past 5 years (1/9/14 - 31/8/19)**

- ➔ Cap Vista Pte Ltd (Director)
- ➔ Gemalto NV\*# (Director)
- ➔ Singapore Institute of Directors (Director)
- ➔ Ministry of Culture, Community and Youth – ASEAN Para Games Steering Committee (Member)
- ➔ Ministry of Culture, Community and Youth High Performance Sports, Performance & Selection Committee (Member)
- ➔ Singapore Committee on the Future Economy (Member)
  - sub-committee for Corporate Capabilities and Innovation
- ➔ Defence Science and Technology Agency (DSTA) (Director)

# listed on SIX Swiss Stock Exchange

\* Public-listed company

@ listed on Euronext Amsterdam, and Euronext Paris

## ● ● SENIOR MANAGEMENT



- .....
- ① Anthony Tan
  - ② Chua Hwee Song
  - ③ Glen Francis
  - ④ Ginney Lim
  - ⑤ Mable Chan
  - ⑥ Ignatius Low
  - ⑦ Janice Wu



- .....
- 8 Chua Wee Phong
  - 9 Julian Tan
  - 10 Warren Fernandez
  - 11 Lee Huay Leng
  - 12 Goh Sin Teck
  - 13 Lim Swee Yeow
  - 14 Gaurav Sachdeva

## ●● SENIOR MANAGEMENT

1

### 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 the SPH Radio network.

Anthony also manages the Group's aged care business.

Anthony currently chairs several SPH subsidiaries, and sits on the board of SP Group as well as several nonprofit/community organisations.

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.

2

### CHUA HWEE SONG

#### Chief Financial Officer

Hwee Song was appointed as Chief Financial Officer of SPH on 1 April 2018.

Hwee Song has many years of experience in investments and corporate finance. He was the founder and Managing Director of Tembusu Ventures Pte Ltd, where he managed a private equity fund that invests in growth companies throughout Asia since 2005. He was a director and Group CFO of CWG International Ltd from 2015 to 2018, prior to his present role.

Prior to Tembusu, he was with the Singapore Economic Development Board, where he led the promotion of technology entrepreneurship and development of the enterprise financing infrastructure in Singapore, with a specific focus 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, and he is also a Chartered Financial Analyst and Chartered Accountant.

3

### GLEN FRANCIS

#### Chief Technology Officer

Glen is the Chief Technology Officer of SPH. Glen is digital, 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.

In his most recent appointments, Glen was CIO for Global Logistic Properties Limited (GLP) and Regional Head of IS, Asia Pacific, RS Components Pte Ltd (RS). Prior to RS, Glen 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. 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.

Glen has an MBA degree from the University of Adelaide.

4

### 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, 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.

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.

5

### **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.

6

### **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.

7

### **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 MindChamps Preschool Limited and iFast Corporation Ltd. She is also a director of M1 Limited, 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.

## ●● SENIOR MANAGEMENT

### 8 ..... **CHUA WEE PHONG** Executive Vice-President Circulation

Wee Phong has been with SPH for 25 years. He joined Circulation in May 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 played a key role in setting up the Singapore Media Exchange (SMX), a premium advertising exchange Joint Venture between media giants SPH and MediaCorp. He now sits on its board as a Director.

He also sits on the Boards of various consumer and technology companies like M1, Qoo10, SgCarmart, Streetsine 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.

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 the National Parks Board (NParks), SPH (Overseas) Ltd, Straits Times Press Pte 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 has recently been elected President of World Editors Forum (WEF) which is the leading network for print and digital editors of newspapers and news organisations around the world. WEF is part of the World Association of Newspapers and News Publishers (WAN-IFRA).

### 9 ..... **JULIAN TAN** Chief of Digital Business

Julian is the Chief of Digital Business for Singapore Press Holdings (SPH). He oversees 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.

### 10 ..... **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

### 11 ..... **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 Vice-President (New Growth) of Lianhe Zaobao in November 2015.

For public service, Huay Leng currently serves as a member of the Public Transport Council, Founders' Memorial Committee and Lifelong Learning Council. 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.

## 12

### 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.

## 13

### LIM SWEE YEOW

Senior Vice-President  
Production

Swee Yeow has been with SPH for 19 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.

He was involved in major projects with the company's printing presses and print processes such as the GOSS Colorliner upgrades (2011), manroland Uniset (2008) and KBA Commander (2002). He was also responsible for building the state-of-art printing presses and mailroom systems. This year the Production Division started to print commercial products with the purchase of a digital press and related post print equipment.

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.

## 14

### 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 17 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.

# DAILY AVERAGE NEWSPAPERS CIRCULATION

AUGUST 2019

Daily Average Newspapers Circulation <sup>1</sup>	Aug 2019	Aug 2018
<b>The Straits Times / The Sunday Times</b>		
<b>Print + Digital</b>	<b>386,100</b>	<b>370,700</b>
Print	203,900	232,500
Digital	182,200	138,200
<b>The Business Times</b>		
<b>Print + Digital</b>	<b>42,600</b>	<b>43,400</b>
Print	24,400	26,000
Digital	18,200	17,400
<b>Berita Harian / Berita Minggu</b>		
<b>Print + Digital</b>	<b>28,500</b>	<b>32,000</b>
Print	26,500	30,400
Digital	2,000	1,600
<b>Lianhe Zaobao</b>		
<b>Print + Digital</b>	<b>154,900</b>	<b>152,200</b>
Print	118,700	126,400
Digital <sup>2</sup>	36,200	25,800
<b>Lianhe Wanbao</b>		
<b>Print + Digital</b>	<b>67,700</b>	<b>64,300</b>
Print	53,500	58,200
Digital <sup>2</sup>	14,200	6,100
<b>Shin Min Daily News</b>		
<b>Print + Digital</b>	<b>89,500</b>	<b>88,600</b>
Print	75,700	83,000
Digital <sup>2</sup>	13,800	5,600
<b>Tamil Murasu / Tamil Murasu Sunday</b>		
<b>Print + Digital</b>	<b>8,400</b>	<b>9,400</b>
Print	7,700	8,800
Digital	700	600
<b>NewsEd<sup>3</sup></b>		
<b>Digital</b>	<b>7,500</b>	<b>11,200</b>
<b>zbCOMMA<sup>3</sup></b>		
<b>Print + Digital</b>	<b>105,800</b>	<b>96,700</b>
Print	54,000	48,300
Digital	51,800	48,400
<b>Thumbs Up<sup>3</sup></b>		
<b>Print + Digital</b>	<b>21,100</b>	<b>25,300</b>
Print	11,000	14,000
Digital	10,100	11,300
<b>Thumbs Up Junior<sup>3</sup></b>		
<b>Print + Digital</b>	<b>9,400</b>	<b>14,500</b>
Print	5,000	8,200
Digital	4,400	6,300
<b>Thumbs Up Little Junior<sup>3</sup></b>		
<b>Print</b>	<b>35,500</b>	<b>36,300</b>
<b>Balar Murasu<sup>3</sup></b>		
<b>Print</b>	<b>3,400</b>	<b>3,400</b>

## 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.
- Aug 2018 digital figures have been restated to exclude Sin Chew Barter which ceased in Sep 2018.
- Figures are reported on per issue basis.

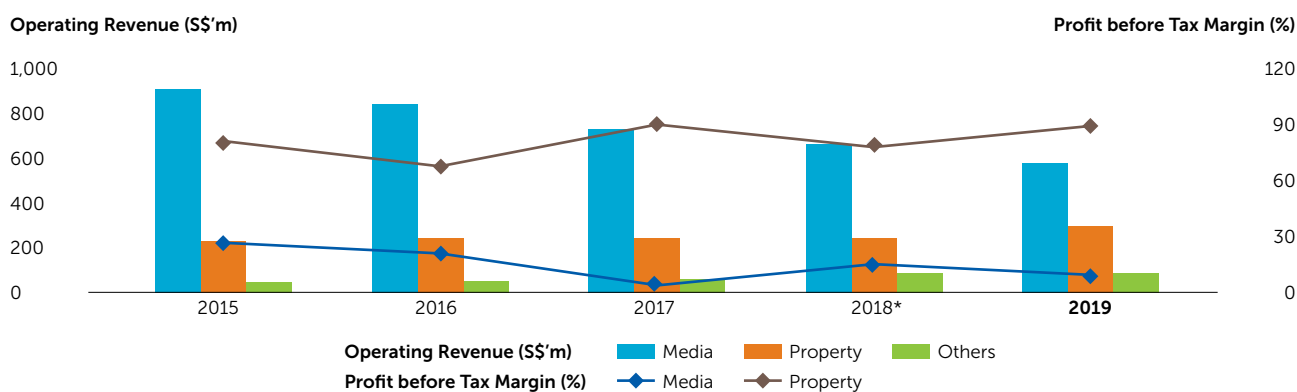


# FINANCIAL REVIEW

## Group Simplified Financial Position

	2019 S\$'000	2018* S\$'000	2017 S\$'000	2016 S\$'000	2015 S\$'000
<b>Assets</b>					
Property, plant and equipment	188,023	190,649	235,042	219,523	249,976
Investment properties	5,014,896	4,155,122	4,034,771	3,963,000	3,940,951
Investments <sup>#</sup>	784,537	710,613	972,586	1,134,961	1,184,114
Intangible assets	141,197	176,028	204,443	149,312	188,595
Cash and cash equivalents	554,435	359,498	312,647	312,894	292,246
Trade and other receivables	398,745	539,424	323,356	142,684	196,580
Inventories	23,472	22,636	21,892	21,225	12,477
Other assets	2,085	239	1,673	289	5,103
<b>Total</b>	<b>7,107,390</b>	<b>6,154,209</b>	<b>6,106,410</b>	<b>5,943,888</b>	<b>6,070,042</b>
<b>Shareholders' interests</b>					
<b>Shareholders' interests</b>	<b>3,488,456</b>	<b>3,430,279</b>	<b>3,488,398</b>	<b>3,517,326</b>	<b>3,618,813</b>
<b>Perpetual securities</b>	<b>150,512</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Non-controlling interests</b>	<b>1,068,180</b>	<b>761,152</b>	<b>734,926</b>	<b>724,078</b>	<b>727,837</b>
<b>Liabilities</b>					
<b>Borrowings</b>					
Non-current	1,646,008	1,312,507	528,044	1,197,399	947,271
Current	411,001	294,853	971,695	99,954	336,681
<b>Trade and other payables</b>					
Non-current	40,475	39,362	37,556	43,444	48,199
Current	228,328	230,527	241,352	245,665	271,171
<b>Taxation</b>					
Deferred	34,431	33,093	49,190	47,372	50,658
Current	36,099	47,682	46,591	56,271	62,331
Other liabilities	3,900	4,754	8,658	12,379	7,081
<b>Total</b>	<b>7,107,390</b>	<b>6,154,209</b>	<b>6,106,410</b>	<b>5,943,888</b>	<b>6,070,042</b>

## Segmental Operating Revenue and Profit Margin



\* 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.

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

# VALUE ADDED STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019

	2019 S\$'000	2018* S\$'000
Sale of goods and services	959,255	982,555
Purchase of materials and services	(295,423)	(291,974)
<b>Value added from operations</b>	<b>663,832</b>	<b>690,581</b>
<b>Non-production income and expenses:</b>		
Net income from investments	9,834	115,175
Share of results of associates and joint ventures	19,119	(4,928)
Impairment loss on trade receivables	(690)	(306)
Bad debts recovery	46	15
Profit on disposal of property, plant and equipment	75	182
Impairment of goodwill and intangibles	(23,603)	(22,356)
Gain on divestment of interests in subsidiaries	396	–
(Loss)/Gain on divestment of interests in associates	(426)	5,881
Net foreign exchange differences from operations	1,965	206
<b>Total value added</b>	<b>670,548</b>	<b>784,450</b>
<b>Distribution:</b>		
Employees' wages, provident fund contributions and other benefits	342,782	360,853
Corporate and other taxes	63,538	71,816
Finance costs	49,272	37,513
Donation and sponsorship	844	904
Directors' fees	1,530	1,459
Net dividends to shareholders	201,728	242,309
Accrued distribution for perpetual securities	1,688	–
<b>Total distributed</b>	<b>661,382</b>	<b>714,854</b>
<b>Retained in the business:</b>		
Fair value change on investment properties	(82,407)	(45,702)
Depreciation and amortisation	35,443	36,340
Non-controlling interests	46,335	42,887
Retained earnings	9,795	36,071
	<b>670,548</b>	<b>784,450</b>
<b>Productivity ratios:</b>		
	S\$	S\$
<b>Value added</b>		
Per employee	162,346	163,219
Per \$ employment costs	1.94	1.91
Per \$ investment in property, plant and equipment (before depreciation)	0.68	0.71
Per \$ operating revenue	0.69	0.70

\* 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.

## CORPORATE INFORMATION

### EXECUTIVE COMMITTEE

Lee Boon Yang (Chairman)  
Bahren Shaari  
Ng Yat Chung  
Quek See Tiat

### 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)  
Janet Ang Guat Har  
Ng Yat Chung  
Tan Yen Yen

### NOMINATING COMMITTEE

Bahren Shaari (Chairman)  
Lee Boon Yang  
Chong Siak Ching  
Andrew Lim Ming-Hui  
Lim Ming Yan

### REMUNERATION COMMITTEE

Lee Boon Yang (Chairman)  
Chong Siak Ching  
Lim Ming Yan  
Tan Yen Yen  
Tan Chin Hwee

### 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  
80 Robinson Road, #02-00  
Singapore 068898  
Tel: (65) 6236 3333

# INVESTOR RELATIONS

## Investor Relations Calendar

### 1ST QUARTER 2019 (SEPTEMBER – NOVEMBER 18)

- ➔ 2018 Full Year Financial Results Announcement, Media Conference and Analysts' Briefing
- ➔ Credit Suisse Investor Luncheon
- ➔ Lim & Tan TR and Client Event
- ➔ Conference calls, meetings with analysts and investors

### 2ND QUARTER 2019 (DECEMBER 18 – FEBRUARY 19)

- ➔ Annual General Meeting
- ➔ Payment of 2018 Final Dividends
- ➔ Announcement of 1Q FY2019 Financial Results, Media Conference and Analysts' Briefing
- ➔ Conference calls, meetings with analysts and investors

### 3RD QUARTER 2019 (MARCH – MAY 19)

- ➔ Announcement of 2Q FY2019 Financial Results, Media Conference and Analysts' Briefing
- ➔ CLSA Investor Luncheon
- ➔ CLSA KL Investor Non-Deal Roadshow
- ➔ Conference calls, meetings with analysts and investors

### 4TH QUARTER 2019 (JUNE – AUGUST 19)

- ➔ Announcement of 3Q FY2019 Financial Results, Media Conference and Analysts' Briefing
- ➔ Conference calls, meetings with analysts and investors

## Financial Calendar

### 2019

- 17 October**  
Announcement of FY 2019 Results
- 9 December**  
Record Date for Dividend Entitlement
- 20 December**  
Proposed Payment of 2019 Final Dividends

### 2020\*

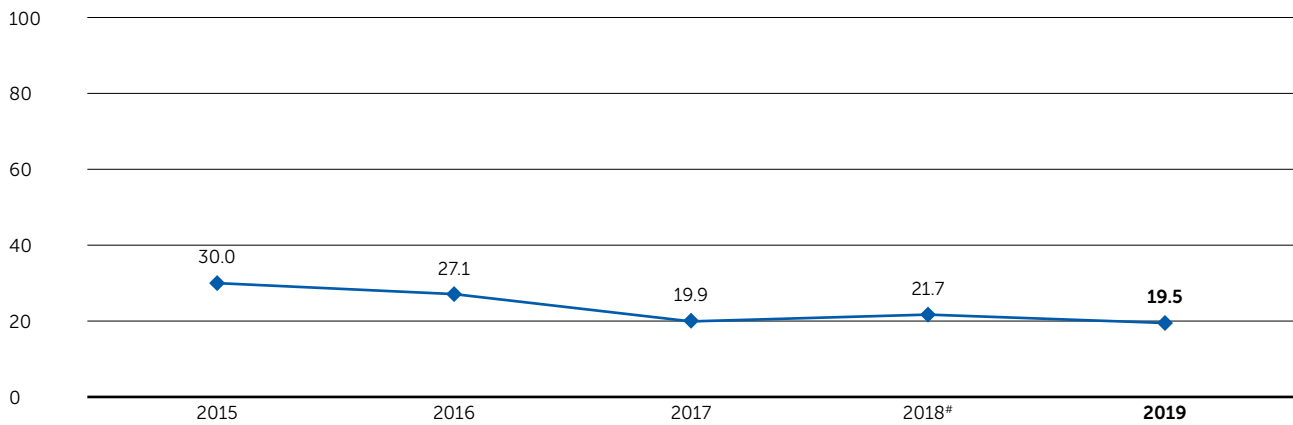
- 10 January**  
Announcement of 1Q FY 2020 Results
- 7 April**  
Announcement of 2Q FY 2020 Results
- 8 July**  
Announcement of 3Q FY 2020 Results
- 15 October**  
Announcement of FY 2020 Results

\* The dates are indicative and subject to change. Please refer to SPH website [www.sph.com.sg](http://www.sph.com.sg), for the latest updates.

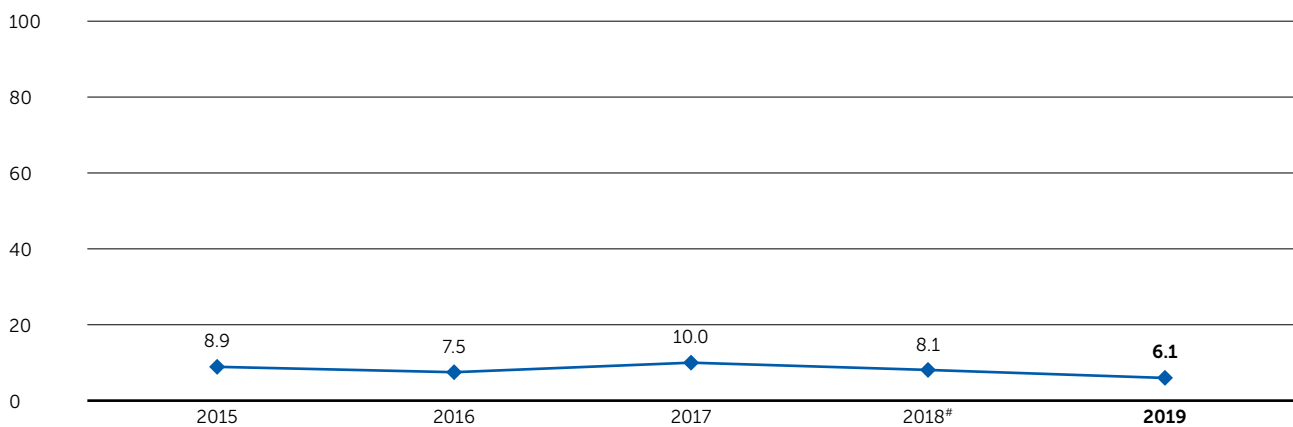
➔ Investor conferences and events attended

## INVESTOR REFERENCE

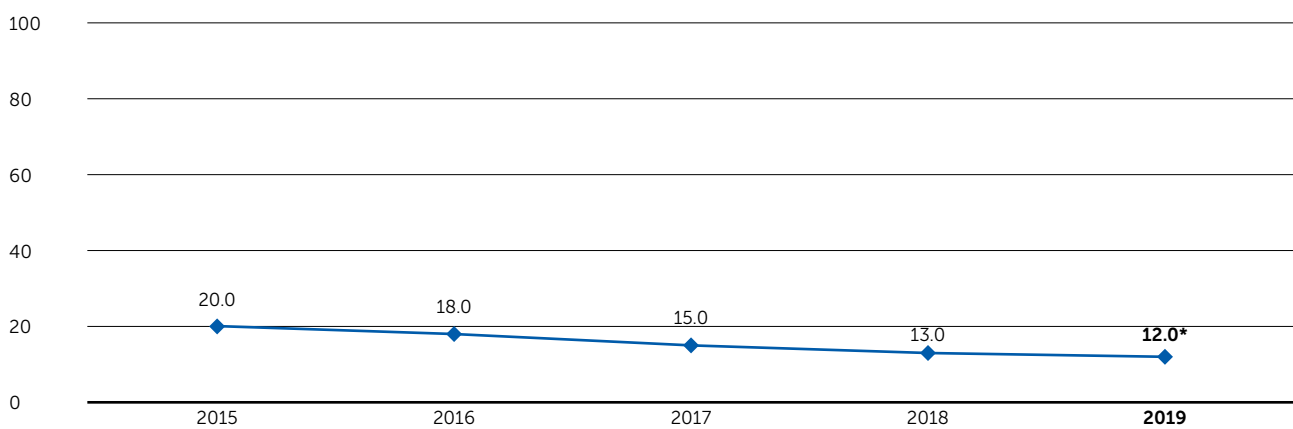
### Operating Margin+ (%)



### Return on Shareholders' Funds (%)



### Dividend per Share (cents)



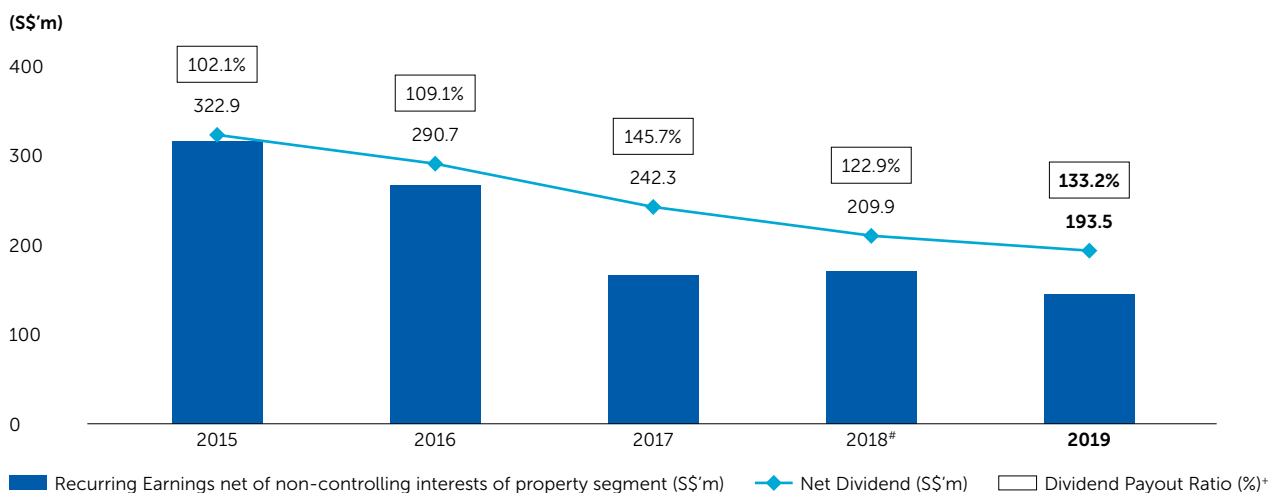
+ Computed based on Group recurring earnings.

\* Included interim dividend of 5.5 cents per share, and proposed final dividend of 6.5 cents per share comprising a normal dividend of 5.5 cents per share and a special dividend of 1 cent per share. The proposed dividend is subject to approval by shareholders at the Annual General Meeting on 29 November 2019.

# 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.

## INVESTOR REFERENCE

### Recurring Earnings<sup>®</sup> and Net Dividend

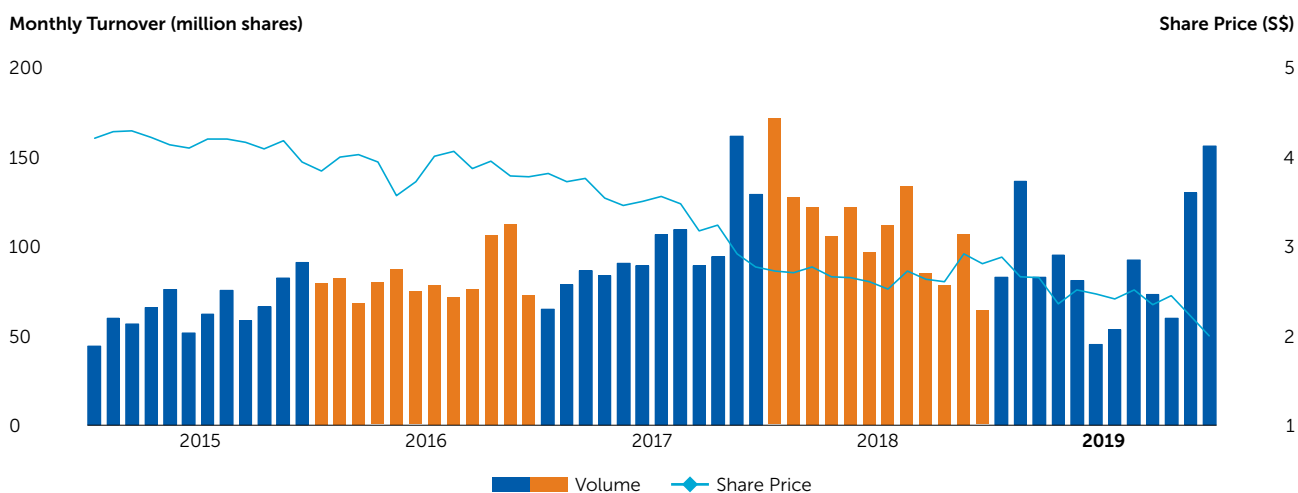


@ This represents the recurring earnings of the media, property and other businesses.

+ Computed based on Group recurring earnings 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



	2015 S\$	2016 S\$	2017 S\$	2018 S\$	2019 S\$
Highest closing price	4.34	4.15	3.87	2.92	<b>2.88</b>
Lowest closing Price	3.88	3.50	2.76	2.44	<b>1.93</b>
31 August closing price	3.94	3.77	2.76	2.80	<b>1.99</b>
Price/Earnings Ratio based on 31 August closing price	19.70	23.56	12.55	16.47	<b>15.31</b>

Source: Bloomberg

# ●● SUSTAINABILITY REPORT

## ➔ Sustainability Strategy and Governance

[GRI 102-14]

As the leading media company in Asia, Singapore Press Holdings Ltd (SPH) strives to be the credible and trusted source for providing accurate and timely news in Singapore and the world. We bring stories for the community, the world and for future generations. Through our stories – available in four languages and on multiple platforms – on economic and financial sustainability, environmental protection, social responsibility, corporate governance and awareness of sustainable practices worldwide, SPH plays a crucial role in the push for sustainable living and development.

This report presents and discusses SPH's strategy, policies and performance for sustainability in its governance, environmental, human resources, health and safety, social, community and economic practices.

The Board has overall responsibility for sustainability for the SPH Group and aims to ensure that our growth is sustainable in the long term.

The Board has assigned the Board Risk Committee (BRC) to monitor and oversee the management of environmental, social and governance (ESG) factors. The BRC is supported by the Sustainability Steering Committee (SSC) chaired by the Chief Executive Officer, and the Sustainability Working Committee (SWC) chaired by the Group Company Secretary. Both committees comprise the SPH Group's senior management and key executives from various business functions. Collectively, they oversee the identification and management of risks and opportunities relating to ESG issues that are material to SPH Group.

In this Sustainability Report for Financial Year 2019 (FY2019), SPH, whose businesses now include aged care and student accommodation, has expanded the reporting scope to include Orange Valley, one of Singapore's largest private nursing home operators, and our portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom (UK).

A reassessment of material factors was conducted for this report. The selected ESG factors were subsequently validated by the BRC. The policies, practices and performance relating to these selected ESG factors, as well as their targets are detailed in this report, which has been prepared in accordance with the sustainability reporting regulatory requirements set out in the Singapore Exchange Securities Trading Limited Listing Manual (SGX-ST Listing Manual): Listing Rules 711A and 711B, and the Global Reporting Initiative (GRI) Standards: Core option.

To emphasise our commitment to sustainability, SPH has chosen to align our sustainability efforts with the 2030 Agenda for Sustainable Development, which has been adopted by the 193 member states of the United Nations in 2015.

### **Board of Directors**

Singapore Press Holdings Ltd



One minute read

## The ripple impact

SPH, as a leading media organisation, is a strong advocate of sustainability. Apart from our internal structure to achieve sustainability amid a changing media landscape, we also tap our vast network to bring you the key sustainability issues in a fast-changing world through multiple media platforms in four languages. We have also partnered with over 250 media firms in a week-long Covering Climate Now initiative to boost coverage of the climate story.

This graphic presentation features some of our media coverage and showcases the ripple impact of all our efforts to achieve a better and more sustainable future for all.

## Engaging and showcasing sustainability that matters



### Promoting national and international sustainable development agendas

- Lianhe Zaobao: Five ways the Paris Agreement will affect you and me
- The Straits Times: "IPCC (Intergovernmental Panel on Climate Change) report on the effects of climate change: A look at the key findings"
- The Straits Times: "National Day Rally 2019: Land reclamation, polders among ways S'pore looks to deal with sea-level rise"
- Berita Harian: SATS invests \$25m to reduce food waste



### The story of climate change

- The Straits Times: Climate of Change series looks at the impact of climate change on people and places around the world as well as the solutions.
- ST Green Pulse Podcast: Series analyses the beat of the changing environment through discussions with experts
- Lianhe Zaobao: A feature on how corporations and individuals take actions to address climate change
- ST Asia Report – A cover story highlighting the climate crisis



Make information and knowledge accessible to public through multiple platforms in four languages

## Media responsible in a changing world

Remain a credible source of news

- Build ethical & transparent businesses
- Adopt environment-friendly practices
- Promote wellness and safety of employees and customers



Contribution to global sustainable agenda through UN's Sustainable Development Goals (SDGs)



**audiences with  
conversations  
ter most**

● ● ●  
**Highlighting critical environmental  
issues and community initiatives**

- ➔ Lianhe Zaobao: Award-winning special report on water
- ➔ ST School Pocket Money Fund: "\$7 million disbursed by ST School Pocket Money Fund so far this year"
- ➔ Berita Harian: Story of initiatives to raise awareness in environmental issues in the Muslim community
- ➔ 96.3 Hao FM broadcast on water saving initiatives on World Water Day

**onsibility in  
ng world**



able and trusted  
s in Singapore



Promote media  
literacy and contribute  
to public education  
on fake news

● ● ●  
**Narratives on the  
importance of sustainable  
living and development**

- ➔ Lianhe Zaobao: The Inequality Sketch is an illustrated interactive feature that tackles the subject of inequality through real life stories
- ➔ Tamil Murasu: Article explores the use of plastic bags in Little India and raises awareness for recycling
- ➔ Berita Harian: A feature on two individuals and a family's efforts to reduce waste
- ➔ The Straits Times: "Few young Singaporeans polled recycle e-waste, or do it right"



Develop our  
talent



Care for our  
community

workplace  
and ensure  
our staff  
customers

## SUSTAINABILITY REPORT



**Five minute  
read**

### OUR CONTRIBUTION TO GLOBAL SUSTAINABILITY AGENDA

*The UN's Sustainable Development Goals (SDGs) are 17 interconnected ambitions representing the biggest challenges and knowledge gaps on the planet today.*

*We play our role to keep our readers informed and engaged on critical issues.*

### OUR MEDIA RESPONSIBILITY IN A CHANGING WORLD

#### Accessible content from trustworthy source

We are a credible and trusted source of accurate and timely news. Our diverse content comes to you on multiple platforms and in four languages. The news tablet app which we introduced in March 2019 for our Chinese news dailies to provide readers with a seamless no-login and auto update digital experience prove to be an instant hit, garnering over 1,000 subscriptions within the first three days of its launch. The app encourages elderly readers who do not read English to go digital as well. In September 2019, the news tablet app was introduced for Berita Harian.



Veteran media professional Geoffrey Pereira conducting The Straits Times Media Analysis Course at News Centre on 31 July 2019.

In the wake of fake news, SPH has stepped up its media literacy efforts to create public awareness about the pitfalls. Readers can write to the askST platform about reports, videos or photos they find dubious and our reporters will look into these claims. Readers can also flag content they have found to be false; and The Straits Times (ST) may consider publishing their findings.

On 31 July, ST conducted The Straits Times Media Analysis Course to teach the public on how to deal with inaccurate information. Participants at the one-day masterclass picked up tips on how to critically analyse news reports and identify fake news.

#### Protecting the planet

Sustainability challenges such as climate change, water scarcity, waste management, gender inequality and modern slavery require global solutions. By increasing our coverage on these issues, we raise awareness and call communities to action in keeping the planet sustainable for human life.

In FY2019, our sustainability-related news coverage includes:

#### 1. Promoting national and international sustainable development agendas

International sustainability agreements and frameworks promote a long-term approach to addressing global challenges that require joint action. We cover news related to significant sustainability milestones such as the Paris Agreement and Sustainability Agenda 2030, and Singapore's national commitments and contributions to fulfil these pledges.

#### 2. Highlighting critical environmental issues and community initiatives

Everyone has a role to play to make sustainable development happen. Our special features of relevant local environmental issues, such as single-use plastic, food waste, pollution to water sources and green consumption, aim to empower individuals to make positive changes and underscore the importance of collective efforts towards sustainable development.

**3. The story of climate change**

ST embarked on one of its biggest journalistic efforts ever, to tell the important story of climate change. Over six months, our journalists traversed 20 hot spots around the world – where taps threaten to run dry, where homes are being washed to the sea in their thousands, where rice crops are dwindling and where deadly disease, fueled by a warming planet, is spreading. Their reports – in words, pictures, videos and graphics – form part of our six-week Climate of Change series in the Insight pages of The

Sunday Times and on The Straits Times website, driving home the multifaceted impact of climate change and the solutions.

**4. Narratives on the importance of sustainable living and development**

Beyond covering environmental degradation, we aim to extend the sustainability conversations to broad and complex challenges such as economic inclusion, gender diversity, diminishing natural resources and geopolitical instability and how these challenges impact businesses and people’s everyday lives.

*Internally, we evaluated our value chain to identify which of the SDGs our internal operations are aligned with, and their relative importance to our businesses. The identified SDGs are mapped to our Sustainability Pillars.*



**Build ethical and transparent businesses**



We uphold high ethical standards and advocate effective governance practices and compliance with the rule of law.



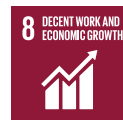
**Develop our talent**



We build an inclusive organisation where everyone has equal opportunity to reach his/her potential.



**Promote workplace wellness and ensure safety of our staff and customers**



Across our premises, we are committed to providing a healthy and safe environment for all our stakeholders.



**Adopt environment-friendly practices**



We have clear goals to ensure efficient use of our natural resources and minimise carbon footprint.



**Care for our community**



Our local community engagement and development programmes provide support for vulnerable communities and help build a society that embraces language enrichment, creativity, diversity, healthy living and sports.



# SUSTAINABILITY REPORT

## Our Approach to Sustainability

### SUSTAINABILITY ASPECTS OVERVIEW [GRI 103-1]

The principle of materiality is the essential filter to determine which environmental, social and governance (ESG) indicators are the most significant to our stakeholders. In FY2018, we conducted our first materiality assessment exercise with a comprehensive study conducted amongst key stakeholders to identify what matters to our businesses and stakeholders. In FY2019, we received updated insights on the fast-changing sustainability landscape and business environment. The review resulted in the existing material factor on Health and Safety being extended to include our customers in our aged care and student accommodation businesses.

Figure 1: SPH's Sustainability Aspects Overview



#### Build ethical and transparent businesses

Material Factors	Why It Is Important	Boundary	FY2019 Performance Highlights	FY2020 Targets
<b>Anti-Corruption</b>	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.	SPH employees, SPH's suppliers	Zero confirmed incidents of corruption	Zero confirmed incidents of corruption
<b>Compliance with Laws and Regulations</b>	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 Group	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
<b>Content Creation</b>	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.	SPH's readers	<ul style="list-style-type: none"> <li>➔ Zero legal suits resulting in significant damages for copyright infringement or defamation</li> <li>➔ Created credible and fair content for our readers across multiple media platforms</li> </ul>	<ul style="list-style-type: none"> <li>➔ Zero legal suits resulting in significant damages for copyright infringement or defamation</li> <li>➔ English, Malay, Tamil Media (EMTM) Group and the Chinese Media Group (CMG) to grow market reach</li> </ul>



Develop our talent

Material Factors	Why It Is Important	Boundary	FY2019 Performance Highlights	FY2020 Targets
<b>Non-Discrimination and Equal Opportunity</b>	Our diversity is our strength as it promotes creativity and innovation. It also enhances our ability to reach different segments in society.	SPH employees and customers	Zero incidents of discrimination	Zero incidents of unlawful discrimination against employees
<b>Training and Development</b>	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.	SPH employees, SPH's local communities	Implemented 333 programmes to upgrade employee skills	Provide more than 250 unique programmes yearly for employees to acquire and upgrade their skills



Promote workplace wellness and ensure safety of our staff and customers

Material Factors	Why It Is Important	Boundary	FY2019 Performance Highlights	FY2020 Targets
<b>Health and Safety of Our Staff and Customers</b>	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.	SPH employees, SPH's business partners, media and industry partners, distributors / retailers / tenants / shoppers	<ul style="list-style-type: none"> <li>➔ Accident Frequency Rate (AFR) and Accident Severity Rate (ASR) at 1.8 and 23.6</li> <li>➔ Zero significant non-compliance with health and safety laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>➔ Maintain AFR and ASR below the national all-time industry average</li> <li>➔ Zero significant non-compliance with health and safety laws and regulations</li> </ul>

# SUSTAINABILITY REPORT



## Adopt environment-friendly practices

Material Factors	Why It Is Important	Boundary	FY2019 Performance Highlights	FY2020 Targets
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.  As we expand our business, our impact grows. We work to minimise our environmental footprint.	SPH Group	Total energy consumption: 118.34 GWh Energy intensity: 315.69 kWh/m <sup>2</sup>	Maintain same level of total energy consumption for the media and property businesses
Water			Total water consumption: 687,775 m <sup>3</sup> Water intensity: 1.83 m <sup>3</sup> /m <sup>2</sup>	Maintain same level of total water consumption for the media and property businesses
Effluents and Waste			Waste water treated at waste treatment plant and discharged to sewage: 2,556 m <sup>3</sup> Untreated waste water collected by licensed disposal vendor: 49,000 litres Weight of recycled waste: 3,276 tonnes	Achieve 100% compliance with National Environment Agency (NEA) regulations regarding waste water management
Materials	Paper and ink are the key materials used by our media business. Our stakeholders are concerned about where we source these materials from.	SPH Group	<ul style="list-style-type: none"> <li>➔ 100% of newsprint derived from either recycled or virgin fibre pulp which is sourced from woodlands certified with internationally recognised sustainable forest management standards</li> <li>➔ Inks used in Production are produced under European Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) or Australian National Industrial Chemicals Notification and Assessment Scheme (NICNAS) compliant standards that improve the protection of human health and environment from the risks that can be posed by chemicals.</li> </ul>	<ul style="list-style-type: none"> <li>➔ Obtain newsprint from suppliers with newsprint fibre from sustainable sources</li> <li>➔ Continue to use inks that comply with internationally accepted safety standards.</li> </ul>



## Care for our community

Material Factors	Why It Is Important	Boundary	FY2019 Performance Highlights	FY2020 Targets
Local Communities	Community investment is a valuable way to engage staff and ensure thriving local communities.	SPH's local communities	Implemented 198 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

## SUSTAINABILITY POLICIES

In FY2019, we set up a dedicated Ethics Task Force comprising representatives from various business units to undertake a comprehensive review of the efficacy of SPH's Code of Business Ethics and Employee Conduct. We updated 18 policies across our sustainability pillars. The full suite of our ethics policies are presented in Figure 2.

Figure 2: SPH's Ethics Policies

Ethics Policies	Sustainability Pillars
<b>Build ethical and transparent businesses</b>	
<ul style="list-style-type: none"> <li>➔ <b>Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Policy</b></li> </ul>	<ul style="list-style-type: none"> <li>➔ The policy sets out employees' collective responsibility and accountability for ensuring the Group's compliance with AML/CFT laws, regulations and guidelines.</li> </ul>
<ul style="list-style-type: none"> <li>➔ <b>Anti-Bribery and Anti-Corruption Policy</b></li> <li>➔ <b>Conflict of Interest Policy</b></li> <li>➔ <b>Corporate Gifts and Hospitality Policy</b></li> </ul>	<ul style="list-style-type: none"> <li>➔ SPH is committed to maintaining the highest level of integrity and acting fairly and professionally in all business dealings and relationships. The Group adopts a 'zero tolerance' approach to any acts of fraud, corruption or bribery by our employees in all of SPH's business dealings, directly or indirectly.</li> </ul>
<ul style="list-style-type: none"> <li>➔ <b>Whistle Blowing Policy</b></li> </ul>	<ul style="list-style-type: none"> <li>➔ SPH provides secure grievance mechanisms for stakeholders to report any malpractice, impropriety, statutory non-compliance or wrongdoing by staff and our business partners in the course of their work, without fear of adverse consequences.</li> </ul>
<ul style="list-style-type: none"> <li>➔ <b>Ethical Media and Journalism Policy</b></li> </ul>	<ul style="list-style-type: none"> <li>➔ SPH is committed to the highest standards of business ethics and integrity in dealings with SPH's stakeholders, including but not limited to the readers, advertisers, suppliers, journalists, marketers and the government.</li> </ul>
<ul style="list-style-type: none"> <li>➔ <b>Fraud Risk Management Policy</b></li> </ul>	<ul style="list-style-type: none"> <li>➔ The policy is established to facilitate the development of controls that will support the detection and prevention of fraud against SPH.</li> </ul>

# SUSTAINABILITY REPORT

- ➔ **Intellectual Property Protection Policy**
- ➔ SPH strives to compete fairly in the marketplace and works to ensure the integrity of the competitive marketplace. This commitment to fairness includes respecting the intellectual property rights of SPH's suppliers, customers, business partners, competitors, and others, including original equipment manufacturers and independent service organisations.
- ➔ **Trade Control and Anti-Competition Policy**
- ➔ It is subject to both the Code of Practice for Market Conduct (the Media Code), which regulates conduct in media markets and is enforced by the Infocomm Media Development Authority (IMDA) and the Competition Act, which is the general competition law in Singapore and enforced by the Competition Commission of Singapore (CCS).
- ➔ **Information Technology Security Policy**
- ➔ SPH takes the security of our employees and assets seriously. The use of the internet, email and other computing resources are for work purposes. Any unauthorised access to the system may cause disruption to critical business processes necessary for the operations of SPH. It is therefore crucial to safeguard the IT infrastructure of SPH to prevent any security breaches.
- ➔ **Physical Security Policy**
- ➔ We also have processes in place to comply with the Personal Data Protection Act 2012 (PDPA) and the European Union General Data Protection Regulation (GDPR).
- ➔ **Personal Data Protection Policy**

## Develop our talent

- ➔ **Anti-Harassment and Anti-Discrimination**
- ➔ SPH is committed to building an inclusive and harmonious workplace, in which all individuals are treated with respect and dignity. The policy aims to prevent discrimination and harassment at the workplace based on race, colour, religion, gender, sexual orientation, gender identity or expression, age, disability, marital status, citizenship, national origin, genetic information, or any other characteristic protected by law.
- ➔ **Workplace Conduct Policy**
- ➔ SPH is committed to adopting fair and progressive employment practices in the workplace. The policy aims to ensure compliance with the Tripartite Standards on recruitment practices, grievance handling and flexible work arrangements. It also outlines procedures related to employment disputes, disciplinary action, and grievance handling to ensure that all employees have access to the appropriate avenues when the need arises.
- ➔ **Fair Employment Policy**

## Promote workplace wellness and ensure safety of our staff and customers

- ➔ **Workplace Safety and Health Policy**
- ➔ At SPH, people are our most valuable asset, and their safety and well-being is of paramount importance to the organisation. This policy seeks to provide working conditions that will ensure the safety and good health of all employees.

## Adopt environment-friendly practices

- ➔ **Environmental Protection Policy**
- ➔ SPH aims to be a responsible corporate citizen by minimising the impact of our activities on the environment across our wide spectrum of businesses.
- ➔ **Ethical Procurement Policy**
- ➔ SPH aims to be a responsible corporate citizen by understanding and minimising the social and environmental consequences of our business operations across the value chain. The policy outlines SPH's expectations of ethical standards for our suppliers to adhere to when conducting business.

## Support vulnerable communities and promote art, culture and sports

- ➔ **Corporate Social Responsibility (CSR) Policy**
- ➔ All CSR projects will be subject to review, with the exception of the following which SPH does not support:
  - Projects that are confined to only individuals, sectional interests of a group of persons (e.g. race, political groups) or serve an exclusively religious purpose
  - Overseas projects which do not benefit the Singapore community
  - Social and/or commercial events with no community benefit and projects which are not in line with SPH's objectives.



# *We build ethical and transparent businesses*



Anti-corruption



Compliance with Laws and Regulations



Content Creation

## SDG We Adopt



## Positive Impact

0

confirmed cases of corruption

0

legal suits resulting in significant damages for copyright infringement or defamation

## ●● SUSTAINABILITY REPORT

### ANTI-CORRUPTION [GRI 205-3]

All our employees are expected to conduct themselves in a professional and ethical manner. Employees undergo mandatory training on our Anti-Bribery and Anti-Corruption policy and SPH's Code of Business Ethics and Employee Conduct (Code of Conduct) during onboarding and attend periodic refresher training.

SPH's whistle blowing channels (either via a hotline number, email address or online form) that are accessible via our corporate website: [www.sph.com.sg](http://www.sph.com.sg) by all stakeholders provide them with secure platforms 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. In FY2019, there were zero confirmed incidents of corruption and we aim to maintain this track record in the subsequent reporting periods.

Our commitment extends to our suppliers and this is communicated to them through our supplier code of conduct. Internal controls are in place to facilitate fair, transparent

and independent procurement practices; including compulsory block leave and annual rotation of portfolio for our procurement team. Internal audits are conducted regularly to ensure the efficiency and effectiveness of our risk management, internal controls and governance processes.

With the acquisition of the PBSA in the UK in FY2019, we are required to comply with the UK Bribery Act 2010. We worked with UK consultants in this respect and conducted a risk assessment of the PBSA business. Training on the UK Anti-Bribery Act will be rolled out for relevant employees.

### COMPLIANCE WITH LAWS AND REGULATIONS [GRI 418-1, 419-1]

It is imperative for SPH to comply with the relevant laws and regulations to remain in operation. Instances of non-compliance will subject SPH to liabilities such as fines, suspension and revocation of our license.

To oversee compliance with the various statutory and regulatory requirements, we have at group level a comprehensive compliance framework to monitor key compliance risks and ensure appropriate entity processes and controls are in place. Each business

unit has dedicated compliance personnel to look after day-to-day relevant regulatory compliance. Any major non-compliance has to be reported to management immediately. The list of key applicable laws and regulations for our businesses are appended in Figure 3.

Stringent due diligence exercises were conducted for all our acquisitions to manage our compliance exposure in a new market and sector. It is critical that we work with a credible and trustworthy partner. UK company Host, which was engaged by SPH to manage 14 of our assets, was named the winner of the prestigious UK award, 'Best Private Halls Provider', in the 2018 National Student Housing Awards. Host was also awarded the 'International Accommodation Quality Mark'; an award given to providers that achieve higher than 90% satisfaction from international students. Host also has contractual obligations with SPH to comply with all relevant statutory and regulatory requirements.

In FY2019, there were no significant fines and non-monetary sanctions for non-compliance with laws and regulations. SPH will continue to minimise and prevent any non-compliance moving forward.

**Figure 3: Key Statutory and Regulatory Requirements**

Applicable Statutory and Regulatory Requirements	
SPH Group	<ul style="list-style-type: none"> <li>➔ SGX-ST Listing Manual</li> <li>➔ Companies Act</li> <li>➔ Personal Data Protection Act 2012 (PDPA)</li> </ul>
Media	<ul style="list-style-type: none"> <li>➔ Newspaper and Printing Presses Act (Chapter 206, Singapore Statutes)</li> <li>➔ Broadcasting Act and its relevant Codes of Practice</li> <li>➔ Market practice codes prescribed by the Info-communications Media Development Authority of Singapore (IMDA)</li> </ul>
Properties	<ul style="list-style-type: none"> <li>➔ Personal Data Protection Act 2012 (PDPA)</li> <li>➔ Employment Act</li> <li>➔ Workplace Safety and Health Act</li> <li>➔ Building Control Act</li> <li>➔ Code of Practice of Environmental Health</li> <li>➔ Fire Safety Act</li> </ul>
Orange Valley	<ul style="list-style-type: none"> <li>➔ Allied Health Professions Act</li> <li>➔ Environmental Public Health (Food Hygiene) Regulations</li> <li>➔ Infectious Diseases Act</li> <li>➔ Medical and Elderly Care Endowment Schemes Act</li> <li>➔ Medicines Act</li> <li>➔ Mental Capacity Act</li> <li>➔ Misuse of Drug Act</li> <li>➔ Nurses and Midwives Act</li> <li>➔ Pharmacists Registration Act</li> <li>➔ Administration of Muslim Law Act</li> </ul>
PBSA	<ul style="list-style-type: none"> <li>➔ European Union General Data Protection Regulation (GDPR)</li> </ul>

## Data Privacy

To safeguard our stakeholders' personal data, we have Standard Operating Procedures (SOPs) for the different business segments to put in place controls to ensure data security. Various tests are conducted on the systems to ensure its robustness.

Apart from an external course, "The Impact of Data Privacy and Cybersecurity", PDPA and data privacy matters were included in 10 separate briefings to SPH Board, Management Committee, senior leaders and staff, to ensure that our employees are aware of PDPA and our related policy.

For Orange Valley, a Data Protection Sub-Committee was formed to establish and ensure compliance with PDPA policies for internal and external information. A Data Inventory Map (DIM) was also drawn up to understand how we collect, use, store, share and retain data. The DIM allowed us to understand Orange Valley's personal data inventory and better manage its protection.

For PBSA, Host's contract with SPH requires it to ensure strict compliance with the European Union General Data Protection Regulation (GDPR).

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](mailto:dataprotection@sph.com.sg), 6319 8555 or via post.

In FY2019, we recorded zero substantiated complaints received from outside parties and from the Personal Data Protection Commission (PDPC).

## SUSTAINABILITY REPORT

### CONTENT CREATION [G4 M2]

As Asia's leading content provider, we have the responsibility to produce accurate and timely news reports across our media channels.

SPH's newsrooms operate in a hotly contested market for the provision of content. Our newsrooms are keenly aware of the competition, presented especially by the Internet which allows individuals and organisations to broadcast content at very little cost. To stay ahead of the competition, our newsrooms

focus on consistently providing accurate and timely news reports as well as fair and balanced coverage when opinions are published. Both the English, Malay, Tamil Media (EMTM) Group and the Chinese Media Group (CMG) are guided by our 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. Underlying the credibility that results from this consistency are rigorous operating policies and procedures.

Accuracy is a core value drilled into every journalist as soon as he/she joins a newsroom. 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 Figure 4. 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.

Figure 4: Fact Checking in the Newsroom Workflow



These efforts to deliver quality journalism are supported by providing editorial staff with professional training, coordinated by a dedicated training unit. 64 per cent of newsroom staff attended 89 unique local courses and at least one training course in FY2019. 14 went for overseas training in nine unique course titles and 62 did web-based training in three unique course titles. In FY2019, there were no legal suits arising from content produced by our journalists.

## AWARD – WINNING CONTENT BY OUTSTANDING JOURNALISTS



SPH winners at the SIAS Investors' Choice Awards 2018 at the Mandarin Orchard Singapore hotel on 25 September 2018. (From left) Business Times senior correspondent Angela Tan; Lianhe Zaobao business correspondent Wong Kang Wei; Lianhe Zaobao correspondent Tang Ai Wei; chief financial officer Chua Hwee Song, who received a corporate governance award on behalf of the company; Lianhe Zaobao business correspondent Chen Jing; and Business Times correspondent Tan Hwee Hwee.

Business Times senior correspondent Angela Tan scooped the coveted Financial Journalist of the Year prize while her colleague, correspondent Tan Hwee Hwee, received a special award for her for her in-depth coverage of the troubled offshore and marine industry amid the sector's meltdown. Lianhe Zaobao business correspondent Wong Kang Wei was named Most Promising Journalist of the Year; Chen Jing and Tang Ai Wei from the Chinese daily also won special awards.



In March, ST photojournalist Lim Yaohui won a Merit Award in the Environmental Photograph category at the Asian Environmental Journalism Awards 2019 for his photo of a boat carrying personnel from the Singapore oil spill response centre travelling in water stained with oil spill near Changi Jetty.

## SUSTAINABILITY REPORT



SPH swept 13 awards at the Asian Digital Media Awards 2018, presented at the Digital Media Asia 2018 conference on 8 November. ST was the biggest winner with nine accolades, bringing home two Gold, three Silver and four Bronze awards. Stomp clinched the Gold award for Best in Social Media Engagement, while Chinese Media Group (CMG) brought in two Silver and one Bronze award.



ST correspondent Sazali Abdul Aziz was the winner of the Singapore Sports Awards' Sports Journalist of the Year. He was recognised for his coverage of the local sports scene, including his feature on how housing redevelopment plans for the Farrer Park area affected the sports community.

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**Asia report**

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Winner of the top prize for Best New Print Product as well as Best in Asia/Pacific, Regional/Local Brands at the 2019 International News Media Association (INMA) Global Media Awards in New York.

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or contact us at [asia-report@spoh.com.sg](mailto:asia-report@spoh.com.sg)

The Straits Times Asia Report, which curates some of the best analyses and features on the region from the ST Foreign Desk, was named Best New Print Product and Best in Asia/Pacific, Regional/Local Brands at the International News Media Association (INMA) Global Media Awards in New York on 17 May.

# We develop our talent



Non-discrimination  
and Equal  
Opportunity



Training and  
Development

## SDGs We Adopt



## Positive Impact

333

programmes implemented to  
upgrade employee skills

65

new training programmes on digital  
literacy introduced in FY2019

0

reported discrimination cases

Top 92

leaders attended courses  
on business analytics and  
application of data analytics  
to workplace safety &  
health. An average of

20 hours  
clocked per leader

# SUSTAINABILITY REPORT

## PROFILE OF OUR WORKFORCE [GRI 102-7, 102-8, 401-1]

We have a diverse workforce made up of employees across our media, property and aged care segments. Our total headcount stood at 4,177 employees in FY2019 (FY2018: 4,421).

98% of employees work full-time on a permanent contract. We have full-time correspondents located in countries like the UK, the United States of America, China, Malaysia and Indonesia. Due to the nature of media business, we work with freelancers who provide copywriting, photography, editorial, video and image processing as well as hairstyling and makeup.<sup>1</sup>

In our Property business, both the Manager and the appointed Property Manager are from internal of SPH Group. The Property Manager (SPH Retail Property Management Services Pte Ltd or RPMS) is made up of a pool of experienced staff who oversee the management of

commercial properties in SPH REIT's portfolio and The Seletar Mall. Other activities across our malls, such as security and cleaning services, are outsourced to third-party vendors.

For PBSA, our operator Host maintains its own workforce across functions such as sales and marketing, maintenance, security and cleaning. We have a team of permanent employees in Singapore and the UK, including three Regional Managers, to manage our working relationship with Host and oversee our PBSA operations.

At Orange Valley, our manpower requirement is mainly for elder care. We have a total headcount of 419 who are permanent Singaporean employees working full-time. A dedicated management team based onsite run day-to-day operations.

While the workforce comprises a mix of full-time and part-time roles to accommodate to local workforce needs for more flexible work arrangements, the majority of Orange Valley's nursing care

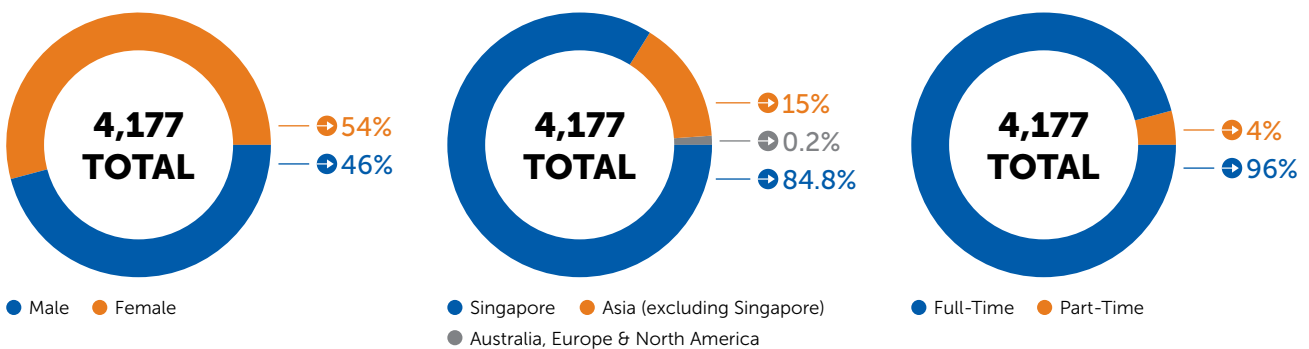
employees work full-time on shifts and hold permanent positions.

SPH supports all employees' rights to freedom of association and be members of trade unions. 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 collaborative partnership with the Creative Media and Publishing Union (CMPU) to create a conducive and progressive working environment for our employees. 100% of our bargainable workforce is covered by collective agreements and more than half of SPH staff are union members.

In FY2019, 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.

Figure 5: Workforce Profile by Gender, Employment Contract, Region and Employment Type



Employment Contract	Male	Female
Permanent	1,885	2,193
Temporary	35	64
Total	1,920	2,257

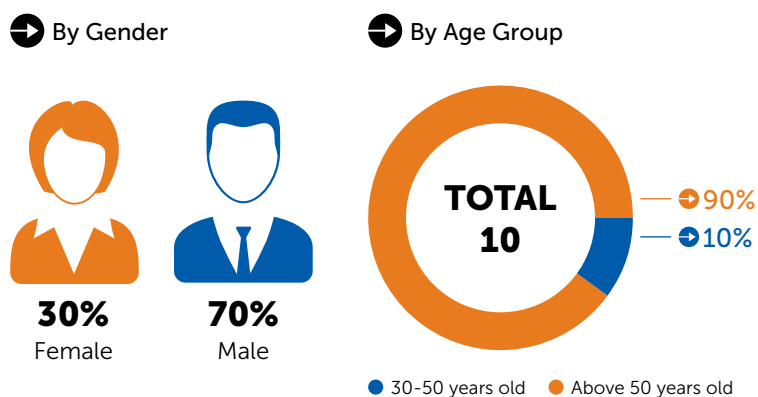
Region	Permanent	Temporary
Singapore	3,457	90
Asia (excluding Singapore)	611	9
Australia	1	0
Europe	6	0
North America	3	0

Employment Type	Male	Female
Full-time	1,878	2,152
Part-time	42	105
Total	1,920	2,257

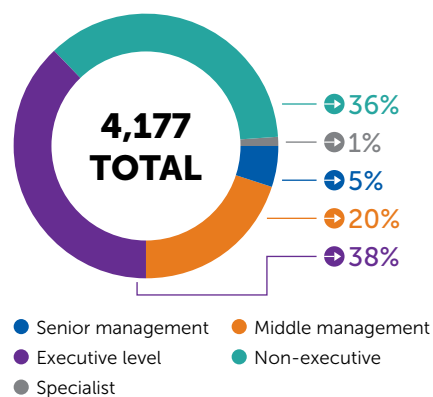
1 Freelancers hired under our events management arm are not included within this reporting scope and calculation. They have been mentioned to showcase a holistic view of our workforce.



**Figure 6: Breakdown of Board by Gender and Age Group**



**Figure 7: Breakdown of Employees by Employment Category**



**Figure 8: FY2019 New Employee Hire and Turnover Rate<sup>2</sup>**

	New Hire	Rates	Turnover	Rates
<b>Total</b>	<b>722</b>	<b>17%</b>	<b>753</b>	<b>18%</b>
<b>By Gender</b>				
Male	301	7%	293	7%
Female	421	10%	460	11%
<b>By Age Group</b>				
< 30 years	281	7%	207	5%
30-50 years	390	9%	433	10%
> 50 years	51	1%	113	3%
<b>By Region</b>				
Singapore	597	14%	618	15%
Asia (excluding Singapore)	120	3%	132	3%
Australia	1	0.02%	0	0%
Europe	4	0.1%	1	0.02%
North America	0	0%	2	0.05%

<sup>2</sup> The total employee number as at 31 August 2019 was used as denominator to calculate the respective new hire and turnover rates by age group, gender and region.

## ●● SUSTAINABILITY REPORT

### INCLUSIVITY (NON-DISCRIMINATION AND EQUAL OPPORTUNITY) [GRI 406-1]

We strive to provide a safe, inclusive and vibrant working environment for all. Since 2007, SPH has been a signatory of the Fair Employment Practices. The tripartite standards have been fully adopted in our recruitment and employment practices. Mandatory annual refreshers and endorsement of the SPH Diversity Policy serve as a timely reminder to all employees and reinforce our stance on inclusivity. In FY2019, we also rolled out training for our top 92 leaders who attended courses ranging from Google Analytics For Business, Applying Data Analytics Approach to

Workplace Safety & Health, to Anger Management. Each leader attended an average of 20 hours training.

As shown in Figures 5 and 6, we maintain a balanced male-female ratio (46% male and 54% female) in our workforce and across our Board of Directors (70% male and 30% female). Majority of our employees lie within the executives and below employment categories.

As a testament to our efforts, SPH was mentioned in the report by the Council for Board Diversity (CBD)<sup>3</sup> on the progress on board appointments of women. 30% of SPH's Board and 29% of SPH REIT's Board are made up of female members. SPH also received the Singapore Corporate Governance Award, Diversity (Runner Up) at the

19th SIAS Investors' Choice Awards.

As an advocate of work-life balance, SPH provides family-oriented and flexible work arrangements. These include flexible hours, part-time work and even tele-commuting. To better support young parents, we have extended no-pay leave arrangements and provided nursing rooms for new mothers.

Orange Valley has not signed the employer's pledge of fair employment practices with Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) but adopts fair employment practices.

Orange Valley has, where operationally possible, accommodated to the local workforce's requests for flexibility in work arrangements when requested/needed. These include conversion to part-time work as well as different start and end times in working hours. Across all subsidiaries, clear guidelines on workplace abuse, harassment, bullying as well as disciplinary matters are established and communicated to all. Employees are encouraged to raise any grievance through their immediate supervisor. Cases will be directed to Human Resources Division should further assistance or investigation be required.

There were no incidents of discrimination at SPH in FY2019. We strive to upkeep this performance in FY2020.

#### The more the merrier – festive celebrations @ SPH

Throughout the year, CEO and senior management made frequent visits to Print Centre to celebrate the various festive occasions with staff.



CEO and senior management at the Hari Raya celebration at Print Centre on 28 May.

<sup>3</sup> CBD reports on the progress of board appointments of women across leading listed companies, statutory boards and Institutions of a Public Character (IPC) on a quarterly basis.

## TRAINING AND DEVELOPMENT [GRI 404-1]

We dedicate resources to developing human capital which is vital to the growth of SPH. All employees have equitable access to training opportunities in acquiring skills, expertise and qualifications.

Each business unit has a training and development framework best suited to its operations. Such training development programmes cover areas such as on-boarding and induction programs, on-the-job training, and managerial and leadership development programmes. Employees are also encouraged to take up e-learning courses for their continual education and self-development.

Through the online performance management system, employees can track their progress and receive guidance on areas which require improvement. This platform promotes two-way communication and transparent assessment of work performance. Through open discussions, both supervisors and employees are aligned on the performance and expectations.

### Media

Every year, a training calendar will be drawn up and uploaded into our staff portal. Employees are informed of the various types of training available, which include orientation workshops, leadership and management training, office skills and personal effectiveness skills.

In FY2019, we aligned our training framework to the SkillsFuture Media Framework (SFw for Media) which aims to provide information to individuals, employees and training providers on trends, career pathways, skills and competencies and training programmes. SPH encourages and supports employees to be future ready through acquiring digital knowledge.

With the focus on digital training, SPH has also incorporated elements of integrated marketing to bring about new courses such as Google and search analytics, online digital marketing, video production and social media for all staff. A total of 65 new training programmes on digital literacy were rolled out in FY2019, and this number is set to increase further in the coming years.

Our editorial division has a similar training calendar. It organises journalism courses that ensure employees are at the forefront of the latest happenings in media law, news trends and updates to journalistic ethics and integrity guidelines. With the increasing shift towards digital news and use of social media, journalists can acquire basic coding skills under new training courses, enabling them to produce simple web pages and use social media tools effectively.

### Properties

In FY2019, 71 employees clocked a total of 1,194 training hours. They attended mostly external courses, including Company Emergency Response Team (CERT) training, and seminars related to real estate regulations, industry trends and statutory requirements.

### Orange Valley

As a testament to our training capability, we are recognised as an Approved Training Centre and a Certified On-the-Job Training Centre (COJTC) for the ITE Skills Certificate in Healthcare (Homecare). Orange Valley has established a comprehensive Training & Development Framework which aims to build the necessary competencies of our staff to meet current and future business needs.

We have a pool of in-house clinical instructors and training materials which allows for various types of training to suit different learning needs. All new hires go through a structured training programme which comprise a six-month induction and On-the-Job training. A large part of training for care staff comes from coaching.

The reporting supervisor is responsible for ensuring that new hires go through the required training programmes and receive proper coaching to be familiar and compliant with the SOPs, Enhanced Nursing Home Standards (ENHS) and Orange Valley's internal quality standards. Peer level buddies are assigned to new hires in the initial stage to help them along and facilitate the settling-in process.

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. Each feedback is analysed and shared for further discussion.

## SUSTAINABILITY REPORT

### Orange Valley Scholarship Award

As part of our sourcing and retention programme, Orange Valley awards scholarship opportunities for local nursing diploma undergraduates. Upon

registration as a nurse, candidates will secure a career at Orange Valley Nursing Homes. Through the job placements, they will be exposed to our comprehensive suite of eldercare services at Orange Valley

including geriatric care, respite care, medicare/speciality care and dementia/psychiatric care. These experiences will give students a holistic view of Orange Valley and our businesses.

In FY2019, SPH staff attended 333 unique training programmes. The total training time spent was 41,743 hours. Total investment in training was \$1.1 million of which 22 per cent was funded by the government through various subsidy schemes.

**Figure 9: SPH's Average Training Hours Per Employee by Gender and Employee Category**

	FY2019	FY2018
<b>By Gender</b>		
Male	19	19
Female	14	15
<b>By Employee Category</b>		
Senior management level	18	15
Middle management level	19	15
Executive	20	19
Non-executive	15	15

# *We promote workplace wellness and ensure safety of our staff and customers*



Health and Safety for our Staff and Customers

## SDG We Adopt



## Positive Impact

0

significant non-compliance to health and safety laws and regulations

Each business establishes localised WSH governance and ensures compliance to health and safety regulations

## SUSTAINABILITY REPORT

### HEALTH AND SAFETY OF OUR STAFF AND CUSTOMERS [GRI 403-2, 416-2]

Managing the health and safety of our staff and customers is of key importance to SPH. Across our divisions, effective policies

and frameworks are put in place to guide implementation of initiatives that promote healthy and safe spaces. The importance of complying with all relevant laws and legislations in countries of operation is communicated regularly to our business divisions. Any case of non-compliance

will have to be directly reported to management for prompt follow-up actions to be taken. We welcome and value the feedback from employees, customers, residents, students and the public as they improve and validate our performance.

#### Staying Safe and Secure in Singapore

This case study showcases SPH's contributions towards our National Defence.

SGSecure was the key focus of SPH's emergency preparedness in FY2019. Any act of terrorism on SPH threatens the safety and well-being of our employees and can greatly disrupt our business activities.

Since FY2018, the Administration Division has reviewed physical protective measures and installed additional doors with electronic card readers to close off certain working areas from the public. Our CCTV surveillance system has been progressively upgraded since FY2017. A new Security Command Centre was also set up in FY2019 to control and coordinate security operations across News Centre, Print Centre and the new Kaki Bukit warehouse.

To prepare staff for terror attacks, the Security department published relevant SGSecure-related information from the Singapore Police on the SPH Staff Portal and on staff notice boards. Emergency procedures like lifesaving skills, emergency evacuation procedure, lockdown procedure, handling of bomb threats, etc. were also reviewed and published. The SGSecure initiatives will continue into FY2020 with lunch-time talks, table-top exercises and emergency drills.



Media

In FY2019, SPH fully implemented the Total Workplace Safety and Health (TWSH) framework, an integrated and holistic approach towards managing interactions between work, safety and health. It brings about larger involvement of business units in SPH, greater employee engagement to raise awareness of health and wellbeing. Addressing both safety and health risks will result in a healthier and more productive workforce.

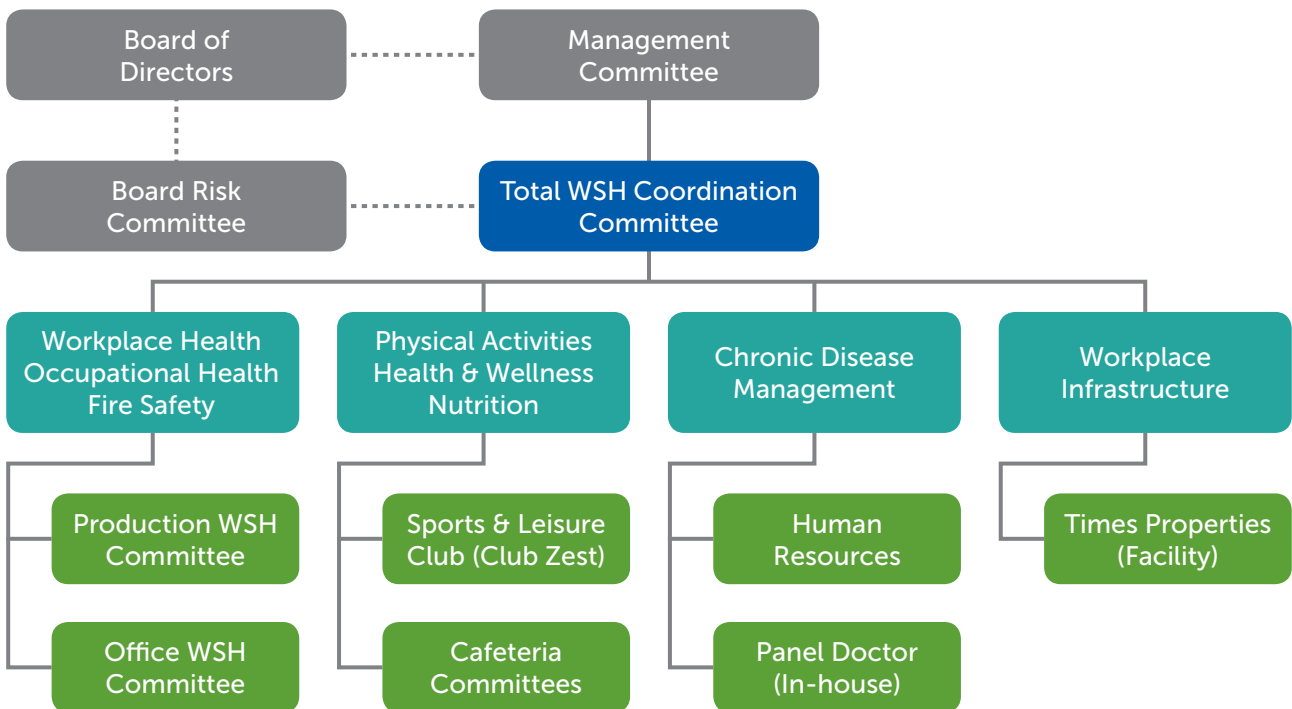
TWSH implementation was done through three key steps:

- Assessment: Identifying of top risks and gaps in current management of workplace health and safety through questionnaire and assessments
- Intervention: Recommendation of practical solutions to plug any gaps identified, and promote health and wellness through health screenings, coaching and promotion activities

- Monitoring & Evaluation: Monitor progress of programmes and evaluate effectiveness

The former WSH Coordination Committee, now termed as TWSH Coordination Committee, holds quarterly meetings with both Production and Office WSH teams to review safety performance. Each team has its own meeting every month to discuss new initiatives and monitor performance against set targets.

Figure 10: Total Workplace Safety and Health Coordination Committee



The Employee Workplace Safety and Health Handbook is made available to all team members upon their induction. This document, which is prepared in accordance to the Workplace Safety and Health Act, emphasises on potential hazards in the workplace and risk control measures.

We are committed to providing healthy and safe spaces for all employees. While we acknowledge that accidents may occur as we go about our day-to-day operations, proper investigation and reporting procedures will ensue for every accident occurred. Follow-up actions are put in place to prevent

re-occurrence. For more details on safety performance, please refer to 'Performance' at the end of this section.

SPH provides a comprehensive healthcare and wellness support programme, including medical and dental benefits, as well as access to

## ●● SUSTAINABILITY REPORT



Print Centre Company Emergency Response Team (CERT) in action



Print Centre staff undergoing health screening as part of Total WSH programme

a wide range of health and wellness activities. SPH is a Merit Award recipient of the Singapore Health Award 2019 by the Health Promotion Board, in recognition of our efforts in promoting workplace health.

Staff are encouraged to take part in regular health screenings, attend talks on stress management, medical and health issues; financial management and exercise classes, as well as leisure activities. SPH has a Chronic Disease Management Programme (CDMP) that assists employees with chronic diseases to follow up regularly with the company's in-house doctors.

The SPH Inter-Division Challenge is organised by SPH Club Zest to encourage participation in sports and build camaraderie among staff. The most popular was the SPH Inter-Division Steps Challenge. Leveraging on HPB Corporate Steps Challenge platform, a total of 549 participants signed up for the challenge this year, surpassing total sign-ups for 2017 and 2018.

To better meet the leisure and lifestyle needs of staff, the Club also organises events such as the annual SPH Family Day and monthly Up On The Roof for staff and their families to bond. A total of 1,500 staff and their family members enjoyed fun activities at this year's SPH Family Day, held at SuperPark Singapore at Suntec City.

Print Centre's clubhouse was refurbished with a new badminton court for staff to enjoy their favourite sports and leisure activities during their free time.

### Properties

Each mall conducts fire drills in the early morning hours involving tenants at least once a year.

Staff also undergo relevant first aid training courses conducted by accredited training providers.

The malls have concierge or customer service counters to address shoppers' needs and

feedback. Shoppers and members of the public can also get in touch with the malls via the "Contact Us" pages on the respective websites to raise any issues that they may have.

### Orange Valley

At Orange Valley, a Resident-first attitude is inculcated in all employees. We strive to deliver integrated and holistic care to all our customers. We have a WSH Policy which covers all employees and workers within our premises.

With the numerous families entrusting their loved ones to our care, we are committed to delivering service excellence. Our robust standard operating procedures guide all employees on their roles and responsibilities, including measures to be taken during daily operations or in times of emergency. In FY2019, Orange Valley achieved its targets of zero significant non-compliance concerning the health and safety impacts of products and services.

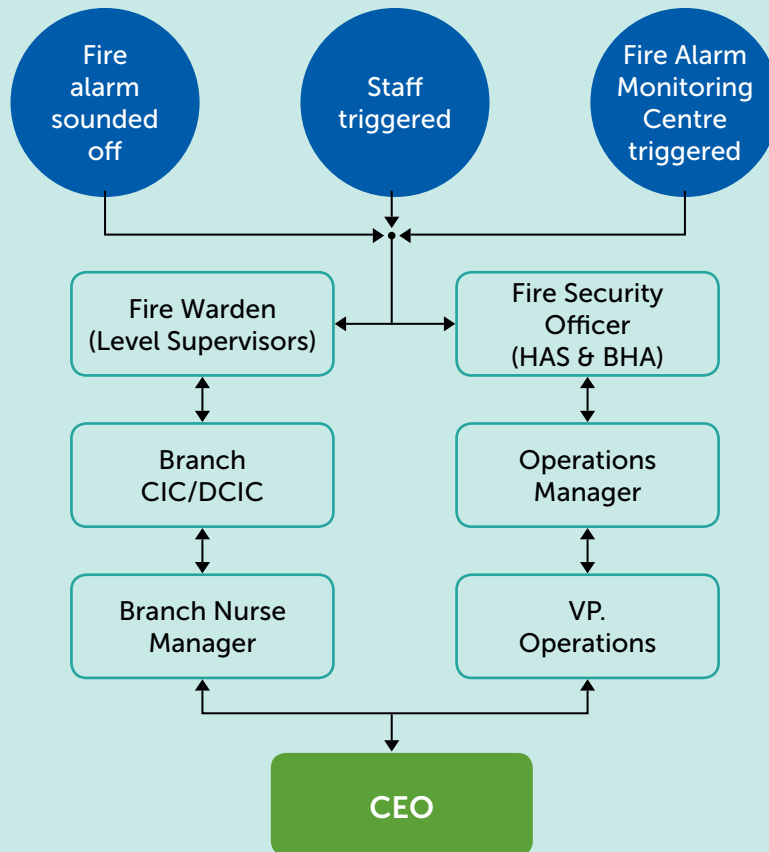


## Staying Equipped with The Best, to Prepare for The Worst

### Orange Valley Call Tree

#### Emergency Call Tree

In the event of Fire in any of the branch, the communication process is to follow in accordance to the Emergency Call Tree as illustrated.



## SUSTAINABILITY REPORT

### Joint Fire Evacuation Exercise

Coordinated by the Fire Emergency Response Team and conducted biannually, this exercise aims to instil emergency preparedness among all employees.

It helps to familiarise staff with the emergency escape routes in their workplaces, and minimise panic when emergency arises. During each exercise, the team looks at possible threats and improve the safety of the nursing homes. It also forges partnership and collaboration with SCDF, where knowledge and experience are shared.

### High Risk Installation – Joint exercises with SCDF



## PBSA

Currently, there are over 5,000 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.

After our acquisition, the daily operations are fully handled by Host, which is responsible for maintenance of the buildings, registration of students and booking of the accommodation. A facility management team is located on site to oversee maintenance, security and caretaking. A detailed list of the health and safety initiatives can be found in Figure 11 below.

Through this partnership, we are certain that Host will be able to provide students with a pleasant, safe and hassle-free experience in their university and college years. Although we do not directly manage Host, we ensure, through our regular monitoring and reporting process, that it maintains compliance with all local regulations relating to building safety

**Figure 11: PBSA's Health and Safety Initiatives in FY2019**

Policy review	Regular review of policies and procedures to ensure compliance and to promote a positive health and safety culture on our premises.
Equipment and devices	<ul style="list-style-type: none"> <li>➔ Each site is fitted and equipped with</li> <li>➔ fully addressable fire detection system</li> <li>➔ integrated sprinkler system alongside a fully maintained and operational wet or dry riser</li> <li>➔ fire prevention and mitigation measures such as passive fire stopping</li> </ul> Our sites are monitored 24/7 on CCTV
Certifications	All systems are maintained in accordance with the British standard through a British Approvals for Fire Equipment (BAFE) accredited maintenance provider
Checks and audits	<ul style="list-style-type: none"> <li>➔ Weekly and monthly fire system functionality checks</li> <li>➔ Yearly audits on areas such as compliance and validity of relevant certification (energy performance and fire cladding)</li> </ul>
Feedback	For matters arising from health and safety, students are encouraged to reach out to the team at their site.

In FY2019, there were no identified non-compliance from the audits conducted. There were zero non-compliance concerning the health and safety impacts of products and services – a target PBSA aims to upkeep.

## Performance

SPH Group's AFR rose above the National All Industry Average for 2018<sup>4</sup>. The higher AFR was attributed to higher than expected workplace accidents reported by Properties and Orange Valley. SPH will work with both subsidiaries to strengthen their WSH management systems.

	SPH			National All Industry Accident Rates for 2018
	FY2019	FY2018	FY2017	
<b>Accident Frequency Rate (AFR)<sup>5</sup></b>	<b>1.8</b>	0.8	0.7	1.6
<b>Accident Severity Rate (ASR)<sup>6</sup></b>	<b>23.6</b>	26.1	16.3	66
<b>Absentee rate (AR)<sup>7</sup></b>	<b>5.86</b>	6.34	6.12	N.A.

<sup>4</sup> National accident statistics for 2019 will only be published in first half of 2020.

<sup>5</sup> AFR measures how often work incidents occur. (AFR = No. of workplace accidents reported/ No. of man hours worked x 1,000,000).

<sup>6</sup> ASR measures the severity of work incidents. (ASR = No. of man days lost to workplace accidents/ No. of man hours worked x 1,000,000).

<sup>7</sup> AR measures how often employees are absent from work. (AR = average absentee days per employee).

●● SUSTAINABILITY  
**REPORT**

*We adopt  
environment-  
friendly practices*



Energy and Emissions



Water



Effluents and Waste



Materials

SDG We Adopt



Positive Impact

3.1%

electricity saved

4.8%

water saved

100%

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

100%

of newsprint obtained from sustainable sources in which

53% are recycled pulp

Our business divisions adopt a best practice approach to environmental stewardship. We aim to reduce, reuse and recycle without compromising on the quality we deliver. Through regular monitoring of resource consumption, we are informed of the carbon footprint we leave behind, consumption patterns as well as the amount of waste generated. We strive to minimise our impact on the environment as we encourage all stakeholders to think and act green every step of the way.

PBSA is not included in all environmental data presented as full year data is not available. We will report PBSA's environmental performance from FY2020 onwards.

## ENERGY AND EMISSIONS [GRI 302-1, 302-3, 305-1,305-2, 305-4]

In our energy mix, electrical consumption accounted for about 99% of total energy consumption, with the remaining 1% from fuel consumption. The fuel consumption includes diesel for forklifts at Print Centre, diesel used for transportation and cooking gas used in Orange Valley's operations, backup generators for various buildings and natural gas for heating purpose for PBSA in the UK. The total fuel consumption in Singapore for FY2019 is 4,125 GJ.

Newspaper production as the most energy-intensive process makes up approximately 26% of the Group's

total consumption. A dedicated Energy Manager was appointed to monitor the Print Centre's performance and to identify any improvement opportunities. In 2018, we achieved 27% accumulated energy reduction, using the total energy consumed in 2013 as baseline, well above the requirements set under the NEA Energy Conservation Act. We will maintain our current level of energy consumption and submit our Energy use report and Energy Efficiency improvement plan to NEA annually.

For the other businesses, the majority of energy usage is from the buildings' electricity consumption. Each building monitors its respective usage patterns for site-specific conservation initiatives. Specific initiatives are detailed in Figure 12 below.

**Figure 12: Energy-saving Processes and Initiatives Carried Out**

Business	Energy Saving Initiatives
Media	<ul style="list-style-type: none"> <li>➔ In July 2019, we obtained grants from the Economic Development Board to replace one old chiller with a more efficient variable speed (VSD) chiller and retrofit most of the Fluorescent lamps with LED lamps. The replacement is estimated to achieve approximately carbon abatement of 0.6 kilo tonnes per annum and 1.042 Gwh per year. At Print Centre, conventional high bay induction lights were replaced with LED high bay lights to reduce energy consumption as well.</li> <li>➔ Shortened air-conditioning operating hours at SPH News Centre to reduce SPH's carbon footprint.</li> </ul>
Properties	<ul style="list-style-type: none"> <li>➔ 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. Good practices in energy-saving initiatives such as replacement of fluorescent with LED lights, and occupancy sensor controlled light fittings installed across our malls.</li> </ul>
Orange Valley	<ul style="list-style-type: none"> <li>➔ Conversion from fluorescent to LED lights to improve energy efficiency.</li> </ul>
PBSA	<ul style="list-style-type: none"> <li>➔ Energy performance certificates (EPCs) are a rating scheme to summarise the energy efficiency of buildings in the European Union. The buildings are rated on a scale from A to G. Our buildings achieved EPC band D which is average in the UK.</li> <li>➔ Daily system checks to ensure its functionality and operation is at optimal efficiency</li> <li>➔ Regular maintenance of facilities and amenities</li> <li>➔ Annual audits conducted by UK Government</li> <li>➔ Engagement activities with students to encourage energy-saving behaviours</li> </ul>

## ●● SUSTAINABILITY REPORT

The More You Save, The More We Donate!



In FY2019, Host – PBSA’s operator - launched the #HostEnvironmentalPledge campaign to encourage responsible behaviour and drive sustainability across its accommodations throughout UK and Ireland. Students are encouraged to reduce utilities (electricity, water, and gas) consumption. Host will match its donation to local charities to the percentage of overall reduction in consumption. They will donate £10,000 for every 1% reduction.

Host aims to inculcate energy-saving habits among our students through this campaign. Eventually, when they move into private accommodations of their own, this will go a long way to encourage them to cut down utility bills of their own.

**student  
minds**

**Just  
a Drop**

**LandAid** uniting to  
end youth  
homelessness  
THE PROPERTY INDUSTRY CHARITY

Find out more about the campaign and the charities at <https://host-students.com/host-environmental-pledge/>.

### Performance

In FY2019, the total direct (Scope 1) GHG emissions is 247 kgCO<sub>2</sub>e and the total indirect (Scope 2) GHG emissions is 48,540 tCO<sub>2</sub>e

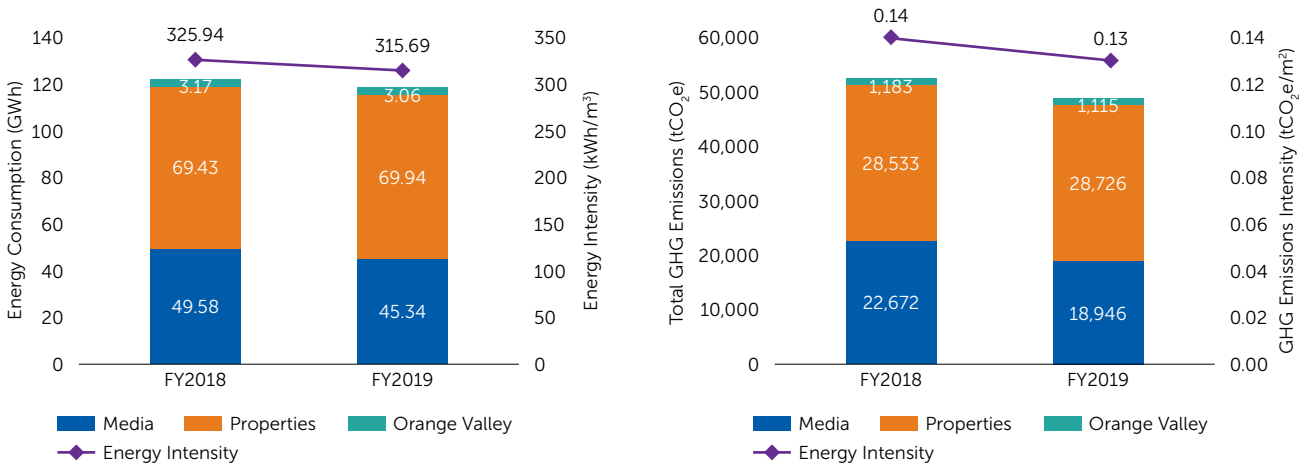
News Centre and Media Centre aim to maintain their total energy consumption based on 5-year moving average, and Print Centre (Production) targets to maintain its total energy consumption based

on FY2016 levels. Paragon, The Clementi Mall and The Seletar Mall strives to maintain the current energy and GHG emissions intensities from previous year’s levels.

News Centre and Media Centre managed to achieve significant reduction in energy consumption in FY2019 (13,832,642 kWh) compared to the 5-year moving average

as of FY2018 (21,303,543 kWh). Print Centre also reduced energy consumption in FY2019 (30,863,934 kWh) from FY2016 levels (33,584,178 kWh). For Properties, there was a slight increase in energy intensity in FY2019 (473.91 kWh/m<sup>2</sup>) from FY2018 (470.17 kWh/m<sup>2</sup>) while GHG emissions intensity remained the same at 0.19 tCO<sub>2</sub>e/m<sup>2</sup>.

**Figure 13: Energy Consumption and GHG Emission Charts by Business Division<sup>8</sup>**



<sup>8</sup> 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 for Properties are provided by the appointed energy management firm servicing our properties.

## WATER [GRI 303-1]

We adopt best practices in water management as recommended by the Public Utilities Board (PUB). Water consumption across our premises is closely monitored. Investigations are conducted as soon as any anomaly is detected. Regular checks and maintenance are performed to ensure the integrity of our water supply network and to prevent leaks which lead to unaccounted-for water usage.

To increase awareness, we engage our employees and tenants/residents on various water management initiatives. Training on water-saving practices is provided to staff. Signs are displayed in common areas as a friendly reminder to water users.

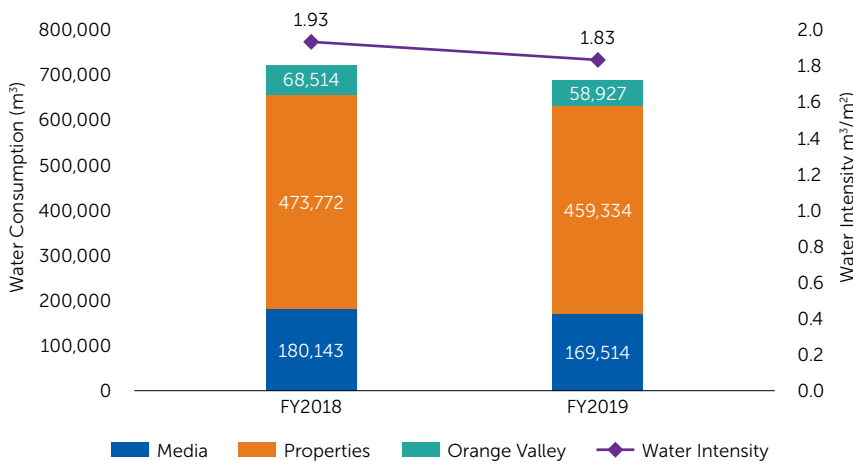
**Figure 14: Water-saving Processes and Initiatives Carried Out**

Business	Initiatives
Media	Since FY2018, we established rainwater harvesting facility above our PC2 production plant in the Print Centre. The rainwater is collected, filtered and used to reduce cooling tower water consumption. In FY2018, Print Centre has achieved a 44% reduction in water consumption from our FY2014 baseline.
Properties	<ul style="list-style-type: none"> <li>➔ All three malls are certified under the Public Utilities Board’s (PUB) Water Efficient Building (WEB) Certification Programme.</li> <li>➔ All water efficient fittings achieve a minimum of three ticks certified under the Water Efficiency Labelling Scheme (WELS).</li> </ul>

# SUSTAINABILITY REPORT

Business	Initiatives
Orange Valley	As an aged care service provider, Orange Valley’s operations requires a substantial amount of water to ensure the highest levels of cleanliness and hygiene. Water intensive activities include daily mass cleaning and food preparation at the central kitchen. 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	As the building’s water consumption is driven by students’ activities, education on water conservation is critical. In FY2019, we launched #HostEnvironmentalPledge campaign to encourage water saving habits amongst the students.

Figure 15: Water Consumption and Intensity by Business Division



News Centre and Media Centre aim to maintain their total water consumption based on 5-year moving average, and our Print Centre (Production) targets to maintain its total water consumption based on FY2016 levels. Paragon, The Clementi Mall and The Seletar Mall will strive to maintain the current water intensity from previous year’s levels.

These targets were met in FY2019. News Centre and Media Centre managed to reduce water consumption in FY2019 (94,341.50 m³) compared to the 5-year moving average as of FY2018 (123,116.20 m³). Print Centre also reduced water consumption levels in FY2019 (75,172 m³) from FY2016 levels (86,690 m³). Water intensity for Properties dropped in FY2019 (3.11 m³/m²) as compared to FY2018 (3.21 m³/m²).

## EFFLUENTS AND WASTE [GRI 306-1, 306-2]

Our waste disposal guidelines and standard operating procedure (SOP) have been drawn up in accordance to local laws and regulations to ensure that waste is properly segregated, treated and disposed of. Quantities of waste disposed and recycled by different properties are recorded for mandatory reporting. SPH’s waste classification and corresponding management plans are outlined in Figure 16.

At Orange Valley, education and training are integral to waste management system to ensure proper segregation of biohazardous waste at source. Staff receive waste disposal training during the mandatory orientation programme.

Furthermore, each business adopts various initiatives to reduce waste generation. Our office has switched to printers with print-on-demand and double-sided printing features to reduce the paper wastage.

Staff can also dispose of their old electronics at the e-waste recycling bin located at Digital Business’ Inspiration Hub in News Centre.



**Figure 16: Waste Classification and Management Plans**

Type of Waste Generated	Description	Management Plan
<b>Media</b>		
Trade Effluent	All cleaning liquids used for the presses rollers	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.  The remaining sludge is collected and disposed of by a licensed disposal company approved by NEA.
Non-Treatable Waste	Waste chemical, ink and developer	Collected and disposed of by a licensed waste disposal company approved by NEA.
Recyclable Waste	Newsprint, aluminium printing plates, carton boxes, metal drums, and plastic containers	Collected and sold to recycling facilities.
<b>Properties and PBSA</b>		
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	Collected and disposed of by licensed waste disposal company approved by NEA and relevant UK authorities.
<b>Orange Valley</b>		
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.

### Sustainable Practices by Orange Valley

At Orange Valley, efforts and emphasis are also put into building up a clean and green environment. A variety of plants are grown in the gardens to promote oxygen creation around the nursing homes.

Substantial plants, trees and water features within the compound help in reducing tropical heat to the building, making it more energy efficient, and more liveable for the residents.

Composting is used to convert garden waste (grass cuttings, fallen

leaves) and certain food waste (from leftovers) into fertilizers for the plants. This natural way of recycling helps to reduce waste disposal, putting them back to good use in the gardens.

# SUSTAINABILITY REPORT

## Community in Bloom

Held by National Parks Board Singapore, the biennial Community in Bloom (CIB) awards recognise and reward gardening efforts of local gardening groups. In FY2019, Orange Valley's community garden at Sims Avenue achieved the Gold band and our gardens at Clementi, Marsiling, and Simei were awarded Silver. The gardens were recognised for (1) garden quality, (2) level of community involvement and inclusiveness as well as (3) biodiversity and environmental friendliness.



Planters made from recycled wood and plastic at Sims Avenue, Marsiling and Simei

Large varieties of fruits and vegetables at Marsiling and Sims Avenue



Garden bench with Trellis canopy for growing creeper made by the staff at Clementi



Residents and visitors enjoying our fruits of labour!

## Performance

We continue to seek 100% compliance with NEA's regulations regarding waste water management in FY2020.

**Figure 17: Effluents and Waste Statistics for SPH Group in FY2019<sup>9</sup>**

	FY2019	FY2018
<b>Media (Print Centre only)</b>		
Treated waste water discharged to sewer (m <sup>3</sup> )	2,556	3,054
Untreated waste water disposed by licensed vendor (litre)	49,000	65,000
Sludge disposed by licensed vendor (kg)	26,140	23,880
Recycled waste (kg)	3,275,540	3,823,830
<b>Orange Valley</b>		
Hazardous waste disposed by licensed vendor (kg)	19,262 <sup>10</sup>	52,226
Non-hazardous waste discharged by licenced vendor (kg)	5,219,500	4,976,620

<sup>9</sup> Currently, our scope of all effluents and waste data includes only SPH Print Centre and Orange Valley.

<sup>10</sup> The large decrease in hazardous waste is due to a revision of the Infection Control Guideline by the Ministry of Health in 2018. Some disposed items were reclassified from biohazardous waste to non-hazardous waste.

## MATERIALS [GRI 301-2]

We extend our commitment to best environmental practices throughout our value chain. Our vendors are pre-qualified to ensure they meet applicable environmental and social responsible guidelines. All selected vendors are contractually obligated to comply with all laws and regulations in relation to provided services and products. SPH's Code of Conduct forms part of vendor agreement.

We adopt a best-sourcing approach for major newsprint supplies; including paper and ink.

SPH Group only uses the following types of paper pulp for newsprint production:

- ✓ 100% sustainably sourced paper pulp of which is made up of 53% recycled pulp and 47% virgin fibre pulp
- ✓ Hybrid newsprint which is a mixture of recycled paper pulp and virgin fibre pulp
- ✓ Virgin fibre pulp sourced from sustainable plantations are compliant with internationally recognised sustainable forest management standards. They 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 which are produced in compliance with REACH or NICNAS.

## SUSTAINABILITY REPORT

*We support vulnerable communities and promote the arts, culture and sports*



Local  
Communities

### SDGs We Adopt



### Positive Impact

Supported and organised more than

**100**

programmes under our five Corporate Social Responsibility (CSR) pillars

**\$426,000**

donated to Community Chest including \$76,000 raised through SPH's Double The Love fund-raising campaign

**\$31,122**

raised by 14 SPH divisions and subsidiaries and 11 external charities at SPH Charity Carnival

**500kg**

of textiles collected for recycling at SPH Earth Day 2019

More than

**130,000**

attended 13 SPH Gift of Music concerts throughout the year

## LOCAL COMMUNITIES [GRI 413-1]

One of the key ways SPH sets out to enrich lives is by giving back to our local community in Singapore. This is done through our various Corporate Social Responsibility (CSR) initiatives and partnerships. All CSR projects undertaken by SPH are guided by our CSR policy.

Over the years, SPH and its charity arm, SPH Foundation, have supported numerous causes

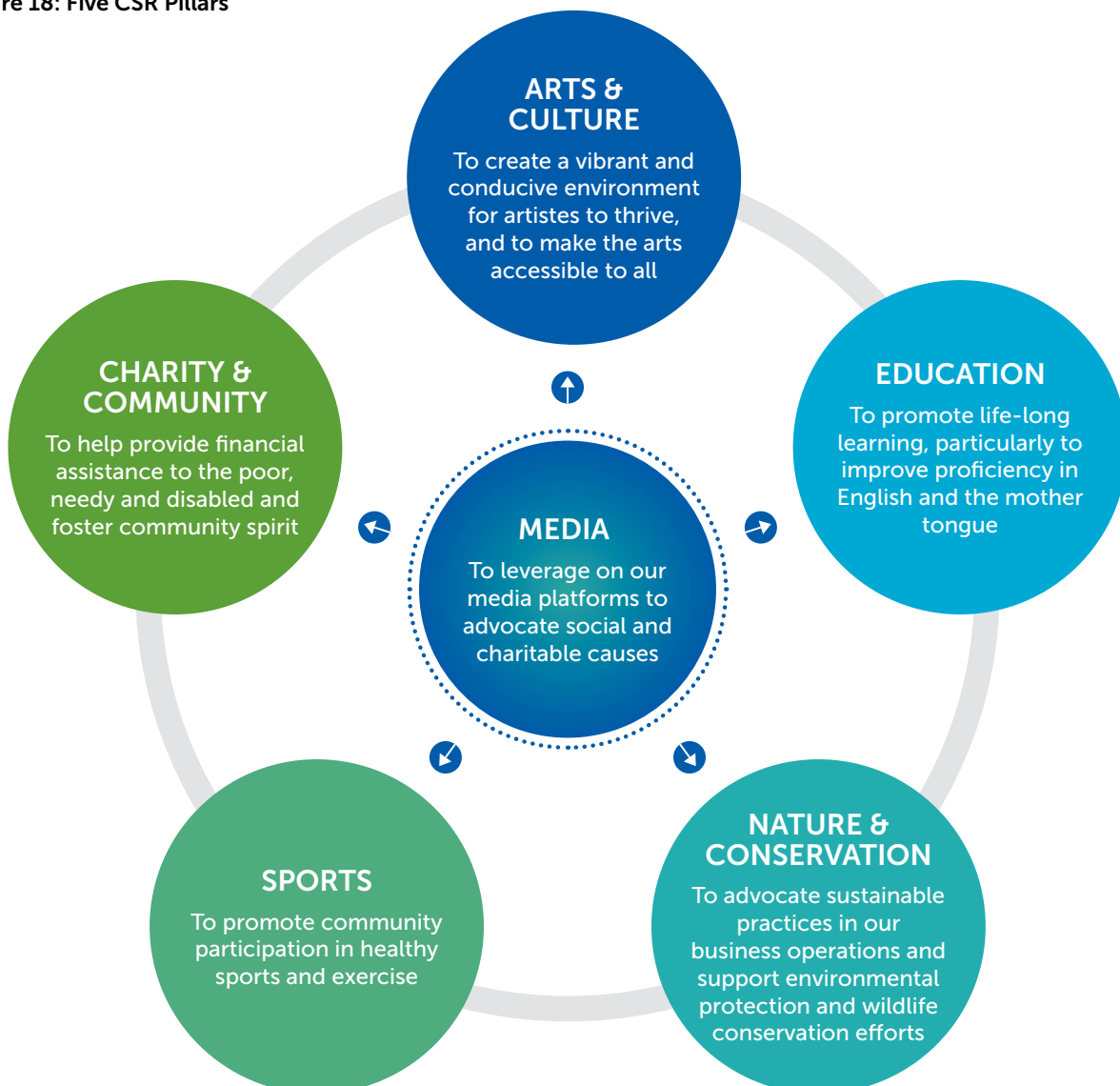
and activities across the five identified pillars (Figure 18). These programmes allow SPH to reach out to Singaporeans from all walks of life, including children, youth, senior citizens and the disabled.

Each year, we plan major events and projects to further SPH Group's five CSR pillars. Such events include The Straits Times Run, Lianhe Zaobao Cultural and Creative Space, The

New Paper Big Walk and Mencari Kristal, the Berita Harian-National Arts Council short story writing competition.

We implemented 198 local community engagement and development programmes in FY2019. For FY2020, we aspire to support and organise more than 100 programmes annually to continue to engage and give back to the community.

Figure 18: Five CSR Pillars



## ●● SUSTAINABILITY REPORT

### Charity & Community

In celebration of SPH's 35<sup>th</sup> anniversary, we launched the "Double The Love" fundraising campaign with Community Chest. SPH and SPH Foundation donated \$426,000 to Community Chest, matching the public's donation dollar-for-dollar to help children with special needs, vulnerable seniors and disadvantaged families.

The cheque presentation took place at the SPH 35<sup>th</sup> Anniversary Charity Concert at Capitol Theatre. Homegrown acts Samba Masala, Ding Yi Music Company, MICappella and Académie of Stars performed in a specially curated entertainment showcase attended by various beneficiaries and the public.

14 SPH divisions and subsidiaries and 11 external charities came together to raise \$31,122.40 for various causes and charities at this year's SPH Charity Carnival in May. The amount raised was more than twice as much as last year's sum. Our staff were motivated to contribute to their adopted charities, and the event also provided a platform for charity groups to garner awareness and support.



SPH Staff Volunteers Club bringing festive cheer to the seniors at Care Corner Senior Activity Centre at Woodlands.

Our staff brought festive cheer to 120 senior citizens at Care Corner Senior Activity Centre at Woodlands in January, as part of SPH Staff Volunteers Club's annual "SPH Cares with Bags of Love" outreach event. They also entertained the seniors with music performances and distributed fortune bags and bento lunches.

In celebration of Labour Day, around 400 construction workers received bento lunches, goodie

bags and newspapers from 19 staff volunteers on 30 April, as a gesture of appreciation for their tireless work on The Woodleigh Residences.

The Straits Times School Pocket Money Fund was started in 2000 as a community project initiated by The Straits Times to provide pocket money to children from low-income families to help them through school. The Fund has disbursed more than \$68 million and helped over 170,000 children and youth since. Beneficiaries also visited the revamped The Straits Times newsroom to have a hands-on experience about the role of a journalist.

We are honoured to have received the Corporate Platinum Award by the Community Chest and Champion of Good Award by the National Volunteer & Philanthropy Centre for our charity work.



SPH staff volunteers delivered bento lunches, goodie bags and newspapers to over 400 workers at The Woodleigh Residences work site.

## Nature & Conservation

The SPH Green Fund was established in September 2016 to support viable green projects.

This year, the Fund supported Greensquare, an organisation committed to textile recycling through free recycling services and education. We also partnered with Greensquare for "SPH Earth Day 2019" and collected around 500kg of textiles in our first-ever company wide textile recycling drive. Our staff also learned about reducing food waste and making eco lifestyle and food choices at the eco-bazaar.

In January 2019, we continued our sponsorship of sustainability festival EarthFest in January 2019 which seeks to inspire and support visitors to adopt responsible living habits like minimalism, zero waste and plant-based diets. The event was the biggest yet with over 130 stalls ranging from NGOs, green entrepreneurs to schools. Visitors attended talks, engaged with like-minded individuals and groups, sampled a wide variety of plant-based food, swapped books and

found out how to volunteer for or donate to environmental causes.

To encourage the habit of recycling among staff, we organised the annual SPH Flea Market with The Salvation Army in January, which raised \$6,817 for beneficiaries.

We also understand the need to raise a new generation of eco warriors through education. To achieve this, SPH Foundation sponsored Waterways Watch Society's Kallang River is Living and Loved (KRILL) outreach programme targeted at primary, secondary and tertiary students and Special Projects to Understand Nature (SUN) Club with NParks, providing opportunities for children with special needs to enjoy and appreciate nature. The programme introduced more initiatives to make it more interactive and benefitted 619 participants last year.

Into its ninth year, SPH Foundation's sponsorship of the Jurong Bird Park High Flyers Show and SPH Foundation Conservation Centre in Singapore Zoological Gardens, provided expert veterinary care

and other special needs and the cost of food for the animals. This is part of SPH Foundation's objective of promoting environmental conservation in Singapore.

Playing our part as an organisation, a green task force is being set up to ideate and implement green efforts for the organisation. The green task force is a voluntary group made up of staff from various divisions of SPH.

## Education

Teachers in primary and secondary schools in Singapore are incorporating news content on education portals by The Straits Times and Lianhe Zaobao in their classroom sessions to encourage media literacy and analytical skills.

We also sponsored Bulan Bahasa (Malay Language Month) to promote mastery and usage of the Malay language by the Malay community in their daily lives through the activities in the annual event.

SPH Foundation sponsored the School of the Arts (SOTA) Creative Writing Competition for Primary 6 students, which attracted a record 1,500 entries this year. We hope to nurture the passion and talent in our young writers. The finalists also got to sharpen their writing skills at the Short Fiction Junior Academy workshop held in conjunction with the competition.

The Chinese Language Journalism Fund by SPH Foundation has reached out to 2,000 students in six schools as students picked up journalistic skills and learned about the dangers of fake news and its implications through an hour-long comic sketch presentation.



SPH staff learned how to turn t-shirts into tote bags during the upcycling workshops at SPH Earth Day.

## ●● SUSTAINABILITY REPORT

### Arts & Culture

The annual SPH Gift of Music series brought 13 free concerts of different genres to the community in the heartlands, parks, shopping malls and the Esplanade. It serves as a platform to showcase Singaporean music talents, with performances by the Singapore Symphony Orchestra, Singapore Chinese Orchestra and other music groups. We celebrated our birthday on 4 August with a special concert by Ding Yi Music Company at Paragon.

Beneficiaries from welfare groups like SINDA, MINDS and Montfort Care enjoyed quality local arts productions thanks to the SPH Foundation Arts Fund which supports arts groups like Singapore I-Lien Drama Society and Ageless Theatre by purchasing tickets for the shows.

We have received the Patron of Heritage Awards 2018 (Supporter Category) by the National Heritage Board, and the Patron of the Arts Award by the National Arts Council for 27 consecutive years since 1993.

### Sports

The SPH Schools Relay Championships 2019 was held at Bishan Stadium in February. The competition, in its 27<sup>th</sup> year, featured a total of 32 schools.

Advocating inclusiveness in sports, SPH Foundation partnered with the Singapore Disability Sports Council (SDSC) to host the SPH Foundation National Inclusive Swimming Championship 2019 for the ninth year running, in May. 111 participants including Paralympians Yip Pin Xiu and Theresa Goh, took part in this year's event.



20-year-old Toh Wei Soong set a new personal best in the men's 50m backstroke (S7) at the SPH Foundation National Inclusive Swimming Championships in May



Junyuan Primary beat Farrer Park Primary 7-6 to clinch the SPH Foundation National Primary Schools Tchoukball Championships boys' junior division title

The championship is crucial in helping SDSC build a pool of competent and ready athletes across all disability and age groups to represent Singapore in major overseas competitions, like the 2019 World Para Swimming Championships in London, and also provides a platform for local para athletes to gain competitive experience and confidence.

30 primary school teams participated in the SPH Foundation National Primary Schools Tchoukball Championships (Junior Division) in November 2018.

In 2019, 32 teams participated in the eighth edition of the SPH Foundation National Primary Schools Tchoukball Championships for the Senior Division.

The Foundation has supported the Championships since 2012 and it is heartening to see the sport grow in popularity among the youth.



## REPORTING WHAT MATTERS

### About this Report

[GRI 102-46, 102-49, 102-50,  
102-52, 102-54, 102-56]

This report covers the activities and performance for the FY2019, from 1 September 2018 to 31 August 2019, with FY2018 being the year of comparison where applicable. The scope of this report has been expanded to include Orange Valley

and PBSA in the United Kingdom, on top of the Group's core media business and properties business. The performance for PBSA will only include the 14 properties SPH acquired in September 2018, unless otherwise stated. SPH's properties business comprises SPH REIT, Paragon, The Clementi Mall, The Rail Mall, and The Seletar Mall. For more details on the sustainability performance of SPH's properties business, please refer to the SPH REIT FY2019 Sustainability Report.

SPH has not sought external assurance for this year's report but will consider doing so in future.

This report has been prepared in accordance with Singapore Exchange Securities Trading Limited (SGX-ST) Main board Listing Rule 711 (A) and 711(B), and the GRI Standards: Core option.

This report also applies the GRI Reporting Principles for defining report content and quality:

<b>Stakeholder Inclusiveness</b>	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 89 for details on our approach to stakeholder engagement.
<b>Sustainability Context</b>	We emphasise 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 the organisation. We take reference from national and global agendas, such as the Sustainable Singapore Blueprint and the UN SDGs, to seek continuous improvements in its practices.
<b>Materiality</b>	This report focuses on the ESG topics which are material to SPH. In defining material topics, we have considered the significance of the various impacts as well as their influence on stakeholder assessments and decisions. Please refer to Page 92 for details on our materiality assessment process.
<b>Completeness, Balance</b>	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 have expanded reporting scope to include PBSA and Orange Valley for more holistic disclosure.
<b>Accuracy, Reliability, Clarity, Comparability</b>	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.
<b>Timeliness</b>	This report is intended as an annual publication dedicated to provide regular disclosures of SPH's ESG impacts to our stakeholders.

### Feedback [GRI 102-53]

All stakeholders are welcome to share your comments and suggestions as we seek to continuously improve on our approach to sustainability and sustainability reporting. Please address all feedback to sphcorp@sph.com.sg.

# SUSTAINABILITY REPORT

## Sustainability Governance [GRI 102-18]

The Board tasked the Board Risk Committee (BRC) to oversee and monitor the management of SPH’s material ESG factors. The BRC is assisted by the Sustainability Steering Committee (SSC) and the Sustainability Working Committee (SWC), which consist of the Group’s senior management and key executives from various business functions respectively. The SSC is responsible for developing SPH’s sustainability objectives and strategy, manage and monitor overall sustainability performance, and report to the Board. The SWC is responsible for driving the sustainability programme throughout the organisation.

Figure 19: SPH’s Sustainability Governance Structure



## Responsible Supply Chain Management [GRI 102-9]

SPH is committed to collaborating with transparent, ethical, environmentally and socially responsible suppliers.

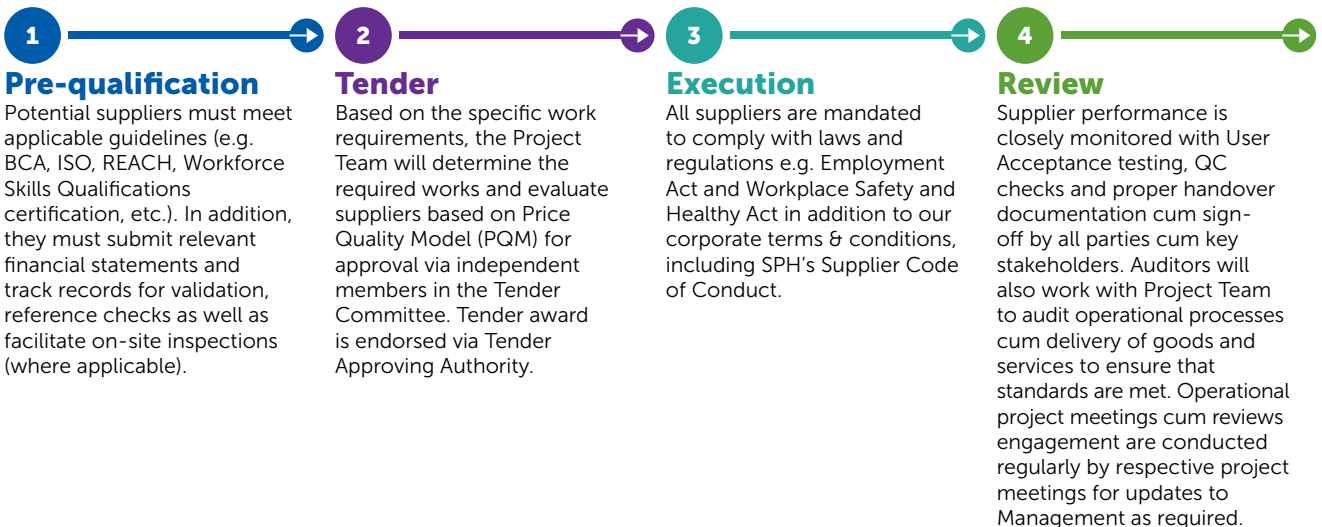
We promote ethical behaviour and sustainability awareness with suppliers through our Supplier Code of Conduct. The governance covers:

- Compliance with laws and regulations
- 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 U.S.) applicable to them
- Apply fair standards in its 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

- Provide a safe and healthy working environment for all its employees
- Comply strictly with local environmental laws and practices

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



## Stakeholder Engagement [GRI 102-40, 102-42, 102-43, 102-44]

SPH strives to build a symbiotic relationship with the key stakeholders. They hold a pivotal role to SPH's sustainability journey, thus with consistent engagement and understanding over time, it ensures the growth of SPH business operations and stakeholders' satisfaction. The following illustrates the approach SPH undertakes to engage with key stakeholders.

**Figure 20: Stakeholder Engagement**

Stakeholders	Interests / Key Concerns of Stakeholders	SPH's Response	Engagement Methods	Engagement Frequency
Customers	<ul style="list-style-type: none"> <li>➔ Quality of products and services, reliability of media content, punctuality of media release, enjoyable shopping experience, friendly customer service or engaging promotions and activities</li> <li>➔ Quality and conducive eldercare service and products</li> <li>➔ Comfortable and accessible student accommodations</li> </ul>	<ul style="list-style-type: none"> <li>➔ Ensure credible media content, reliable newspaper delivery services and high levels of customer service</li> <li>➔ Engage with customers on multi-platforms and channels</li> <li>➔ Regular upgrading of retail malls to improve and fine tune tenancy mix, and organise engagement activities to promote customer satisfaction and loyalty</li> </ul>	Customer interaction via multiple platforms and channels, including promotions and events	Ongoing
			Customer feedback channels	Ongoing
Investors/ Shareholders	<ul style="list-style-type: none"> <li>➔ Punctuality and accuracy of company's business progress, financial report.</li> <li>➔ SPH's business outlook</li> </ul>	<ul style="list-style-type: none"> <li>➔ Generate optimum returns on investment</li> <li>➔ Practise good corporate governance, transparency and disclosure</li> <li>➔ Strive for sustainability and long-term growth</li> <li>➔ Accurate and timely updates of SPH's business outlook to investing community</li> </ul>	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			

# SUSTAINABILITY REPORT

Stakeholders	Interests / Key Concerns of Stakeholders	SPH's Response	Engagement Methods	Engagement Frequency
Employees	<ul style="list-style-type: none"> <li>➔ Workplace health and safety</li> <li>➔ Work-life balance</li> <li>➔ User-friendly and systematic platform for employee's welfare</li> <li>➔ Career progression, opportunities and productivity</li> <li>➔ Sense of belonging and ownership</li> <li>➔ Consistent updates of SPH's strategic developments, instilling sense of loyalty and ownership</li> </ul>	<ul style="list-style-type: none"> <li>➔ Adopt human resource policies and practices that propagate an equitable and a safe working environment.</li> <li>➔ Exercise meritocracy, reward good performances, and encourage teamwork</li> <li>➔ Provide opportunity for career development</li> <li>➔ Provide work-life balance, e.g. provision of nursing rooms and encouraging staff to take part in sports and leisure events</li> <li>➔ Provide a platform for staff to submit suggestions and feedback to management</li> </ul>	Training and career development programmes	Ongoing
			Health and wellness campaigns	Ongoing
			Social and team-building activities	Ongoing
Business Partners	<ul style="list-style-type: none"> <li>➔ Collaborative partnerships and opportunity to nurture and expand the business</li> </ul>	<ul style="list-style-type: none"> <li>➔ Engage suitable partners to pursue mutual beneficial business objectives, work towards growth and profitability</li> </ul>	Business meetings	Ad-hoc
			Strategic partnerships	Ad-hoc
Media and Industry Partners	<ul style="list-style-type: none"> <li>➔ Availability of company's latest announcements, corporate news and developments of the media industries SPH is in</li> </ul>	<ul style="list-style-type: none"> <li>➔ Publish timely and reliable information on company developments and news regularly</li> </ul>	Media release	Ad-hoc
			Industry conferences and seminars	Ad-hoc
			Website and social media	Ongoing
Local Communities	<ul style="list-style-type: none"> <li>➔ Responsible corporate citizen who cares for the local community</li> </ul>	<ul style="list-style-type: none"> <li>➔ Organise and support over 100 programmes annually, contribute to worthy causes in charity, community, sports, arts and culture, as well as nature and conservation</li> <li>➔ Together with SPH Foundation and various business units and subsidiaries, engage with the community in various ways, and work towards a sustainable future.</li> </ul>	Community outreach programmes and events	Ongoing

Stakeholders	Interests / Key Concerns of Stakeholders	SPH's Response	Engagement Methods	Engagement Frequency
Government and Regulators	<ul style="list-style-type: none"> <li>➔ Require company to comply with guidelines, policies and regulations.</li> <li>➔ Address pertinent issues</li> </ul>	<ul style="list-style-type: none"> <li>➔ Comply with existing laws, formulate policies and procedures to ensure adherence and sustainability of business</li> </ul>	Communication and collaboration	Ongoing
		<ul style="list-style-type: none"> <li>➔ Provide updates of SPH's new activities and policies to regulators through public/private consultation process</li> </ul>	Compliance with applicable reporting requirements	Ongoing
Distributors/ Retailers/ Tenants	<ul style="list-style-type: none"> <li>➔ Systematic and punctual delivery of goods, products and services</li> <li>➔ Conducive trading environment for tenants</li> <li>➔ Explore ideas for partnerships with tenants and retailers to deliver memorable shopping experiences</li> </ul>	<ul style="list-style-type: none"> <li>➔ Regular meetings with tenants to gather feedback</li> </ul>	Tenant sales planning and support	Ongoing
		<ul style="list-style-type: none"> <li>➔ Plan campaigns and events to generate footfall for malls</li> </ul>	Tenant communication platforms and bulletins	Ongoing
		<ul style="list-style-type: none"> <li>➔ Identify target audience, customise advertisement and promotions to effectively reach out to various shoppers</li> </ul>	On-site visits to malls	Ad-hoc
			Shopper surveys	Ongoing
			Advertisements, marketing and sales promotion activities	Ongoing
Trade Unions	<ul style="list-style-type: none"> <li>➔ Facilitate access to employees and promote membership in the trade unions</li> <li>➔ Encourage engagement between management, staff and trade unions through regular dialogue sessions</li> </ul>	<ul style="list-style-type: none"> <li>➔ Set up open communication channels with the unions and organise official and non-official engagements</li> </ul>	Direct communication with trade unions	Ongoing
Suppliers	<ul style="list-style-type: none"> <li>➔ Ensure suppliers comply with the company's terms and conditions, and purchasing policies and procedures</li> <li>➔ Familiarise suppliers with latest procurement policies and platforms, to avert any fraud or impropriety in dealings with staff</li> </ul>	<ul style="list-style-type: none"> <li>➔ Have 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</li> </ul>	Supplier meetings	Ongoing
		<ul style="list-style-type: none"> <li>➔ Online Procurement-to-Payment System to streamline and automate workflow for suppliers and staff, increasing efficiency and productivity.</li> </ul>	Fair and ethical procurement process	Ongoing

# SUSTAINABILITY REPORT

Stakeholders	Interests / Key Concerns of Stakeholders	SPH's Response	Engagement Methods	Engagement Frequency
Trade Associations	➔ Require company's assistance and express various concerns and issues faced by the industry	➔ Membership and active participation in industry forums and dialogues	Participation in industry forums and dialogues Industry networking events	Ongoing Ongoing
Advocacy Groups and Charitable and Welfare Organisations	➔ Require company to uphold responsible business practices, reducing environmental impacts and disclose necessary information pertaining to business growth and sustainability.	➔ 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

## Materiality Assessment [GRI 102-47]

SPH conducted its first formal materiality assessment in FY2016 to identify and prioritise ESG factors that are material to SPH's operations. This was done in a three-step process (see Figure 21 below) with the help of an independent sustainability consultant.

In FY2019, SPH conducted an internal review of its previously identified material factors. They were found to be still relevant. But, following the review, SPH has expanded the scope of one material factor from "Workplace Health and Safety" to "Health and Safety of our Staff and Customers".

**Figure 21: Materiality Assessment Process**

### FY2019

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.

SPH has acquired Orange Valley, in FY2017 and Purpose-Built Student Accommodation in FY2018. Taking our new business segments into consideration, it is increasingly important for SPH to account for the health and safety of our customers, thus the expansion of scope for Health and Safety to include the health and safety of our customers as well.

### FY2018

SPH went through an extensive list of ESG matters identified based on the industry, peers and sustainability megatrends.

Key executives came together to prioritise and validate these material ESG factors.

11 material factors were approved by senior management and the Board Risk Committee

## Trade Membership [GRI 102-13]

We have established strategic partnerships and linkages with a diverse range of local and overseas corporate members and public bodies as listed below. These memberships in trade associations allows our employees to network and interact with peers and other industry professionals to learn industry best practices, exchange knowledge, receive updates on the latest trends and developments, and encourage collaborations with other organisations.

- ➔ Advertising Standards Authority of Singapore
- ➔ ASEAN Newspaper Printers
- ➔ Association of Media Owners (Singapore)
- ➔ Audit Bureau of Media Consumption
- ➔ Business China
- ➔ Central Singapore Development Council
- ➔ Contact Centre Association of Singapore
- ➔ Council for Estate Agencies
- ➔ Energy Efficiency National Partnership (EENP)
- ➔ FIPP
- ➔ Fire Safety Managers' Association
- ➔ 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
- ➔ Print & Media Association, Singapore
- ➔ Pulp and Paper Products Council
- ➔ Real Estate Developers' Association of Singapore
- ➔ 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 Compact
- ➔ Singapore Corporate Counsel Association
- ➔ Singapore International Chamber of Commerce
- ➔ Singapore Institute of Directors
- ➔ Singapore Institute of Safety Officers
- ➔ Singapore Manufacturing Federation
- ➔ 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 Association of Shopping Centres (Singapore)
- ➔ The Chinese Language Press Institute
- ➔ The Society of News Design
- ➔ Workplace Safety and Health Council
- ➔ World Association of Newspapers and News Publishers

# SUSTAINABILITY REPORT

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# CORPORATE GOVERNANCE REPORT

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 enhance corporate performance, accountability and sustainability, as well as to protect shareholders' interests. SPH has adopted the Code of Corporate Governance 2018 (the "Code") as the benchmark for its corporate governance policies and practices, even though it is only required to comply with this as from its financial year commencing 1 September 2019. SPH is pleased to confirm that it has adhered to the principles and provisions of the Code. In so far as any provision has not been complied with, the reason 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. Directors act in the best interests of the Company and through the Board's leadership, the Group's businesses are able to achieve sustainable and successful performance. The Board has put in place ethics policies within the Group, which set out a code of conduct and ethical standards for Directors and staff to adhere to.

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.

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.

## CORPORATE GOVERNANCE REPORT

In addition, SPH has in place a SPH Code of Ethics which sets out the framework and policies governing its employees' conduct, including those relating to anti-bribery, anti-corruption, anti-money laundering, counter-financing of terrorism, environmental protection, ethical procurement, fraud risk management, harassment and discrimination, 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, which would submit its recommendations or decisions to the Board. 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 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 eight times in the financial year ended 31 August 2019 ("FY2019"), of which four were the regular quarterly meetings and four 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 116. 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 formal 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 FY2019, Directors were provided with training in the areas of disruptive technologies, digital strategies and cybersecurity trends, bribery and anti-money laundering law, and ethics framework, in addition to updates on regulatory and reporting requirements such as the Singapore Exchange Securities Trading Limited ("SGX") Listing Manual, Companies Act, Code of Corporate Governance and financial reporting standards.

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 accounts, other financial statements and progress reports of the Group's business operations, as well as analysts' reports on the Company. The quarterly 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.

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.

The Board announces quarterly 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.

## CORPORATE GOVERNANCE REPORT

### 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 judgment 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 Mr Andrew Lim and Ms Janet Ang.

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 FY2019. Mr Lim had declared to the NC that he did not have a 5% or more stake in Allen & Gledhill LLP, that he did not involve himself in the selection and appointment of legal advisers for the Group, and that he supported the selection of legal advisers based on assessment of quality, and for their remuneration to be based on market rate. The NC also took into account Mr 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 Lim has 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.

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 she did not have a 5% or more stake in IBM and as an employee of IBM, did not participate in the negotiation of contracts or business dealings between SPH and IBM, which had transactions with the Group in FY2019. 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 Mr 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 27 to 31 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.

## CORPORATE GOVERNANCE REPORT

### 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) were independent Directors, and where the Chairman was 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, Ms Chong Siak Ching, Mr Andrew Lim and Mr Lim Ming Yan, 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.

The NC is satisfied that in FY2019, 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.

# CORPORATE GOVERNANCE REPORT

## 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 and self evaluation to assess the performance of individual Directors. Performance criteria include factors such as the Director's attendance, preparedness, candour, participation and contribution at Board meetings, industry and business knowledge, functional expertise, and commitment and dedication. The results of the peer and self 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

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

The RC comprises Dr Lee Boon Yang (Chairman), Ms Tan Yen Yen, Ms Chong Siak Ching, 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. 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 and competitive.

There are no termination, retirement and post-employment benefits granted to Directors, the CEO or the top five key management personnel in FY2019.

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. WillisTowersWatson Consulting (Singapore) Pte Ltd, the consultants engaged to advise on staff remuneration matters in FY2019, 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 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 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.

### 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.

## CORPORATE GOVERNANCE REPORT

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 FY2018, 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

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 payable for FY2019 is as follows:

Executive Director	Base/Fixed Salary %	Variable Bonus %	Benefits in Kind %	Total Cash & Benefits (S\$)
Ng Yat Chung	53.52	46.40	0.08	1,790,000

Performance shares granted, vested and lapsed for Mr Ng as at 31 August 2019 are as follows:

Performance Share Plan							
Awards	Granted (no of shares)	Estimated Value of Shares (\$\$) <sup>(1)</sup>	Vested	Lapsed	Date	Released	Value of Shares Vested <sup>(2)</sup> (\$\$)
			(no of shares)	(no of shares)		(no of shares)	
2018 Awards	93,000	272,490	82,770	10,230	13.1.2019 13.1.2020 13.1.2021	27,600	69,552
2018 Awards	285,600	634,032			13.1.2021		
2019 Awards	25,300	59,961			13.1.2020 13.1.2021		
2019 Awards	381,200	850,076			13.1.2022		

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.

Independent Directors	Base/Fixed Salary (\$)	Variable or Bonuses (\$)	Benefits- in-Kind (\$)	Directors' Fees (\$)		Total Remuneration (\$)
				Cash component*	Shares component*	
Lee Boon Yang (Chairman)	–	–	–	162,500	53,500	216,000
Janet Ang	–	–	–	90,250	29,750	120,000
Bahren Shaari	–	–	–	97,625	29,875	127,500
Chong Siak Ching	–	–	–	80,750	26,250	107,000
Andrew Lim Ming-Hui	–	–	–	109,125	35,375	144,500
Lim Ming Yan <sup>#</sup>	–	–	–	–	26,250	26,250
Quek See Tiat	–	–	–	112,875	36,625	149,500
Tan Chin Hwee	–	–	–	88,250	29,750	118,000
Tan Yen Yen	–	–	–	77,750	27,250	105,000

\* The amounts stated may be adjusted as indicated in the foregoing paragraph.

<sup>#</sup> Mr Lim Ming Yan was appointed as Director on 3 June 2019.

### 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.

# CORPORATE GOVERNANCE REPORT

## Remuneration of Key Management Personnel

### Remuneration Bands

	No. of Executives	Base/Fixed Salary (%)	Variable or Bonuses (%)	Benefits in Kind (%)	Share-based * (%)	Total (%)
Between \$1,250,000 to \$1,499,999	1	40.14%	30.54%	0.08%	29.24%	100%
Between \$1,000,000 to \$1,249,999	1	34.70%	25.86%	0.32%	39.12%	100%
Between \$750,000 to \$999,999	1	49.12%	26.65%	0.27%	23.96%	100%
Between \$500,000 to \$749,999	2	53.45%	26.81%	0.16%	19.58%	100%

\* Based on the fair values of performance shares granted in FY2019, as at date of grant.

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 FY2019 is S\$4,721,000.

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. The total performance bonus earned by each individual was credited into the bank account, with 1/3 paid out and the balance 2/3 carried forward to the next year. The bonus bank mechanism has ceased after the payout in 2019, and the bank balance will be paid out equally over the next two years. From 2020, a portion of the profit-driven performance bonus for senior executives will be paid in deferred shares, if the total amount is above a certain threshold. The deferred shares vest 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.

## 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 and internal controls 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.

The BRC comprises Mr Andrew Lim (Chairman), Ms Tan Yen Yen, Ms Janet Ang and Mr Ng Yat Chung, the majority of whom are independent and non-executive Directors. Mr Lim and Ms Ang are members 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 117. The Sustainability Report is found on page 45.

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 2019 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, fraud or other irregularities.

# CORPORATE GOVERNANCE REPORT

## 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.

Quarterly 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.

During the financial year, the AC reviewed the quarterly 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 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 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. 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 and methodology that were applied in the valuation of goodwill and intangible assets. It reviewed the reasonableness of the assumptions used in the cashflow forecasts including the terminal growth rates and discount rates, taking into consideration macroeconomic and sector trends and conditions.
Valuation of unquoted investments	The AC considered the appropriateness of the valuation techniques and the key valuation inputs used to determine the fair value of unquoted investments.

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 2019 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 2019 can be found on pages 130 to 132 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 FY2019, and a breakdown of the fees paid in total for audit and non-audit services respectively, can be found on page 199.

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. Most of the IAD staff have professional qualifications, and are members of the Institute of Singapore Chartered Accountants 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 Professional Practices Framework 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.

The AC reviews IAD's reports on a quarterly basis. The AC also reviews and approves the annual internal audit plans and manpower to ensure that IAD has the necessary resources to adequately perform its functions. The AC is satisfied that IAD is adequately resourced, effective and independent of the activities it audits.

## CORPORATE GOVERNANCE REPORT

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.

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.

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 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 two weeks prior to the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month prior to the announcement of the Company's full year financial statements. 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 quarterly 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 & Engagement

#### 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 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.

## 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 results and a media briefing of its full year results. The quarterly 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. 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 42. The SPH investor relations team, together with senior Management, communicate with investors.

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.

Following the amendments to the Listing Manual to allow listed companies to send documents to shareholders, including circulars and annual reports, using electronic communications, the Company also makes available a digital format of the Annual Report for FY2019 ("Annual Report"). The Annual Report, as well as the Company's Letter to Shareholders, are published on the Company's corporate website, [www.sph.com.sg](http://www.sph.com.sg). All shareholders of the Company will receive the notice of AGM, proxy form and request form to request for hard copies of the Annual Report and/or Letter to Shareholders.

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.

## CORPORATE GOVERNANCE REPORT

### 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](http://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 2019)

Name of Director	Board (8)	Executive Committee (6)	Audit Committee (5)	Remuneration Committee (4)	Nominating Committee (2)	Board Risk Committee (5)
Lee Boon Yang (Chairman)	7 <sup>1</sup>	6	–	4	2	–
Ng Yat Chung (CEO)	8	6	–	–	–	5
Bahren Shaari	6	6	–	–	2	–
Chong Siak Ching	8	–	–	4	2	–
Quek See Tiat	8	6	5	–	–	–
Tan Chin Hwee	7	–	5	4	–	–
Tan Yen Yen	7	–	–	2	–	4
Janet Ang Guat Har	8	–	5	–	–	5
Andrew Lim Ming-Hui	8	–	5	–	2	5
Lim Ming Yan	2 <sup>2</sup>	–	–	1 <sup>2</sup>	0 <sup>2</sup>	–

Notes:

1 Dr Lee Boon Yang recused himself from one meeting.

2 Mr Lim Ming Yan was appointed a Director and a member of the Remuneration Committee and the Nominating Committee on 3 June 2019.

# 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, to ensure that the Group's resources are employed in a prudent but effective manner to harness opportunities while mitigating threats.

## ERM FRAMEWORK

Our ERM framework is modeled largely on the ISO 31000:2009 Risk Management – Principles and Guidelines, and cover the key strategic, operational, financial, compliance and information technology risks facing SPH. The ERM framework is supported by appropriate risk policies and procedures and provides guidance to our various business units on managing risks.

## RISK GOVERNANCE

Our ERM Programme and internal controls are 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 Management maintains a robust system of risk management and internal controls to safeguard stakeholders' interests and the company'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 which meets quarterly, currently comprises of three independent Board members and the CEO. The meetings are attended by key Management.

The Enterprise Risk Appetite Statement addresses the key risks and sets out the risk appetite and tolerance for the Group. The BRC and Board regularly review the Enterprise Risk Appetite Statement, 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. Guided by the Enterprise Risk Appetite Statement, each business unit then establishes its respective risk appetite statement to govern operations. Key Risk Indicators are identified, measured, monitored and reported to BRC and key Management. To ensure that risks are adequately and effectively managed in a rapidly evolving business environment, 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 identified risks.

The objectives of our risk governance framework are to monitor risks, proactively seek assurance and ensure that any inadequacies are addressed promptly. The framework facilitates the Board in carrying out its duties in reviewing, assessing and disclosing the adequacy and effectiveness of risk management and internal control systems across SPH.

## ENTERPRISE RISK MANAGEMENT PHILOSOPHY AND APPROACH

Our philosophy and approach to Enterprise Risk Management (ERM) is set out below:

- ➔ 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 is aligned with and driven by our business values, goals and objectives.
- ➔ BRC is 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 budgeting, mid/long-term planning and business development.
- ➔ Where possible, risks are shared and transferred via relevant insurance policies such as Industrial All Risks, Public Liability, Work Injury Compensation, Fidelity guarantee, Cyber Liability, Multimedia Professional Indemnity, and Group Personal Accident policies.

The key outputs of our Enterprise Risk Management Programme are:

- ➔ Identify key risks affecting major investments, business objectives and strategic plans.

## RISK MANAGEMENT

- ➔ Identify and evaluate existing controls and develop additional plans required to treat the identified risks (mitigate, reduce, transfer, etc).
- ➔ Implement measures and processes to enable the ongoing monitoring and review of risk severity and treatment effectiveness.
- ➔ Identify changes to identified risks, or emerging risks and promptly bring these to the attention of the Board where appropriate.

The following sections outline the risk environment that may impact SPH's businesses and our approach to managing these enterprise risks.

### ECONOMIC AND BUSINESS RISK

Adverse macroeconomic conditions in the global and domestic environment could have a significant impact on our businesses. Singapore's 2019 GDP growth has been forecasted by MTI to be between 0.0% and 1.0%, with the economic outlook for next year expected to be cloudy. Strong disruptive headwinds such as the China-US trade war could trigger a global recession and present significant uncertainties and downside risks. We proactively manage risk exposure on the economic front by making sustained efforts to diversify into new growth markets locally and overseas, as well as streamlining our business processes for cost optimisation and adopting prudent financial management practices.

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 sharpen 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 execution and reputational risks. To manage such risk exposure, we adopt appropriate business practices that facilitate effective execution whilst ensuring that our values and reputation are not compromised.

### 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 technological trends and implement adequate and effective IT controls to address potential exposures and threats. During the year, we have worked to identify and implement various measures to further strengthen our cyber security posture. As cyber attacks become more organised and sophisticated, we will continue to invest to strengthen our cyber defences.

We further recognise that human weakness presents a most fundamental threat to cyber and information security. In order to ensure the efficiency and integrity of our IT systems, the Group's Information Technology Acceptable Use Policies are put in place to guide all staff on appropriate and acceptable use of computing resources such as hardware, software and data. Cyber-security awareness education is a continuous cultural

initiative implemented to strengthen corporate defence behaviour against potential hacking, phishing, malware and other cyber-crimes.

### REGULATORY/ COMPLIANCE RISK

Our newspaper business is dependent on the annual renewal of the 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 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 order to ensure compliance with such statutory and regulatory requirements, we have implemented compliance frameworks that include



instructional tools and processes 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 services.

We have 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, and is always inherent in organisations with multiple functions.

Effective operational risk management has always been one of the fundamental elements of our ERM Programme, and we have designed and implemented our system of internal controls with a view to mitigate such operational 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.

## BUSINESS CONTINUITY RISK

Availability and safety of our newspaper printing facilities, editorial functions and data centres are of paramount importance to SPH as our readers rely on SPH to provide them with timely and accurate news via our suite of news products and services.

We recognise our organisation's exposure to internal and external threats and seek to increase our resilience to potential business interruptions and 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. Towards this end, we have a comprehensive Business Continuity Planning Programme (BCP Programme) to minimise any disruptions to our critical business activities and ensure that the populace continues to be informed in the face of crisis. Simulation exercises are conducted, on location, periodically. Front-line staff, as well as operating and supporting business units, are involved to ensure operational preparedness.

## FRAUD RISK

Every organisation faces some risk of fraud incidents from within. SPH has a Code of Ethics which includes policies on Workplace Conduct and Fraud Risk Management. The SPH Code of Ethics states that the company does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing

by staff in the course of their work. The Code of Ethics also covers areas such as safeguarding of assets, proprietary information and intellectual property. Any breach of the Code of Ethics may result in disciplinary action including suspension or termination of employment. To promote and foster a strong risk awareness culture, the Code of Ethics is accessible to all employees via the staff portal and new staff are educated on the guidelines as part of our staff induction programme.

We also have in place a Whistle-blowing Policy which staff and any other persons may, in confidence, raise concerns about possible improprieties including matters involving fraud, corruption and employee misconduct. The policy is published on the staff portal and internet (<https://www.sph.com.sg/corporate-governance/whistleblowing-policy-procedure/>) for staff and public information with a hotline number, email and online form made available for complaints and any observations to be raised.

## 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 29 November 2019 is set out below.

Name of Director	Mr Ng Yat Chung	Ms Tan Yen Yen	Mr Lim Ming Yan
Date of Appointment	1 August 2016	1 April 2012	3 June 2019
Date of last re-appointment (if applicable)	1 December 2016	1 December 2017	NA
Age	57	54	56
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>Mr Ng has continued to discharge his duties as CEO and Director well and to contribute positively to the Company.</p> <p>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 102 to 106 of the Annual Report.</p>	<p>Ms Tan has continued to discharge her duties as Director well and to contribute positively to the Company.</p> <p>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 102 to 106 of the Annual Report.</p>	<p>Mr Lim has continued to discharge his duties as Director well and to contribute positively to the Company.</p> <p>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 102 to 106 of the Annual Report.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive As the Chief Executive Officer, Mr Ng oversees the business of the SPH Group.	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> <li>➔ Chief Executive Officer</li> <li>➔ Board Risk Committee Member</li> <li>➔ Executive Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>➔ Remuneration Committee Member</li> <li>➔ Board Risk Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>➔ Nominating Committee Member</li> <li>➔ Remuneration Committee Member</li> </ul>
Professional Qualifications	<ul style="list-style-type: none"> <li>➔ Bachelor of Arts (Engineering Tripos) and Master of Arts, Cambridge University</li> <li>➔ Master of Military Art and Science (General Studies), US Army Command &amp; General Staff College, USA</li> <li>➔ MBA, Stanford University</li> </ul>	<ul style="list-style-type: none"> <li>➔ Computer Science, National University of Singapore</li> <li>➔ Executive MBA, Helsinki School of Economics Executive Education</li> </ul>	<ul style="list-style-type: none"> <li>➔ Mechanical Engineering and Economics (1st Class Hons), University of Birmingham</li> <li>➔ Advanced Management Program, Harvard Business School</li> </ul>
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> <li>➔ CEO, Singapore Press Holdings Limited (Sept 2017 to present)</li> <li>➔ CEO, Neptune Orient Lines Ltd (Oct 2011 to June 2016)</li> <li>➔ Executive Director, Neptune Orient Lines Ltd (May 2011 to May 2016)</li> <li>➔ Senior Managing Director and Head, Energy &amp; Resources; Co-Head, Australia &amp; New Zealand / Co-Head Strategy, Temasek Holdings (Private) Limited (July 2007 to April 2011)</li> </ul>	<ul style="list-style-type: none"> <li>➔ President, Asia Pacific, Vodafone Global Enterprise Singapore Pte Ltd (March 2017 to present)</li> <li>➔ Regional Vice President and Managing Director, SAS South Asia Pacific, SAS Institute Inc. (April 2014 to Jan 2017)</li> <li>➔ Senior Vice President (Applications), Oracle Corporation Asia Pacific (July 2010 to March 2014)</li> <li>➔ Vice President &amp; Managing Director, Hewlett Packard Singapore (2006 to June 2010)</li> </ul>	<ul style="list-style-type: none"> <li>➔ President &amp; Group CEO, CapitaLand Limited (Jan 2013 to Sept 2018)</li> <li>➔ Chief Operating Officer, CapitaLand Limited (May 2011 to Dec 2012)</li> <li>➔ CEO, The Ascott Limited (July 2009 to February 2012)</li> <li>➔ CEO, CapitaLand China Holdings Pte Ltd (July 2000 to June 2009)</li> </ul>

Name of Director	Mr Ng Yat Chung	Ms Tan Yen Yen	Mr Lim Ming Yan
Shareholding interest in the listed issuer and its subsidiaries	<ul style="list-style-type: none"> <li>➔ SPH – 27,600 ordinary shares</li> <li>➔ SPH – 12 management shares</li> <li>➔ The Straits Times Press (1975) Limited – 1 management share</li> <li>➔ Singapore News &amp; Publications Limited – 1 management share</li> </ul>	<ul style="list-style-type: none"> <li>➔ SPH – 21,000 ordinary shares</li> <li>➔ SPH – 4 management shares</li> </ul>	<ul style="list-style-type: none"> <li>➔ SPH – 12,000 ordinary shares</li> <li>➔ SPH – 4 management shares</li> </ul>
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
Conflict of interest (including any competing business)	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
Other Principal Commitments including Directorships <ul style="list-style-type: none"> <li>• Past (for the last 5 years)</li> </ul>	Neptune Orient Lines Ltd (Director)	<ul style="list-style-type: none"> <li>➔ Cap Vista Pte Ltd (Director)</li> <li>➔ Gemalto NV (Director)</li> <li>➔ Singapore Institute of Directors (Director)</li> <li>➔ Ministry of Culture, Community and Youth-ASEAN Para Games Steering Committee (Member)</li> <li>➔ Ministry of Culture, Community and Youth-High Performance Sports, Performance &amp; Selection Committee (Member)</li> <li>➔ Singapore Committee on the Future Economy-sub-committee for Corporate Capabilities and Innovation (Member)</li> <li>➔ Defence Science &amp; Technology Agency (Director)</li> </ul>	<ul style="list-style-type: none"> <li>➔ CapitaLand Limited (President &amp; Group CEO)</li> <li>➔ CapitaLand Mall Asia Limited (as manager of CapitaLand Mall Asia Trust) (Chairman &amp; Director)</li> <li>➔ CapitaLand Commercial Trust Management Limited (as manager of CapitaLand Commercial Trust) (Deputy Chairman &amp; Director)</li> <li>➔ CapitaLand Retail China Trust Management Limited (as manager of CapitaLand Retail China Trust) (Deputy Chairman &amp; Director)</li> <li>➔ CapitaLand Mall Trust Management Limited (as manager of CapitaLand Mall Trust) (Deputy Chairman &amp; Director)</li> <li>➔ Ascott Residence Trust Management Limited (as manager of Ascott Residence Trust) (Deputy Chairman &amp; Director)</li> </ul>

## SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Ng Yat Chung	Ms Tan Yen Yen	Mr Lim Ming Yan
Other Principal Commitments including Directorships <ul style="list-style-type: none"> <li>Present</li> </ul>	<ul style="list-style-type: none"> <li>SPH REIT Management Pte Ltd (as manager of SPH REIT) (Director)</li> <li>Singapore Institute of Technology (Chairman, Board of Trustees)</li> </ul>	<ul style="list-style-type: none"> <li>Ams AG (Director)</li> <li>Singapore Science Centre (Chairman)</li> <li>National University of Singapore's School of Computing (Member)</li> <li>TNF Ventures (Advisory Member)</li> <li>Asia Pacific, Vodafone Global Enterprise Singapore Pte Ltd (President)</li> </ul>	<ul style="list-style-type: none"> <li>DLF Cyber City Developers Limited (India) (Independent Director)</li> <li>Central China Real Estate Limited (Director)</li> <li>Business China (Director)</li> <li>Singapore Tourism Board (Director)</li> <li>Singapore-China Foundation Ltd (Governor)</li> <li>Chinese Development Assistance Council (Board of Trustees)</li> <li>Future Economy Council (Co-Chairman of its Built Environment Sub-Committee)</li> <li>Workforce Singapore Agency (Chairman)</li> <li>Indonesia-Singapore Business Council (Member)</li> </ul>
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	There is no change to the responses previously disclosed by Mr Ng 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 in respect of Mr Ng's appointment as Director was announced on 20 July 2016.	There is no change to the responses previously disclosed by Ms Tan 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 in respect of Ms Tan's appointment as Director was announced on 30 March 2012.	There is no change to the responses previously disclosed by Mr Lim 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 in respect of Mr Lim's appointment as Director was announced on 29 May 2019.

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# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019

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 2019 and the statement of financial position of Singapore Press Holdings Limited (the "Company") as at 31 August 2019.

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 135 to 237, 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 2019, 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  
Chong Siak Ching  
Andrew Lim Ming-Hui  
Lim Ming Yan (appointed on 3 June 2019)  
Quek See Tiat  
Tan Chin Hwee  
Tan Yen Yen

## 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 and remuneration shares to Directors of the Company.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019

## DIRECTORS' INTERESTS IN SHARES

3. The Directors holding office as at 31 August 2019 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:

	Direct Interests			Deemed Interests		
	1 Sept 2018*	31 Aug 2019	21 Sept 2019	1 Sept 2018*	31 Aug 2019	21 Sept 2019
<b>Singapore Press Holdings Limited</b>						
<u>Management Shares</u>						
Lee Boon Yang	4	4	4	–	–	–
Ng Yat Chung	16	12	12	–	–	–
Janet Ang Guat Har	4	4	4	–	–	–
Bahren Shaari	4	4	4	–	–	–
Chong Siak Ching	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	–	–	–
<u>Ordinary Shares</u>						
Lee Boon Yang	–	20,000	20,000	–	–	–
Ng Yat Chung	–	27,600	27,600	–	–	–
Janet Ang Guat Har	–	10,000	10,000	4,250	4,250	4,250
Bahren Shaari	–	11,000	11,000	–	–	–
Chong Siak Ching	–	9,000	9,000	–	–	–
Andrew Lim Ming-Hui	–	12,000	12,000	–	–	–
Quek See Tiat	–	13,000	13,000	47,000	47,000	47,000
Tan Chin Hwee	–	11,000	11,000	–	–	–
Tan Yen Yen	–	9,000	9,000	–	–	–
<u>Conditional Awards of Performance Shares**</u>						
Ng Yat Chung						
31,000# shares to be vested in January 2019	Up to 44,640##	– <sup>^^</sup>	N.A.	–	–	–
31,000# shares to be vested in January 2020	Up to 44,640##	27,600	27,600	–	–	–
31,000# shares to be vested in January 2021	Up to 44,640##	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##	–	–	–
12,600 shares to be vested in January 2020	–	12,600	12,600	–	–	–
12,700 shares to be vested in January 2021	–	12,700	12,700	–	–	–
381,200# shares to be vested in January 2022	–	Up to 762,400##	Up to 762,400##	–	–	–

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019

## DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Direct Interests			Deemed Interests		
	1 Sept 2018*	31 Aug 2019	21 Sept 2019	1 Sept 2018*	31 Aug 2019	21 Sept 2019
<b>Singapore News and Publications Limited</b>						
<u>Management Shares</u>						
Ng Yat Chung	1 <sup>^</sup>	1 <sup>^</sup>	1 <sup>^</sup>	–	–	–
<b>The Straits Times Press (1975) Limited</b>						
<u>Management Shares</u>						
Ng Yat Chung	1 <sup>^</sup>	1 <sup>^</sup>	1 <sup>^</sup>	–	–	–
<b>SPH REIT</b>						
<u>Units</u>						
Lee Boon Yang	300,000	300,000	300,000	–	–	–

\* Or date of appointment, if later. 4 management shares were transferred from Mr Ng Yat Chung to Mr Lim Ming Yan, who was appointed as a Director on 3 June 2019.

\*\* Represents performance shares granted from financial year 2018 to 2019.

# 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, 27,600 shares were vested and awarded 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 2019

## 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"). This replaced the Share Plan, which was terminated, except that awards granted prior to such termination and were outstanding continued to be valid till their vesting on 14 January 2019.

The Share Plan and the 2016 Share Plan (collectively, "SPH PSP") are 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 will be principally performance-based with performance conditions to be set over a multi-year performance period. Performance conditions are intended to be 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.

### The Share Plan

- (f) During the financial year, there was no grant of awards under the Share Plan.
- (g) The aggregate number of performance shares granted since the commencement of the Share Plan on 5 December 2006 to 31 August 2019 is 20,722,675 performance shares.

The above figure represents 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 150%, depending on the level of achievement against the pre-set performance conditions.

- (h) 545,147 ordinary shares were delivered during the financial year pursuant to the vesting of awards granted under the Share Plan.
- (i) There were no outstanding performance shares comprised in awards granted under the Share Plan as at 31 August 2019.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019

## PERFORMANCE SHARES IN THE COMPANY (CONT'D)

### The 2016 Share Plan

- (j) During the financial year, 1,564,600 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 <sup>^</sup>
Executive Director	1	406,500
Employee	24	1,158,100
	25	1,564,600

<sup>^</sup> 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 2019 is 5,135,505 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.

- (k) 551,600 ordinary shares were delivered during the financial year pursuant to the vesting of awards granted under the 2016 Share Plan.
- (l) The aggregate number of performance shares comprised in awards granted under the 2016 Share Plan which are outstanding as at 31 August 2019 is 3,590,502 performance shares.

## 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 1.9.18	Aggregate awards granted since commencement to 31.8.19	Aggregate awards released during the financial year under review	Aggregate awards outstanding as at 31.8.19
Ng Yat Chung	Up to 562,320	Up to 1,350,020	27,600 <sup>#</sup>	Up to 1,271,270

<sup>#</sup> 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:

- (a) 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.
- (b) No awards under the SPH PSP have been granted to controlling shareholders of the Company or their associates.
- (c) 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.

# ●● DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019

## 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.

## 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,  
17 October 2019

# ●● 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 2019, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in total equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 135 to 237.

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

### Basis for opinion

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

### Key audit matters

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

### Valuation of investment properties

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

#### **Risk:**

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

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

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

# ●● INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE PRESS HOLDINGS LIMITED

## ***Our response:***

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

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

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

## ***Our findings:***

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

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

## **Valuation of unquoted investments**

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

### ***Risk:***

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

### ***Our response:***

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

### ***Our findings:***

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

## **Valuation of goodwill and intangible assets**

(Refer to Note 13 to the financial statements)

### ***Risk:***

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

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

# ●● 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. We also considered the adequacy of the disclosures of the key assumptions used in conveying the inherent estimation uncertainties.

## ***Our findings:***

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

## **Other information**

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

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

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

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

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

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

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

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

# ●● INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE PRESS HOLDINGS LIMITED

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

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

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

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

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

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

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

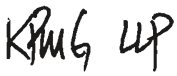
# ●● INDEPENDENT AUDITORS' REPORT

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  
17 October 2019



# STATEMENTS OF FINANCIAL POSITION

AS AT 31 AUGUST 2019

	Note	Group			Company		
		31 Aug 2019 S\$'000	31 Aug 2018 S\$'000	1 Sept 2017 S\$'000	31 Aug 2019 S\$'000	31 Aug 2018 S\$'000	1 Sept 2017 S\$'000
<b>CAPITAL EMPLOYED</b>							
Share capital	4(a)	522,809	522,809	522,809	522,809	522,809	522,809
Treasury shares	4(a)	(13,226)	(7,101)	(7,384)	(13,226)	(7,101)	(7,384)
Reserves	5	82,618	264,723	329,264	3,260	7,783	32,907
Retained profits		2,896,255	2,649,848	2,609,786	1,780,434	1,489,926	1,243,374
Shareholders' interests		3,488,456	3,430,279	3,454,475	2,293,277	2,013,417	1,791,706
Perpetual securities	4(b)	150,512	–	–	150,512	–	–
Non-controlling interests	6	1,068,180	761,152	734,926	–	–	–
<b>Total equity</b>		<b>4,707,148</b>	<b>4,191,431</b>	<b>4,189,401</b>	<b>2,443,789</b>	<b>2,013,417</b>	<b>1,791,706</b>
<b>EMPLOYMENT OF CAPITAL</b>							
<b>Non-current assets</b>							
Property, plant and equipment	7	188,023	190,649	194,171	43,194	36,462	37,173
Investment properties	8	5,014,896	4,155,122	4,034,771	–	–	–
Subsidiaries	9	–	–	–	436,798	439,940	438,077
Associates	10	366,012	95,825	68,792	–	–	–
Joint ventures	11	21,995	39,174	8,696	600	600	–
Investments	12(a)	352,797	453,951	513,728	–	–	27,173
Intangible assets	13	141,197	176,028	204,443	41,311	44,071	46,832
Trade and other receivables	14(a)	251,337	246,562	8,935	2,069,297	283,809	4,650
Derivatives	15	2,065	200	200	–	–	–
		<b>6,338,322</b>	<b>5,357,511</b>	<b>5,033,736</b>	<b>2,591,200</b>	<b>804,882</b>	<b>553,905</b>
<b>Current assets</b>							
Inventories	16	23,472	22,636	21,892	21,491	20,281	19,557
Trade and other receivables	14(b)	147,408	292,862	314,421	761,108	2,383,725	2,391,965
Investments	12(b)	43,733	121,663	363,370	–	–	–
Asset held for sale		–	–	18,000	–	–	18,000
Derivatives	15	20	39	1,473	–	–	–
Cash and cash equivalents	17	554,435	359,498	312,647	119,816	161,886	150,467
		<b>769,068</b>	<b>796,698</b>	<b>1,031,803</b>	<b>902,415</b>	<b>2,565,892</b>	<b>2,579,989</b>
<b>Total assets</b>		<b>7,107,390</b>	<b>6,154,209</b>	<b>6,065,539</b>	<b>3,493,615</b>	<b>3,370,774</b>	<b>3,133,894</b>
<b>Non-current liabilities</b>							
Trade and other payables	18(a)	40,475	39,362	37,556	105	1,121	2,876
Deferred tax liabilities	19(a)	34,431	33,093	42,242	7,363	6,438	6,616
Borrowings	20	1,646,008	1,312,507	528,044	146,810	279,160	–
Derivatives	15	2,339	2,814	7,365	1,096	–	–
		<b>1,723,253</b>	<b>1,387,776</b>	<b>615,207</b>	<b>155,374</b>	<b>286,719</b>	<b>9,492</b>
<b>Current liabilities</b>							
Trade and other payables	18(b)	228,328	230,527	241,352	752,225	973,237	1,020,196
Current tax liabilities		36,099	47,682	46,591	8,169	12,401	16,500
Borrowings	20	411,001	294,853	971,695	134,058	85,000	296,000
Derivatives	15	1,561	1,940	1,293	–	–	–
		<b>676,989</b>	<b>575,002</b>	<b>1,260,931</b>	<b>894,452</b>	<b>1,070,638</b>	<b>1,332,696</b>
<b>Total liabilities</b>		<b>2,400,242</b>	<b>1,962,778</b>	<b>1,876,138</b>	<b>1,049,826</b>	<b>1,357,357</b>	<b>1,342,188</b>
<b>Net assets</b>		<b>4,707,148</b>	<b>4,191,431</b>	<b>4,189,401</b>	<b>2,443,789</b>	<b>2,013,417</b>	<b>1,791,706</b>

The accompanying notes form an integral part of these financial statements.

# ●● CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019

	Note	Group	
		2019 S\$'000	2018 S\$'000
Operating revenue	22	959,255	982,555
Other operating income		18,414	23,117
<b>Total revenue</b>		<b>977,669</b>	<b>1,005,672</b>
Materials, production and distribution costs		(134,856)	(142,752)
Staff costs	23	(333,309)	(351,785)
Premises costs		(84,960)	(69,998)
Depreciation	7	(27,381)	(26,612)
Other operating expenses	24	(136,676)	(141,402)
Impairment loss on trade receivables		(690)	(306)
Impairment of goodwill and intangibles	13	(23,603)	(22,356)
Finance costs	25	(49,272)	(37,513)
<b>Total costs</b>		<b>(790,747)</b>	<b>(792,724)</b>
Operating profit#		186,922	212,948
Fair value change on investment properties	8	82,407	45,702
Share of results of associates and joint ventures	10,11	19,119	(4,928)
Net income from investments	26	9,834	115,175
Profit before taxation		298,282	368,897
Taxation	19(b)	(38,736)	(47,630)
<b>Profit after taxation</b>		<b>259,546</b>	<b>321,267</b>
Attributable to:			
<b>Shareholders of the Company</b>		<b>213,211</b>	278,380
Non-controlling interests	6	46,335	42,887
		<b>259,546</b>	<b>321,267</b>
<b>Earnings per share (S\$)</b>	28		
Basic		0.13	0.17
Diluted		0.13	0.17

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

The accompanying notes form an integral part of these financial statements.

# ●● CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019

		Group	
	Note	2019 S\$'000	2018 S\$'000
Profit after taxation		259,546	321,267
<b>Other comprehensive income, net of tax</b>			
<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		(5,444)	2,144
– transferred to income statement		1,514	3,550
Net fair value changes on available-for-sale financial assets			
– net fair value changes		–	11,052
– transferred to income statement		–	(81,113)
Currency translation difference			
– arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures		(13,327)	1,361
		<b>(17,237)</b>	<b>(63,006)</b>
<u>Item that will not be re-classified subsequently to profit or loss</u>			
Net fair value changes on fair value through other comprehensive income ("FVOCI") financial assets			
		70,153	–
<b>Total comprehensive income</b>		<b>312,462</b>	<b>258,261</b>
Attributable to:			
<b>Shareholders of the Company</b>		<b>267,550</b>	213,541
Non-controlling interests	6	44,912	44,720
		<b>312,462</b>	<b>258,261</b>

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 2019

	Note	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000
Balance as at 31 August 2018 as previously reported		522,809	(7,101)	(10,261)
Adoption of SFRS(I)	33	–	–	–
Balance as at 31 August 2018		522,809	(7,101)	(10,261)
Adoption of SFRS(I) 9	33	–	–	–
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		–	–	–
<b>Transactions with owners, recognised directly in equity</b>				
<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	27	–	–	–
<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 subsidiaries</u>				
Disposal of interest in a subsidiary		–	–	–
Contribution by non-controlling interests		–	–	–
<b>Balance as at 31 August 2019</b>		<b>522,809</b>	<b>(13,226)</b>	<b>(10,278)</b>
Balance as at 31 August 2017 as previously reported		522,809	(7,384)	(10,409)
Adoption of SFRS(I)	33	–	–	–
Balance as at 31 August 2017		522,809	(7,384)	(10,409)
Total comprehensive income for the year		–	–	–
<b>Transactions with owners, recognised directly in equity</b>				
<u>Contributions by and distributions to owners</u>				
Share-based compensation		–	–	–
Treasury shares re-issued	4(a)	–	3,781	–
Share buy-back – held as treasury shares	4(a)	–	(3,498)	–
Dividends	27	–	–	–
Fair value gain on interest-free loans		–	–	–
<u>Changes in ownership interest in subsidiaries without a change in control</u>				
Acquisition of additional interests in subsidiaries		–	–	–
Dilution of interests in subsidiaries		–	–	148
Contribution by non-controlling interest		–	–	–
<b>Balance as at 31 August 2018</b>		<b>522,809</b>	<b>(7,101)</b>	<b>(10,261)</b>

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	
7,783	(1,958)	267,894	(3,602)	2,691,368	3,466,932	—	761,152	4,228,084	
—	—	—	4,867	(41,520)	(36,653)	—	—	(36,653)	
7,783	(1,958)	267,894	1,265	2,649,848	3,430,279	—	761,152	4,191,431	
—	—	(12,426)	—	12,247	(179)	—	(12)	(191)	
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	
7,688	(5,970)	337,955	(4,867)	2,648,576	3,488,398	—	734,926	4,223,324	
—	—	—	4,867	(38,790)	(33,923)	—	—	(33,923)	
7,688	(5,970)	337,955	—	2,609,786	3,454,475	—	734,926	4,189,401	
—	3,957	(70,061)	1,265	278,380	213,541	—	44,720	258,261	
3,610	—	—	—	—	3,610	—	—	3,610	
(3,515)	—	—	—	(221)	45	—	—	45	
—	—	—	—	—	(3,498)	—	—	(3,498)	
—	—	—	—	(242,309)	(242,309)	—	(42,979)	(285,288)	
—	—	—	—	—	—	—	3,474	3,474	
—	—	—	—	(270)	(270)	—	220	(50)	
—	55	—	—	4,482	4,685	—	20,121	24,806	
—	—	—	—	—	—	—	670	670	
7,783	(1,958)	267,894	1,265	2,649,848	3,430,279	—	761,152	4,191,431	

# ●● CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019

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

The accompanying notes form an integral part of these financial statements.

# ●● CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2019

	Note	Group	
		2019 S\$'000	2018 S\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(25,786)	(22,671)
Proceeds from disposal of property, plant and equipment		547	710
Additions to investment properties		(580,884)	(74,649)
Acquisition of subsidiaries (net of cash acquired)	29(a)	(231,907)	–
Acquisition of interest in a subsidiary		–	(50)
Acquisition of business by a subsidiary	29(b)	–	(4,840)
Acquisition of interests in associates		(73,739)	(12,115)
Acquisition of interests in joint ventures		–	(27,015)
Distributions received from associates		87,222	2,491
Distributions received from a joint venture		–	2,800
Proceeds from divestment of interests in subsidiaries	29(c)	4,715	–
Proceeds from divestment of interest in an associate		6	–
Decrease/(Increase) in amounts owing by associates/joint ventures		268	(86,831)
Decrease in amounts owing to associates/joint ventures		(1,072)	(2,418)
Purchase of investments, non-current		(99,421)	(44,609)
Purchase of investments, current		(279,595)	(187,505)
Proceeds from capital distribution/disposal of investments, non-current		15,148	100,493
Proceeds from capital distribution/disposal of investments, current		516,470	302,736
Dividends received		2,423	20,308
Interest received		3,386	4,512
Other investment income		(3,408)	1,641
<b>Net cash used in investing activities</b>		<b>(665,627)</b>	<b>(27,012)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from bank loans (net of transaction costs)	20(h)	1,278,196	464,462
Repayment of bank loans	20(h)	(808,169)	(356,333)
Interest paid		(46,769)	(35,233)
Share buy-back		(9,225)	(3,498)
Proceeds from partial divestment of interests in subsidiaries		–	24,806
Proceeds from perpetual securities issued (net of transaction costs)		148,824	–
Proceeds from perpetual securities issued by a subsidiary (net of transaction costs)		298,202	–
Proceeds from capital contribution by non-controlling interest		16,961	–
<b>Net cash from financing activities</b>		<b>878,020</b>	<b>94,204</b>
<b>Net increase in cash and cash equivalents</b>		<b>194,937</b>	<b>46,851</b>
Cash and cash equivalents at beginning of financial year		359,498	312,647
<b>Cash and cash equivalents at end of financial year</b>	17	<b>554,435</b>	<b>359,498</b>

The accompanying notes form an integral part of these financial statements.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

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) providing online investor relations services,
- (l) developing applications and operating a financial portal,
- (m) operating nursing homes, and providing ancillary services and supplies, and
- (n) 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. These are the Company's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the financial statements were prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The Group has adopted the new or revised SFRS(I) and Interpretations to SFRS(I) ("INT SFRS(I)") that are mandatory for application in the financial year.



# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (a) Basis of preparation (cont'd)

An explanation of how the transition to SFRS(I) and application of SFRS(I) 15 *Revenue from Contracts with Customers* and SFRS(I) 9 *Financial Instruments* have affected the reported financial position, financial performance and cash flows is provided in Note 33.

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) 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 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (b) 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 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (b) 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 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) 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) (2018: held at fair value through profit or loss) 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) (2018: available-for-sale financial assets) are included in OCI.

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 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (d) 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 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (e) 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.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (f) 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.

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.

### (g) Borrowing costs

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.

### (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.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (i) Financial assets

#### (i) Classification

##### Policy applicable from 1 September 2018

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.

#### • 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.



# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (i) Financial assets (cont'd)

#### (i) Classification (cont'd)

##### Policy applicable before 1 September 2018

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets on initial recognition.

- **Financial assets at fair value through profit or loss**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the reporting date. Financial assets designated at fair value through profit or loss comprise securities that otherwise would have been classified as available-for-sale.

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables comprise bank balances and fixed deposits, and trade and other receivables.

- **Held-to-maturity financial assets**

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Group has the positive intention and ability to hold to maturity.

- **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the reporting date. Available-for-sale financial assets comprise debt and equity securities.

#### (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.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (i) Financial assets (cont'd)

#### (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.

#### Policy applicable from 1 September 2018

- **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.

- **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.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (i) Financial assets (cont'd)

#### (iv) Subsequent measurement and derecognition (cont'd)

##### Policy applicable before 1 September 2018

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method less accumulated impairment losses.

Gains and losses arising from changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividends, are recognised in the income statement in the period in which they arise. Changes in the fair value of monetary assets denominated in foreign currencies and classified as available-for-sale are analysed into currency translation differences resulting from changes in the amortised cost of the asset and other changes. The currency translation differences are recognised in the income statement and other changes are recognised in OCI. Changes in the fair values of non-monetary assets that are classified as available-for-sale are recognised in OCI, together with the related currency translation differences.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in the income statement. Any amounts in the fair value reserve relating to that asset is also transferred to the income statement.

#### (v) Impairment

##### Policy applicable from 1 September 2018

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 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (i) Financial assets (cont'd)

#### (v) Impairment (cont'd)

##### Policy applicable from 1 September 2018 (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 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (i) Financial assets (cont'd)

#### (v) Impairment (cont'd)

##### Policy applicable before 1 September 2018

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

#### • Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are objective evidence that these financial assets are impaired. The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the income statement. When the asset becomes uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are recognised in the income statement.

The allowance for impairment loss account is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

#### • Available-for-sale financial assets

In the case of an equity security classified as available-for-sale, in addition to the objective evidence of impairment described in loans and receivables, a significant or prolonged decline in the fair value of the security below its cost is objective evidence that the security is impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that has been recognised directly in the fair value reserve is transferred from the fair value reserve within equity and recognised in the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement.

Impairment loss on debt instruments classified as available-for-sale financial assets is reversed through the income statement. However, impairment losses with respect to equity instruments classified as available-for-sale financial assets are not reversed through the income statement.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 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.

Hedging relationships designated under FRS 39 that were still existing as at 31 August 2018 are treated as continuing hedges and hedge documentations were aligned accordingly to the requirements of SFRS(I) 9.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (k) Derivatives and hedging activities (cont'd)

#### (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 the income statement. The amount recognised in OCI is reclassified to the income statement as a reclassification adjustment on disposal of the foreign operation.

#### (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.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (l) Intangible assets (cont'd)

#### (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 at each reporting date. The effects of any revision are recognised in the income statement when the changes arise.

### (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.



# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (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.

### (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, "SPH PSP") 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 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.

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.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (q) Employee benefits (cont'd)

#### (iii) Share-based compensation (cont'd)

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 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 SPH PSP 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.

### (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.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (s) Income taxes (cont'd)

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.

### (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) Operating leases

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.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (v) 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.

### (w) 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.

### (x) 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.

### (y) 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 2019

## 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.

Information about assumptions and estimation uncertainties that have significant effect on the amounts recognised are as follows:

- **Fair value estimation**

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.

The fair value of investment properties is based on independent professional valuations using valuation techniques and assumptions.

- **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. 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

31 AUGUST 2019

## 4. SHARE CAPITAL, TREASURY SHARES AND PERPETUAL SECURITIES

### (a) Share capital and treasury shares

	Group and Company			
	2019		2018	
	Number of Shares '000	Amount S\$'000	Number of Shares '000	Amount S\$'000
<b>Issued and fully paid, with no par value</b>				
Management shares	16,362	7,109	16,362	7,109
Ordinary shares	1,600,649	515,700	1,600,649	515,700
	<b>1,617,011</b>	<b>522,809</b>	1,617,011	522,809
Treasury shares	(5,146)	(13,226)	(2,295)	(7,101)
	<b>1,611,865</b>	<b>509,583</b>	1,614,716	515,708

Movements during the financial year:

Beginning of financial year	1,614,716	515,708	1,614,974	515,425
Purchase of treasury shares	(3,948)	(9,225)	(1,300)	(3,498)
Treasury shares re-issued	1,097	3,100	1,042	3,781
End of financial year	<b>1,611,865</b>	<b>509,583</b>	1,614,716	515,708

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 3,947,600 (2018: 1,300,000) of its own shares through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was S\$9.2 million (2018: S\$3.5 million). The shares, held as treasury shares, were included as deduction against shareholders' equity.

The Company re-issued 1,096,747 (2018: 1,041,522) treasury shares during the financial year for the fulfilment of share awards vested under the SPH PSP at a total value of S\$3.1 million (2018: S\$3.8 million).

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 4. SHARE CAPITAL, TREASURY SHARES AND PERPETUAL SECURITIES (CONT'D)

### (a) Share capital and treasury shares (cont'd)

#### (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 ("the Share Plan"), which was terminated, except that awards granted prior to such termination and were outstanding continued to be valid till their vesting on 14 January 2019.

During the financial year, 1,564,600 (2018: 1,783,180) performance shares were granted subject to the terms and conditions of the 2016 Share Plan.

Movements in the number of performance shares outstanding during the financial year are summarised below:

#### 2019

Grant Date	Outstanding as at 01.09.18 '000	Adjusted* '000	Granted <sup>^</sup> '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

#### 2018

Grant Date	Outstanding as at 01.09.17 '000	Adjusted* '000	Granted '000	Vested '000	Lapsed '000	Outstanding as at 31.08.18 '000
13.01.14	334	–	–	(329)	(5)	–
13.01.15	1,457	–	–	(386)	(23)	1,048
13.01.16	735	–	–	(66)	(19)	650
13.01.17	1,550	(222)	–	(261)	(62)	1,005
12.01.18	–	–	1,783	–	(42)	1,741

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

<sup>^</sup> 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 4. SHARE CAPITAL, TREASURY SHARES AND PERPETUAL SECURITIES (CONT'D)

### (a) Share capital and treasury shares (cont'd)

#### (ii) Performance shares (cont'd)

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:

Grant Date	Vesting Date	Number of Shares '000	Fair Value per Share S\$	Expected Volatility* of SPH %	Expected Volatility* of FTSE ST All Share Index %	Expected Dividend Yield %	Risk-free Interest Rate %	Correlation between SPH Share Price and FTSE ST All Share Index <sup>^</sup>	Share Price at Grant Date S\$
<b>2019</b>									
14.01.19 <sup>(a)</sup>	14.01.22	1,414	2.22	19.04	N.A.	5.14	1.88	N.A.	2.55
14.01.19 <sup>(a)</sup>	14.01.20	58	2.42	N.A.	N.A.	5.18	N.A.	N.A.	2.55
14.01.19 <sup>(a)</sup>	14.01.21	58	2.42	N.A.	N.A.	5.26	N.A.	N.A.	2.55
<b>2018</b>									
12.01.18 <sup>(a)</sup>	13.01.19	322	2.59	16.25	N.A.	5.05	1.32	N.A.	2.69
12.01.18 <sup>(a)</sup>	13.01.20	322	2.56	16.25	N.A.	5.05	1.44	N.A.	2.69
12.01.18 <sup>(a)</sup>	13.01.21	321	2.51	16.25	N.A.	5.05	1.52	N.A.	2.69
12.01.18 <sup>(b)</sup>	13.01.21	818	1.39	16.25	11.05	5.05	1.52	0.46	2.69

\* Derived based on 36 months of historical volatility prior to grant date.

<sup>^</sup> Derived based on 36 months of historical correlation of returns prior to grant date.

<sup>(a)</sup> Granted with non-market conditions.

<sup>(b)</sup> Granted with both market and 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\$3.3 million (2018: S\$3.6 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

On 7 June 2019, the Company issued S\$150 million of perpetual securities with an initial distribution rate of 4.5% per annum with the first distribution rate reset falling on 7 June 2024 and subsequent resets occurring every 5 years thereafter. The distribution 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 respective issuers.

The Company recognised S\$148.8 million of perpetual securities, net of issuance costs, after the issuance. As at 31 August 2019, the perpetual securities of 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		
	2019 S\$'000	2018 S\$'000	1 Sept 2017 S\$'000	2019 S\$'000	2018 S\$'000	1 Sept 2017 S\$'000
Capital reserve	(10,278)	(10,261)	(10,409)	–	–	–
Share-based compensation reserve	4,170	7,783	7,688	4,170	7,783	7,688
Hedging reserve	(5,366)	(1,958)	(5,970)	(910)	–	–
Fair value reserve	105,259	267,894	337,955	–	–	25,219
Currency translation reserve	(11,167)	1,265	–	–	–	–
	<b>82,618</b>	<b>264,723</b>	<b>329,264</b>	<b>3,260</b>	<b>7,783</b>	<b>32,907</b>

### 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

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## 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
<b>2019</b>			
Revenue	228,635		
Profit	148,821		
Other comprehensive income	(3,504)		
<b>Total comprehensive income</b>	<b>145,317</b>		
Attributable to non-controlling interests:			
Profit	44,266	2,069	46,335
Other comprehensive income	(1,410)	(13)	(1,423)
<b>Total comprehensive income</b>	<b>42,856</b>	<b>2,056</b>	<b>44,912</b>
Non-current assets	3,600,251		
Current assets	348,151		
Non-current liabilities	(847,521)		
Current liabilities	(329,444)		
<b>Net assets</b>	<b>2,771,437</b>		
<b>Attributable to non-controlling interests</b>	<b>1,052,011</b>	<b>16,169</b>	<b>1,068,180</b>
Cash flows from operating activities*	36,248		
Cash flows used in investing activities	(214,848)		
Cash flows from financing activities	485,482		
<b>Net increase in cash and cash equivalents</b>	<b>306,882</b>		

\* Included S\$44.3 million dividends paid to non-controlling interests.

### 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 2019, non-controlling interests included perpetual securities of S\$297.9 million, net of issuance costs.

# ●● NOTES TO THE FINANCIAL STATEMENTS

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## 6. NON-CONTROLLING INTERESTS (CONT'D)

	SPH REIT S\$'000	Other subsidiaries S\$'000	Total S\$'000
2018			
Revenue	211,802		
Profit	137,856		
Other comprehensive income	5,172		
<b>Total comprehensive income</b>	<b>143,028</b>		
Attributable to non-controlling interests:			
Profit	42,132	755	42,887
Other comprehensive income	1,580	253	1,833
<b>Total comprehensive income</b>	<b>43,712</b>	<b>1,008</b>	<b>44,720</b>
Non-current assets	3,368,982		
Current assets	39,052		
Non-current liabilities	(718,697)		
Current liabilities	(250,390)		
<b>Net assets</b>	<b>2,438,947</b>		
<b>Attributable to non-controlling interests</b>	<b>738,664</b>	<b>22,488</b>	<b>761,152</b>
Cash flows from operating activities*	23,011		
Cash flows used in investing activities	(71,199)		
Cash flows used in financing activities	21,148		
<b>Net decrease in cash and cash equivalents</b>	<b>(27,040)</b>		

\* Included S\$43 million dividends paid to non-controlling interests.

## NOTES TO THE FINANCIAL STATEMENTS

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### 7. PROPERTY, PLANT AND EQUIPMENT

(a)	Leasehold Land and Buildings S\$'000	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
<b>Group</b>					
<b>2019</b>					
<b>Cost or deemed cost</b>					
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 29(c)]	–	(1,487)	(84)	–	(1,571)
Currency translation differences	(239)	(15)	(3)	(1)	(258)
End of financial year	<b>308,281</b>	<b>634,868</b>	<b>29,097</b>	<b>1,273</b>	<b>973,519</b>
<b>Accumulated depreciation and impairment</b>					
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 29(c)]	–	(1,241)	(9)	–	(1,250)
Currency translation differences	(24)	(1)	6	(1)	(20)
End of financial year	<b>176,888</b>	<b>597,080</b>	<b>15,413</b>	<b>835</b>	<b>790,216</b>
<b>Carrying amount</b>					
End of financial year	<b>131,393</b>	<b>37,788</b>	<b>13,684</b>	<b>438</b>	<b>183,303</b>
Capital work-in-progress	578	3,762	380	–	4,720
Total	<b>131,971</b>	<b>41,550</b>	<b>14,064</b>	<b>438</b>	<b>188,023</b>
<b>Capital work-in-progress</b>					
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	<b>578</b>	<b>3,762</b>	<b>380</b>	<b>–</b>	<b>4,720</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b)	Leasehold Land and Buildings S\$'000	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Group 2018					
<b>Cost or deemed cost</b>					
Beginning of financial year	300,140	695,683	20,869	2,070	1,018,762
Additions	1,155	4,087	1,283	580	7,105
Acquisition of business by a subsidiary [Note 29(b)]	–	92	84	–	176
Transfer from capital work-in-progress	6,584	7,924	3,843	–	18,351
Disposals/Write-offs	(378)	(64,511)	(3,550)	(814)	(69,253)
Currency translation differences	(175)	73	26	5	(71)
End of financial year	307,326	643,348	22,555	1,841	975,070
<b>Accumulated depreciation and impairment</b>					
Beginning of financial year	154,708	654,000	17,910	1,979	828,597
Depreciation	11,277	14,089	1,128	118	26,612
Disposals/Write-offs	(177)	(64,390)	(3,344)	(814)	(68,725)
Currency translation differences	(20)	53	23	4	60
End of financial year	165,788	603,752	15,717	1,287	786,544
<b>Carrying amount</b>					
End of financial year	141,538	39,596	6,838	554	188,526
Capital work-in-progress	116	1,616	391	–	2,123
Total	141,654	41,212	7,229	554	190,649
<b>Capital work-in-progress</b>					
Beginning of financial year	449	2,890	667	–	4,006
Additions	6,251	6,650	3,567	–	16,468
Transfer to property, plant and equipment	(6,584)	(7,924)	(3,843)	–	(18,351)
End of financial year	116	1,616	391	–	2,123

## NOTES TO THE FINANCIAL STATEMENTS

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### 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c)	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
<b>Company</b>				
<b>2019</b>				
<b>Cost or deemed cost</b>				
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
<b>Accumulated depreciation and impairment</b>				
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
<b>Carrying amount</b>				
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
<b>Capital work-in-progress</b>				
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

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## 7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d)	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Company				
2018				
<b>Cost or deemed cost</b>				
Beginning of financial year	591,626	12,654	1,663	605,943
Additions	930	4	267	1,201
Transfer from capital work-in-progress	7,632	3,842	–	11,474
Disposals/Write-offs	(60,893)	(720)	(657)	(62,270)
End of financial year	539,295	15,780	1,273	556,348
<b>Accumulated depreciation and impairment</b>				
Beginning of financial year	559,172	11,119	1,572	571,863
Depreciation	11,208	469	74	11,751
Disposals/Write-offs	(60,817)	(715)	(657)	(62,189)
End of financial year	509,563	10,873	989	521,425
<b>Carrying amount</b>				
End of financial year	29,732	4,907	284	34,923
Capital work-in-progress	1,166	373	–	1,539
Total	30,898	5,280	284	36,462
<b>Capital work-in-progress</b>				
Beginning of financial year	2,445	648	–	3,093
Additions	6,353	3,567	–	9,920
Transfer to property, plant and equipment	(7,632)	(3,842)	–	(11,474)
End of financial year	1,166	373	–	1,539

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 8. INVESTMENT PROPERTIES

	Group	
	2019 S\$'000	2018 S\$'000
<b>Investment properties</b>		
Beginning of financial year	4,155,122	4,034,771
Additions	584,497	74,649
Acquisition of subsidiaries [Note 29(a)]	229,523	–
Fair value change	82,407	45,702
Currency translation differences	(36,653)	–
End of financial year	<b>5,014,896</b>	4,155,122
Carrying amount of		
– Freehold investment properties	3,730,903	2,988,500
– Leasehold investment properties	1,252,834	1,166,622
– Freehold and long leasehold properties	31,159	–
	<b>5,014,896</b>	4,155,122

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 30(e).

The Paragon on Orchard Road with a carrying amount of S\$2,921 million (2018: S\$2,892 million) is mortgaged to banks as security for a S\$995 million (2018: S\$895 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\$192 million is mortgaged to a bank as security for an A\$105 million (S\$98.1 million) loan granted to a subsidiary of the Group, Figtree Holding Trust ("FHT") [Note 20(a)].

The Seletar Mall with a carrying amount of S\$496 million (2018: S\$488 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 20 assets in the United Kingdom, with a carrying amount of S\$603.5 million is mortgaged to a bank as security for a £205 million (S\$345.7 million) loan granted to a subsidiary of the Group, Straits Capitol Trust [Note 20(c)].

The following amounts are recognised in the income statement:

	Group	
	2019 S\$'000	2018 S\$'000
Rental income	295,503	241,044
Direct operating expenses arising from investment properties that generated rental income	(68,540)	(52,470)



# NOTES TO THE FINANCIAL STATEMENTS

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## 9. SUBSIDIARIES

	Company	
	2019 S\$'000	2018 S\$'000
Equity investments at cost	457,144	457,144
Allowance for impairment	(20,346)	(17,204)
	<b>436,798</b>	439,940

During the financial year, an impairment loss of S\$3.1 million (2018: S\$3 million) was recognised on certain subsidiaries following a review of their businesses.

The recoverable amounts of the subsidiaries were determined based on fair value less cost to sell. Fair value less cost to sell was represented by the net assets of the subsidiaries as at the reporting date which approximates its fair value as it mainly comprises monetary assets and liabilities.

Details of significant subsidiaries are set out as below:

Name of Subsidiaries	Principal Activities	Country of Incorporation	Effective % of Equity held by the Group		
			2019 %	2018 %	1 Sept 2017 %
Lianhe Investments Pte. Ltd.	Holding investments for trading purposes	Singapore	*	100	100
Orchard 290 Ltd	Holding investments and management of shopping centres and other commercial properties	Singapore	100	100	100
Singapore News and Publications Limited	Holding investments and properties	Singapore	100	100	100
Singapore Newspaper Services Private Limited	Holding investments and properties	Singapore	100	100	100
SPH Invest Ltd.	Holding investments	Singapore	100	100	100
SPH Multimedia Private Limited	Holding investments	Singapore	100	100	100
SPH REIT and its subsidiaries	Holding property investments	Singapore	70	70	70
Straits Capitol 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	70
Times Properties Private Limited	Letting properties and provision of property management services	Singapore	100	100	100

\* Lianhe Investments Pte. Ltd. ceased to be a significant subsidiary as at 31 August 2019.

^ Straits Capitol Trust is not a significant subsidiary as at 31 August 2018.

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 238 to 240 of the Annual Report.

# NOTES TO THE FINANCIAL STATEMENTS

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## 10. ASSOCIATES

	Group	
	2019	2018
	S\$'000	S\$'000
Investments in associates	<b>366,012</b>	95,825

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% (2018: Nil)
MindChamps Preschool Limited ("MindChamps")	Business adjacency	Singapore	20% (2018: 20%)
KBS US Prime Property Management Pte. Ltd. ("KBS")	Business adjacency	Singapore	20% (2018: Nil)
Perennial Chinatown Point LLP ("PCP")	Related property business	Singapore	31% (2018: 31%)

A list of operating associates of the Group can be found on page 240 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	MindChamps S\$'000	PCP S\$'000
<b>2019</b>			
Revenue	<b>375,821</b>	<b>45,776</b>	<b>26,053</b>
Profit after tax	<b>23,286</b>	<b>5,690</b>	<b>88,334</b>
Other comprehensive income	<b>452</b>	<b>(2,309)</b>	<b>–</b>
<b>Total comprehensive income</b>	<b>23,738</b>	<b>3,381</b>	<b>88,334</b>
Attributable to:			
– Non-controlling interests	<b>6,539</b>	<b>149</b>	<b>–</b>
– Associate's shareholders	<b>17,199</b>	<b>3,232</b>	<b>88,334</b>
Non-current assets	<b>2,466,317</b>	<b>119,357</b>	<b>–</b>
Current assets	<b>398,995</b>	<b>27,057</b>	<b>8,748</b>
Non-current liabilities	<b>(689,829)</b>	<b>(58,587)</b>	<b>–</b>
Current liabilities	<b>(298,210)</b>	<b>(30,451)</b>	<b>(5,186)</b>
<b>Net assets</b>	<b>1,877,273</b>	<b>57,376</b>	<b>3,562</b>
Attributable to:			
– Non-controlling interests	<b>364,428</b>	<b>(240)</b>	<b>–</b>
– Associate's shareholders	<b>1,512,845</b>	<b>57,616</b>	<b>3,562</b>

# 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	MindChamps S\$'000	KBS <sup>^</sup> S\$'000	PCP <sup>#</sup> S\$'000	Other associates S\$'000	Total S\$'000
<b>2019</b>						
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	23,069*	20,146	1,091	19,138	366,012

\* 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.

<sup>^</sup> The Group acquired KBS on 6 August 2019. KBS's accounts are not available as at the reporting date.

<sup>#</sup> 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 PCP.

The summarised financial information of these associates, not adjusted for the proportional ownership interest held by the Group, is as follows:

	MindChamps S\$'000	PCP S\$'000
<b>2018</b>		
Revenue	27,245	32,385
Profit after tax	4,091	14,436
Other comprehensive income	(895)	–
Total comprehensive income	3,196	14,436
Attributable to:		
– Non-controlling interests	163	–
– Associate's shareholders	3,033	14,436
Non-current assets	30,095	429,838
Current assets	45,837	37,759
Non-current liabilities	(7,375)	(293,187)
Current liabilities	(11,131)	(6,147)
Net assets	57,426	168,263
Attributable to:		
– Non-controlling interests	(195)	–
– Associate's shareholders	57,621	168,263

## NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

### 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:

	MindChamps S\$'000	PCP S\$'000	Other associates S\$'000	Total S\$'000
2018				
Beginning of financial year	12,751	44,059	11,982	68,792
Group's share of:				
Profit/(Loss) after tax	607	4,646	(255)	4,998
Other comprehensive income	(179)	–	11	(168)
Total comprehensive income	428	4,646	(244)	4,830
Distributions received	–	(2,226)	(265)	(2,491)
Gain/(Loss) on dilution of interests	5,936	–	(55)	5,881
Reclassified from Investments, non-current	–	–	5,824	5,824
Group's contribution	3,956	5,143	3,890	12,989
End of financial year	23,071*	51,622	21,132	95,825

\* 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 2018 (Level 1 in the fair value hierarchy) is S\$33.3 million.

### 11. JOINT VENTURES

	Group			Company		
	2019 S\$'000	2018 S\$'000	1 Sept 2017 S\$'000	2019 S\$'000	2018 S\$'000	1 Sept 2017 S\$'000
Investments in joint ventures	<b>21,995</b>	39,174	8,696	<b>600</b>	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% (2018: 50%; 1 Sept 2017: 50%)
The Woodleigh Mall Pte. Ltd. ("Woodleigh Mall")	Related property business	Singapore	50% (2018: 50%; 1 Sept 2017: 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 240 of the Annual Report.

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 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
<b>2019</b>		
Revenue	–	–
Loss <sup>1</sup> after tax	(23,562)	(403)
Other comprehensive income	–	–
Total comprehensive income	(23,562)	(403)
<sup>1</sup> Includes:		
– depreciation and amortisation	–	–
– interest expense	(20,089)	–
Non-current assets	8,295	554,391
Current assets <sup>2</sup>	765,144	8,592
Non-current liabilities <sup>3</sup>	(771,173)	(523,191)
Current liabilities <sup>4</sup>	(16,284)	(8,844)
Net (liabilities)/assets	(14,018)	30,948
<sup>2</sup> Includes cash and cash equivalents	13,727	4,182
<sup>3</sup> Includes non-current financial liabilities (excluding trade and other payables and provisions)	(771,173)	(523,191)
<sup>4</sup> 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	(4,184)	(2,299)	(1)	(6,484)
Total comprehensive income	(15,964)	(2,501)	1,286	(17,179)
End of financial year	2,364 <sup>^</sup>	12,001	7,630	21,995

<sup>^</sup> 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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## 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
2018		
Revenue	–	–
Loss <sup>1</sup> after tax	(16,586)	(134)
Other comprehensive income	–	–
Total comprehensive income	(16,586)	(134)
<sup>1</sup> Includes:		
– depreciation and amortisation	1	1
– interest expense	(16,400)	–
Non-current assets	–	451,295
Current assets <sup>2</sup>	795,184	3,773
Non-current liabilities <sup>3</sup>	(782,076)	(420,452)
Current liabilities <sup>4</sup>	(3,963)	(2,246)
Net assets	9,145	32,370
<sup>2</sup> Includes cash and cash equivalents	368	2,056
<sup>3</sup> Includes non-current financial liabilities (excluding trade and other payables and provisions)	(782,076)	(420,452)
<sup>4</sup> Includes current financial liabilities (excluding trade and other payables and provisions)	(19)	(3)

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:

	2018			1 Sept 2017	
	WR 3 Group S\$'000	Woodleigh Mall S\$'000	Other joint ventures S\$'000	Total S\$'000	Total S\$'000
Beginning of financial year	–*	–*	8,696	8,696	12,417
Group's share of:					
Loss after tax	(8,292)	(67)	(1,567)	(9,926)	(3,765)
Other comprehensive income	–	–	–	–	(173)
Total comprehensive income	(8,292)	(67)	(1,567)	(9,926)	(3,938)
Distributions received	–	–	(2,800)	(2,800)	–
Gain on dilution of interest	–	–	–	–	298
Impairment	–	–	–	–	(159)
Fair value gain on interest-free loans	10,620	5,569	–	16,189	–
Group's contribution	16,000	9,000	2,015	27,015	878
Divestment	–	–	–	–	(800)
End of financial year	18,328 <sup>^</sup>	14,502	6,344	39,174	8,696

\* As at 31 August 2017, the Group's interests in WR 3 was S\$1 and Woodleigh Mall was S\$1.

<sup>^</sup> The carrying amount of WR 3 Group comprised the Group's share of net assets of S\$4.6 million and a loan amount of S\$16 million to WR 3 carried at the amortised cost of S\$13.7 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	
	2019	2018
	S\$'000	S\$'000
<b>FVOCI</b>		
– Equity securities	158,952	–
– Bonds	8,457	–
– Investment funds	177,339	–
	<b>344,748</b>	–
<b>FVTPL</b>		
– Bonds and notes	8,049	–
<b>Available-for-sale financial assets</b>		
– Equity securities	–	348,634
– Bonds	–	8,456
– Investment funds	–	90,830
	–	447,920
<b>Financial assets at fair value through profit or loss</b>		
Designated at fair value on initial recognition		
– Bonds and notes	–	6,031
	<b>352,797</b>	453,951

### (b) Current

	Group	
	2019	2018
	S\$'000	S\$'000
<b>FVTPL</b>		
– Equity securities	5,041	–
– Investment funds	38,692	–
	<b>43,733</b>	–
<b>Available-for-sale financial assets</b>		
– Equity securities	–	9,418
– Bonds and notes	–	24,971
– Investment funds	–	87,274
	–	121,663
	<b>43,733</b>	121,663

In the previous financial year, the Group recognised an impairment loss of S\$6.6 million on certain available-for-sale financial assets due to significant or prolonged decline in value [Note 26].

## ●● NOTES TO THE FINANCIAL STATEMENTS

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### 13. INTANGIBLE ASSETS

	Group		Company	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Arising from business combinations				
– Goodwill [Note 13(a)]	89,564	115,099	–	–
– Technology, trademarks, licences, mastheads and others [Note 13(b)]	51,156	60,429	–	–
Acquired separately				
– Technology, trademarks, licences, mastheads and others [Note 13(c)]	477	500	41,311	44,071
	<b>141,197</b>	<b>176,028</b>	<b>41,311</b>	<b>44,071</b>

#### (a) Arising from business combinations – Goodwill

	Group	
	2019	2018
	S\$'000	S\$'000
<b>Cost</b>		
Beginning of financial year	192,264	189,479
Acquisition of subsidiaries [Note 29(a)]	2,015	–
Acquisition of business by a subsidiary [Note 29(b)]	–	2,830
Disposal of subsidiaries [Note 29(c)]	(5,679)	–
Currency translation differences	141	(45)
End of financial year	<b>188,741</b>	<b>192,264</b>
<b>Accumulated impairment</b>		
Beginning of financial year	77,165	59,895
Impairment	22,146	17,270
Disposal of subsidiaries [Note 29(c)]	(275)	–
Currency translation differences	141	–
End of financial year	<b>99,177</b>	<b>77,165</b>
<b>Net book value</b>	<b>89,564</b>	<b>115,099</b>

During the 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.

In the previous financial year, the Group recognised an impairment charge of S\$17.3 million mainly for the online classifieds business due to challenging market conditions.



# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 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 <sup>(1)</sup>		Terminal growth rate <sup>(2)</sup>	
	2019 S\$'000	2018 S\$'000	2019 %	2018 %	2019 %	2018 %
Carrying value of goodwill in:						
Singapore						
– Online	<b>21,282</b>	26,686	<b>13.5</b>	13.5	<b>1.3</b>	1.3
– Exhibition	<b>8,882</b>	9,190	<b>11.0</b>	11.0	<b>1.3</b>	1.3
– Aged Care	<b>57,385</b>	78,885	<b>8.5</b>	8.5	<b>1.3</b>	1.3
United Kingdom						
– Property	<b>2,015</b>	–	<b>7.6 to 8.0</b>	–	<b>5.3 to 5.9</b>	–
Multiple units with insignificant goodwill	–	338				
	<b>89,564</b>	115,099				

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 13. INTANGIBLE ASSETS (CONT'D)

### (a) Arising from business combinations (cont'd) – Goodwill (cont'd)

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.

### (b) Arising from business combinations – Technology, trademarks, licences, mastheads and others

	Technology S\$'000	Trademarks, licences, mastheads and others S\$'000	Total S\$'000
<b>Group</b>			
<b>2019</b>			
<b>Cost</b>			
Beginning of financial year	14,291	163,212	177,503
Disposal of subsidiaries [Note 29(c)]	(6,500)	(1,800)	(8,300)
Currency translation differences	(1)	(101)	(102)
End of financial year	7,790	161,311	169,101
<b>Accumulated amortisation and impairment</b>			
Beginning of financial year	14,128	102,946	117,074
Amortisation [Note 24]	130	7,654	7,784
Impairment	–	1,457	1,457
Disposal of subsidiaries [Note 29(c)]	(6,468)	(1,800)	(8,268)
Currency translation differences	–	(102)	(102)
End of financial year	7,790	110,155	117,945
<b>Net book value</b>	–	51,156	51,156
<b>2018</b>			
<b>Cost</b>			
Beginning of financial year	14,209	161,996	176,205
Acquisition of business by a subsidiary [Note 29(b)]	–	870	870
Currency translation differences	82	346	428
End of financial year	14,291	163,212	177,503
<b>Accumulated amortisation and impairment</b>			
Beginning of financial year	11,361	90,535	101,896
Amortisation [Note 24]	1,670	8,008	9,678
Impairment	1,028	4,058	5,086
Currency translation differences	69	345	414
End of financial year	14,128	102,946	117,074
<b>Net book value</b>	163	60,266	60,429

During the financial year, the Group recognised an impairment charge of S\$1.5 million mainly for the magazine and education businesses (2018: S\$5.1 million mainly for the exhibition business) 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

31 AUGUST 2019

## 13. INTANGIBLE ASSETS (CONT'D)

### (c) Acquired separately

#### – Technology, trademarks, licences, mastheads and others

	Group	
	2019 S\$'000	2018 S\$'000
<b>Cost</b>		
Beginning of financial year	798	791
Additions	256	–
Currency translation differences	(2)	7
End of financial year	1,052	798
<b>Accumulated amortisation and impairment</b>		
Beginning of financial year	298	241
Amortisation [Note 24]	278	50
Currency translation differences	(1)	7
End of financial year	575	298
<b>Net book value</b>	<b>477</b>	<b>500</b>

	Technology S\$'000	Trademarks, licences, mastheads and others S\$'000	Total S\$'000
<b>Company</b>			
<b>2019</b>			
<b>Cost</b>			
Beginning and end of financial year	178	55,580	55,758
<b>Accumulated amortisation and impairment</b>			
Beginning of financial year	178	11,509	11,687
Amortisation	–	2,760	2,760
End of financial year	178	14,269	14,447
<b>Net book value</b>	<b>–</b>	<b>41,311</b>	<b>41,311</b>
<b>2018</b>			
<b>Cost</b>			
Beginning and end of financial year	178	55,580	55,758
<b>Accumulated amortisation and impairment</b>			
Beginning of financial year	178	8,748	8,926
Amortisation	–	2,761	2,761
End of financial year	178	11,509	11,687
<b>Net book value</b>	<b>–</b>	<b>44,071</b>	<b>44,071</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 14. TRADE AND OTHER RECEIVABLES

### (a) Non-current

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Amounts owing by subsidiaries [Note 14(a)(i)]	–	–	<b>1,151,571</b>	–
Loans to subsidiaries [Note 14(a)(i)]	–	–	<b>914,726</b>	280,000
Loans to joint ventures [Note 14(a)(ii)]	<b>244,020</b>	238,811	–	–
Staff loans	<b>3,111</b>	3,883	<b>2,653</b>	3,652
Sundry debtors	<b>4,206</b>	3,868	<b>347</b>	157
	<b>251,337</b>	246,562	<b>2,069,297</b>	283,809

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

The amounts owing by subsidiaries are non-trade, unsecured, interest-free and repayable on demand. The amounts included an allowance for impairment of 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 2.59% (2018: 2.25%) per annum and repayable in September 2021; and
- S\$156.7 million (2018: Nil) with interest rate of 1.16% per annum and repayable on demand.

The loans included an allowance for impairment of S\$151.1 million (2018: S\$126.8 million recorded under current trade and other receivables). During the financial year, an allowance for impairment loss of S\$24.3 million was recognised following a review of the subsidiaries' businesses.

- (ii) The loans to joint ventures of 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. The loans stated at amortised cost amounted to S\$244 million (2018: S\$238.8 million). The unamortised fair value amount as at the reporting date was S\$11 million (2018: S\$16.2 million).

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 14. TRADE AND OTHER RECEIVABLES (CONT'D)

### (b) Current

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Trade receivables				
– Non-related parties	<b>80,739</b>	77,313	<b>52,123</b>	53,202
– Less: Allowance for impairment				
– non-related parties	<b>(4,468)</b>	(4,706)	<b>(1,850)</b>	(1,938)
	<b>76,271</b>	72,607	<b>50,273</b>	51,264
Amounts owing by				
– Subsidiaries [Note 14(b)(i)]	–	–	<b>576,139</b>	1,874,676
– Associates [Note 14(b)(ii)]	<b>60</b>	49	–	–
– Joint ventures [Note 14(b)(iii)]	<b>21</b>	300	–	–
	<b>81</b>	349	<b>576,139</b>	1,874,676
Loans to subsidiaries [Note 14(b)(i)]	–	–	<b>123,338</b>	448,075
Accrued interest	<b>848</b>	1,108	<b>91</b>	111
Sundry debtors [Note 14(b)(iv)]	<b>59,742</b>	209,125	<b>3,767</b>	2,585
Prepayments	<b>9,172</b>	8,134	<b>6,316</b>	5,570
Staff loans	<b>1,294</b>	1,539	<b>1,184</b>	1,444
	<b>147,408</b>	292,862	<b>761,108</b>	2,383,725

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

The amounts owing by subsidiaries are non-trade, unsecured, interest-free and repayable on demand. The amounts included an allowance for impairment of S\$2.2 million (2018: S\$3.2 million).

The loans to subsidiaries are non-trade, unsecured, interest-free and repayable on demand except for a loan amount of S\$65.3 million (2018: Nil) with an interest rate of 1.16% per annum. The loans included an allowance for impairment of S\$126.8 million as at 31 August 2018.

- (ii) The amounts owing by associates are non-trade, unsecured, interest-free and repayable on demand.
- (iii) The amounts owing by joint ventures are non-trade, unsecured, interest-free and repayable on demand.
- (iv) The amounts owing by sundry debtors included proceeds of S\$35 million (2018: S\$189.3 million) from the disposal of investments due after financial year-end.

# NOTES TO THE FINANCIAL STATEMENTS

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## 15. DERIVATIVES

	Contract Notional Amount S\$'000	Fair Value	
		Assets S\$'000	Liabilities S\$'000
<b>Group</b>			
<b>2019</b>			
<b>Non-current</b>			
Cash flow hedge			
– Interest rate swaps [Note 20(g)]	235,000	–	2,339
– Cross currency interest rate swaps [Note 20(g)]	78,904	910	–
– Cross currency swaps	19,233	955	–
Equity option on investment		200	–
		<u>2,065</u>	<u>2,339</u>
<b>Current</b>			
Cash flow hedge			
– Interest rate swaps [Note 20(g)]	280,000	–	1,561
Derivatives that do not qualify as hedges			
– Currency forwards	34,692	20	–
		<u>20</u>	<u>1,561</u>
<b>2018</b>			
<b>Non-current</b>			
Cash flow hedge			
– Interest rate swaps [Note 20(g)]	445,000	–	2,814
Equity option on investment		200	–
		<u>200</u>	<u>2,814</u>
<b>Current</b>			
Derivatives that do not qualify as hedges			
– Currency forwards	142,034	39	1,940
		<u>39</u>	<u>1,940</u>
<b>Company</b>			
<b>2019</b>			
<b>Non-current</b>			
Cash flow hedge			
– Interest rate swaps [Note 20(g)]	140,000	–	1,096

The Company has no derivatives as at 31 August 2018.

## 16. INVENTORIES

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Raw materials and consumable stores	25,251	23,388	23,179	20,968
Allowance for write-down of inventories	(1,779)	(752)	(1,688)	(687)
	<u>23,472</u>	<u>22,636</u>	<u>21,491</u>	<u>20,281</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 16. INVENTORIES (CONT'D)

The cost of inventories recognised as an expense and included in materials, production and distribution costs in the income statement amounted to S\$49.9 million (2018: S\$49 million).

During the financial year, the Group made an allowance for stock obsolescence amounting to S\$1.1 million (2018: An allowance of S\$25,000 was written back as the stocks were utilised).

## 17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash held as fixed bank deposits	64,164	188,043	23,051	92,160
Cash and bank balances	490,271	171,455	96,765	69,726
	<b>554,435</b>	<b>359,498</b>	<b>119,816</b>	<b>161,886</b>

## 18. TRADE AND OTHER PAYABLES

### (a) Non-current

	Group		Company	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Amount owing to a subsidiary [Note 18(a)(i)]	–	–	105	–
Deposits received	40,475	38,241	–	–
Collections in advance	–	1,121	–	1,121
	<b>40,475</b>	<b>39,362</b>	<b>105</b>	<b>1,121</b>

(i) The amount owing to a subsidiary is non-trade, unsecured, interest-free and not repayable within the next 12 months.

### (b) Current

	Group		Company	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables – non-related parties	22,290	27,811	8,445	19,074
Amounts owing to				
– Subsidiaries [Note 18(b)(i)]	–	–	652,669	846,770
– Associates [Note 18(b)(ii)]	1,241	2,313	–	–
	<b>1,241</b>	<b>2,313</b>	<b>652,669</b>	<b>846,770</b>
Accrued expenses	107,193	116,270	60,387	78,153
Deposits received	36,683	34,483	9,728	9,805
Sundry creditors	17,498	16,485	6,144	7,308
Collections in advance	43,423	33,165	14,852	12,127
	<b>228,328</b>	<b>230,527</b>	<b>752,225</b>	<b>973,237</b>

(i) The amounts owing to subsidiaries are non-trade, unsecured, interest-free and repayable on demand, except for amounts owing to a subsidiary of S\$53.3 million as at 31 August 2018 with interest rate of 1.42% per annum.

(ii) The amounts owing to associates are non-trade, unsecured, interest-free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

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## 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		
	2019 S\$'000	2018 S\$'000	1 Sept 2017 S\$'000	2019 S\$'000	2018 S\$'000	1 Sept 2017 S\$'000
Deferred tax liabilities	<b>34,431</b>	33,093	42,242	<b>7,363</b>	6,438	6,616

Deferred tax taken to equity during the financial year is as follows:

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Hedging reserve	<b>(186)</b>	104	<b>(186)</b>	–
Fair value reserve	–	(7,037)	–	–
	<b>(186)</b>	(6,933)	<b>(186)</b>	–

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\$16.5 million (2018: S\$17.2 million) and S\$0.5 million (2018: 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 except for S\$3.5 million (2018: S\$5.8 million) which can be carried forward to a maximum of 5 years.



# NOTES TO THE FINANCIAL STATEMENTS

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## 19. INCOME TAXES (CONT'D)

### (a) Deferred taxes (cont'd)

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
<b>Group</b>				
<b>2019</b>				
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 29(c)]	39	–	(6)	33
Currency translation differences	(13)	–	–	(13)
End of financial year	13,779	4,517	18,773	37,069
2018				
Beginning of financial year	17,597	9,584	19,277	46,458
Recognised in income statement	(1,703)	–	(904)	(2,607)
Recognised in equity	–	(7,038)	–	(7,038)
Currency translation differences	(106)	–	86	(20)
End of financial year	15,788	2,546	18,459	36,793
<b>Company</b>				
<b>2019</b>				
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
2018				
Beginning of financial year	9,825	–	120	9,945
Recognised in income statement	(329)	–	(110)	(439)
End of financial year	9,496	–	10	9,506

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 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
<b>Group</b>			
<b>2019</b>			
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 29(c)]	143	–	143
Currency translation differences	(1)	10	9
End of financial year	(2,458)	(180)	(2,638)
2018			
Beginning of financial year	(4,109)	(107)	(4,216)
Recognised in income statement	413	(1)	412
Recognised in equity	–	104	104
End of financial year	(3,696)	(4)	(3,700)
<b>Company</b>			
<b>2019</b>			
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	(1,893)	(186)	(2,079)
2018			
Beginning of financial year	(3,329)	–	(3,329)
Recognised in income statement	261	–	261
End of financial year	(3,068)	–	(3,068)

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 19. INCOME TAXES (CONT'D)

### (b) Income tax expense

	Group	
	2019 S\$'000	2018 S\$'000
Current year		
– Current tax	36,944	50,570
– Deferred tax	4,092	(1,630)
	<b>41,036</b>	48,940
Prior years		
– Current tax	(2,106)	(745)
– Deferred tax	(194)	(565)
	<b>(2,300)</b>	(1,310)
	<b>38,736</b>	47,630

The income tax expense on 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	
	2019 S\$'000	2018 S\$'000
Profit before taxation	298,282	368,897
Tax calculated at corporate tax rate of 17%	50,708	62,712
Singapore statutory stepped income exemption	(330)	(456)
Income taxed at concessionary rate	(136)	(340)
Effect of different tax rates in other countries	(302)	241
Income not subject to tax	(22,052)	(25,846)
Expenses not deductible for tax purposes	12,996	12,783
Others	152	(154)
Over-provision in prior years	(2,300)	(1,310)
Tax charge	<b>38,736</b>	47,630

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 20. BORROWINGS

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
<b>Secured</b>				
Term loans [Note 20(a), 20(b) and 20(c)]	<b>1,734,557</b>	1,192,662	–	–
<b>Unsecured</b>				
Term loan [Note 20(d)]	<b>139,440</b>	279,160	<b>139,440</b>	279,160
Loans from non-controlling interests [Note 20(e)]	<b>51,676</b>	50,538	–	–
Other banking facilities [Note 20(f)]	<b>131,336</b>	85,000	<b>131,336</b>	85,000
Intra-group financial guarantee [Note 20(i)]	–	–	<b>10,092</b>	–
	<b>2,057,009</b>	1,607,360	<b>280,868</b>	364,160
Borrowings are repayable:				
Within 1 year	<b>411,001</b>	294,853	<b>134,058</b>	85,000
Between 1 – 5 years	<b>1,646,008</b>	1,312,507	<b>146,810</b>	279,160
	<b>2,057,009</b>	1,607,360	<b>280,868</b>	364,160

- (a) As at 31 August 2019, SPH REIT Group had secured term loans of S\$995 million and A\$105 million (S\$98.1 million).

SPH REIT had a secured term loan of S\$995 million (2018: S\$895 million). As at the reporting date, the loan stated at amortised cost amounted to S\$993.4 million (2018: S\$893.1 million). The loan has various repayment dates of which S\$280 million is repayable in July 2020, S\$45 million in June 2021, S\$170 million in July 2021, S\$50 million in December 2021, S\$135 million in March 2022, S\$50 million in December 2022, S\$55 million in July 2022, S\$95 million in July 2023 and S\$115 million in July 2024.

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.

Figtree Holding Trust ("FHT"), a subsidiary of SPH REIT, obtained a secured term loan of A\$105 million (S\$98.1 million) during the financial year. As at the reporting date, the loan stated at amortised cost amounted to 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.

After taking into account fixed interest rates and interest rate swap arrangements totalling S\$718.3 million (2018: SPH REIT S\$625 million), the effective interest rate as at the reporting date on the outstanding term loans of the SPH REIT Group was 2.91% (2018: SPH REIT 2.85%) per annum.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 20. BORROWINGS (CONT'D)

- (b) TSMPL had a secured term loan of S\$300 million (2018: S\$300 million). As at the reporting date, the loan stated at amortised cost amounted to S\$299.7 million (2018: S\$299.6 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 2019, the effective interest rate on the outstanding term loan was 2.53% (2018: 2.2%) per annum.

- (c) Straits Capitol Trust obtained a secured term loan of £205 million (S\$345.7 million) during the financial year. As at the reporting date, the loan stated at amortised cost amounted to 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)].

As at 31 August 2019, the effective interest rate on the outstanding term loan was 1.583% per annum.

- (d) The Company had an unsecured term loan of S\$140 million (2018: S\$280 million). As at the reporting date, the loan stated at amortised cost amounted to S\$139.4 million (2018: S\$279.2 million). The loan is repayable in September 2021. After taking into account interest rate swap arrangements totalling S\$140 million (2018: Nil), the effective interest rate as at the reporting date on the outstanding term loan was 2.63% (2018: 2.25%) per annum.

- (e) TSMPL had unsecured loans of S\$53.7 million (2018: S\$53.7 million) from its non-controlling interest. The loans stated at amortised cost amounted to S\$51.6 million (2018: S\$50.5 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\$2.1 million (2018: S\$3.2 million).

- (f) As at 31 August 2019, the other banking facilities included S\$131.3 million (2018: S\$85 million) [Note 30(b)] of unsecured facilities drawn down by the Company. The amounts of S\$65.3 million and S\$66 million are repayable in September 2019 and October 2019 respectively (2018: September 2018).

- (g) 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 and the SPH REIT Group (2018: SPH REIT) 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 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 2019, the fixed interest rates for the Company was 1.84% to 2.05% (2018: Nil) and for SPH REIT Group was 2.04% to 3.69% (2018: SPH REIT 1.44% to 2.65%) per annum. The floating rates are referenced to Singapore dollar swap offer rate and repriced every three months.

## NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

### 20. BORROWINGS (CONT'D)

- (g) The notional principal amounts of the outstanding interest rate swap contracts and their corresponding fair values as at 31 August 2019 are:

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Notional due:				
Within 1 year	280,000	–	–	–
Between 1 – 5 years	313,904	445,000	140,000	–
Fair values	(5,656)	(2,814)	(1,096)	–

- (h) Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Borrowings	
	2019 S\$'000	2018 S\$'000
<b>Group</b>		
Beginning of financial year	1,607,360	1,499,739
<b>Financing cash flows</b>		
Proceeds from bank loans	1,278,196	464,462
Repayment of bank loans	(808,169)	(356,333)
	470,027	108,129
<b>Non-cash changes</b>		
Amortisation of transaction costs	1,555	2,095
Amortisation of fair value gain on interest-free loans	1,138	996
Fair value changes	–	(3,474)
Currency translation differences	(23,071)	(125)
	(20,378)	(508)
End of financial year	2,057,009	1,607,360

- (i) 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 30(b)] granted to a wholly-owned subsidiary, Straits Capitol Trust. 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 2019, 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 Straits Capitol Trust for providing the guarantee.

# NOTES TO THE FINANCIAL STATEMENTS

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## 21. CAPITAL AND OTHER COMMITMENTS

### (a) Commitments for capital expenditure and investments

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Authorised and contracted for				
– Property, plant and equipment	3,080	4,707	2,761	3,361
– Investment properties	973	1,205	–	–
– Investments	28,180	23,212	–	–
	<b>32,233</b>	29,124	<b>2,761</b>	3,361

### (b) Operating lease commitments – where the Group and/or Company is a lessee

The future minimum lease payables under non-cancellable operating leases contracted for but not recognised as payables, are as follows:

	Group		Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Within 1 year	15,100	11,666	2,869	252
Between 1 – 5 years	34,827	27,172	6,983	10
After 5 years	91,422	101,000	286	–
	<b>141,349</b>	139,838	<b>10,138</b>	262

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.

The operating lease rental expense of S\$19.6 million (2018: S\$21.8 million) was recognised in the income statement during the financial year.

### (c) Operating lease commitments – where the Group is a lessor

The future minimum lease receivables under non-cancellable operating leases contracted for but not recognised as receivables, are as follows:

	Group	
	2019 S\$'000	2018 S\$'000
Within 1 year	224,262	216,444
Between 1 – 5 years	234,888	231,863
After 5 years	25,555	–
	<b>484,705</b>	448,307

The Group leases to third parties various commercial/residential space under non-cancellable operating lease agreements with varying terms, escalation clauses and renewal rights.

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 22. OPERATING REVENUE

	Group	
	2019	2018
	S\$'000	S\$'000
<b>Media</b>		
Sale of services – Advertisements	<b>390,064</b>	445,360
Sale of goods – Circulation	<b>139,683</b>	150,648
Others	<b>47,134</b>	59,774
	<b>576,881</b>	655,782
<b>Property</b>		
Rental and rental-related services	<b>296,512</b>	242,417
<b>Others</b>		
Sale of services – Advertisements	<b>19,408</b>	18,234
Sale of services – Multimedia, aged care and other services	<b>66,454</b>	66,122
	<b>85,862</b>	84,356
	<b>959,255</b>	982,555
<b>Timing of revenue recognition</b>		
Products transferred at a point in time		
– Media	<b>576,881</b>	655,782
– Others	<b>54,189</b>	52,009
	<b>631,070</b>	707,791
Products and services transferred over time		
– Property	<b>296,512</b>	242,417
– Others	<b>31,673</b>	32,347
	<b>328,185</b>	274,764
	<b>959,255</b>	982,555

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

31 AUGUST 2019

## 23. STAFF COSTS

	Group	
	2019	2018
	S\$'000	S\$'000
Salaries, bonuses and other costs	294,986	309,217
Employers' contribution to defined contribution plans	34,987	38,958
Share-based compensation expense	3,336	3,610
	<b>333,309</b>	<b>351,785</b>

## 24. OTHER OPERATING EXPENSES

	Group	
	2019	2018
	S\$'000	S\$'000
Included in other operating expenses are:		
Audit fees <sup>#</sup>		
– Company's auditors	1,660	1,305
– Other auditors	398	74
Non-audit fees <sup>#</sup>		
– Company's auditors	277	458
Retrenchment and outplacement costs	–	10,824
Net foreign exchange differences from operations	(1,965)	(206)
Bad debts recovery	(46)	(15)
Profit on disposal of property, plant and equipment	(75)	(182)
Amortisation of intangible assets [Note 13(b) and 13(c)]	8,062	9,728

<sup>#</sup> 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 addition to the above, S\$155,000 of audit fees directly attributable to the issuance of perpetual securities are accounted for as a deduction from equity.

## 25. FINANCE COSTS

	Group	
	2019	2018
	S\$'000	S\$'000
Interest expense		
– Bank loans	46,666	32,995
– Loans from non-controlling interest	1,138	1,009
Cash flow hedges, reclassified from hedging reserve*	1,468	3,509
	<b>49,272</b>	<b>37,513</b>

\* In relation to interest rate swap arrangements in Note 20(g).

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 26. NET INCOME FROM INVESTMENTS

	Group	
	2019	2018
	S\$'000	S\$'000
<b>Financial assets at FVOCI</b>		
Interest income	945	–
Dividend income	1,749	–
Net foreign exchange differences	46	–
	<b>2,740</b>	–
<b>Financial assets at FVTPL</b>		
Net fair value changes on investments	4,274	–
<b>Available-for-sale financial assets</b>		
Interest income	–	3,456
Dividend income	–	20,222
Net foreign exchange differences	–	769
Transfer from fair value reserve on disposal of investments	–	97,051
Impairment of investments [Note 12]	–	(6,627)
	–	114,871
<b>Financial assets at fair value through profit or loss</b>		
Net fair value changes on investments		
– Designated upon initial recognition	–	961
– Held for trading	–	104
Net fair value changes on derivatives	–	(3,020)
	–	(1,955)
<b>Deposits with financial institutions</b>		
Interest income	2,780	1,573
Net foreign exchange differences	40	686
	<b>2,820</b>	2,259
	<b>9,834</b>	115,175

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 27. DIVIDENDS AND DISTRIBUTIONS

### (a) Dividends

	Company	
	2019 S\$'000	2018 S\$'000
Tax-exempt dividends paid:		
– Final dividend of 3 cents per share in respect of previous financial year (2018: 3 cents per share)	48,400	48,449
– Special final dividend of 4 cents per share in respect of previous financial year (2018: 6 cents per share)	64,534	96,899
– Interim dividend of 5.5 cents per share (2018: 6 cents per share)	88,794	96,961
	<b>201,728</b>	242,309

The Directors have proposed a final dividend of 5.5 cents per share and a special final dividend of 1 cent per share for the financial year, amounting to a total of S\$104.7 million. These dividends are tax-exempt.

These financial statements do not reflect these proposed dividends, which will be accounted for in shareholders' interests as an appropriation of retained profit in the financial year ending 31 August 2020 when they are approved at the next annual general meeting.

### (b) Distributions

	Company	
	2019 S\$'000	2018 S\$'000
4.5% Accrued distribution for perpetual securities	1,688	–

## 28. EARNINGS PER SHARE

	Group			
	2019		2018	
	Basic S\$'000	Diluted S\$'000	Basic S\$'000	Diluted S\$'000
Profit after taxation attributable to shareholders of the Company	213,211	213,211	278,380	278,380
Accrued distribution for perpetual securities	(1,688)	(1,688)	–	–
	<b>211,523</b>	<b>211,523</b>	278,380	278,380
	Number of Shares '000		Number of Shares '000	
Weighted average number of shares	1,613,808	1,613,808	1,615,277	1,615,277
Adjustment for assumed conversion of performance shares	–	5,985	–	6,130
Weighted average number of shares used to compute earnings per share	<b>1,613,808</b>	<b>1,619,793</b>	1,615,277	1,621,407
	Basic	Diluted	Basic	Diluted
Earnings per share (S\$)	<b>0.13</b>	<b>0.13</b>	0.17	0.17

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 29. ACQUISITION/DISPOSAL OF SUBSIDIARIES/BUSINESSES

### (a) Acquisition of subsidiaries

	Group At fair values 2019 S\$'000
<b>Identifiable assets and liabilities</b>	
Investment properties [Note 8]	229,523
Current assets (including cash)	11,053
Current liabilities	(162,435)
Identifiable net assets acquired	78,141
Repayment of loans of the acquired subsidiaries	153,050
Goodwill on acquisition [Note 13(a)]	2,015
Total purchase consideration	233,206
Less: Cash and cash equivalents in subsidiaries acquired	(4,441)
Add: Consideration refundable from vendor	3,142
Net cash outflow on acquisition of subsidiaries	231,907

### 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 recognised goodwill of S\$2 million based on provisional values of the purchase price allocation exercise which has substantially been completed.

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 2019

## 29. ACQUISITION/DISPOSAL OF SUBSIDIARIES/BUSINESSES (CONT'D)

### (b) Acquisition of business by a subsidiary

	Group At fair values 2018 S\$'000
<b>Identifiable assets and liabilities</b>	
Property, plant and equipment [Note 7(b)]	176
Intangible assets (excluding goodwill) [Note 13(b)]	870
Current assets	2,342
Current liabilities	(708)
Identifiable net assets acquired	2,680
Less: Contribution by non-controlling interest	(670)
Goodwill on acquisition [Note 13(a)]	2,830
Total purchase consideration	4,840

2018

#### Han Language Centre ("Han")

On 1 November 2017, the Group acquired the business and assets of Han. Han is an established Chinese language tuition centre for primary and secondary school students. The consideration for the Group's 75% equity stake is S\$4.8 million (including goodwill) and a non-controlling interest contributed S\$0.7 million for the remaining 25% equity stake.

The fair values of intangible assets are determined by independent professionals using the Relief-from-Royalty method and Multi-period excess earnings method.

The net cash outflow as of 31 August 2018 was S\$4.8 million. The Group had recognised intangible assets of S\$3.7 million (including goodwill).

The acquired business contributed revenue of S\$4.2 million and incurred net loss of S\$2.6 million for the period 1 November 2017 to 31 August 2018. There was no material effect to the Group operating revenue and net profit had the acquisition occurred on 1 September 2017.

## ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

### 29. ACQUISITION/DISPOSAL OF SUBSIDIARIES/BUSINESSES (CONT'D)

#### (c) Disposal of subsidiaries

	Group At fair values 2019 S\$'000
<b>Identifiable assets and liabilities</b>	
Property, plant and equipment [Note 7(a)]	321
Associates	587
Intangible assets (including goodwill)	5,436
Non-current assets	69
Current assets (including cash)	14,598
Deferred tax asset	176
Current liabilities	(4,509)
Net assets derecognised	16,678
Non-controlling interests	(74)
Gain on disposal	396
Total sale consideration	17,000
Less: Cash and cash equivalents in subsidiaries disposed	(2,685)
Less: Settlement of amounts owing to SI.com group	(9,600)
Net cash inflow	4,715

#### 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.

### 30. 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 30. FINANCIAL RISK MANAGEMENT (CONT'D)

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 denominated bank loans (S\$409 million) which mitigate its currency risk in the UK PBSA portfolio. In addition, the Group has an AUD denominated bank loan (S\$97.8 million) and AUD cross currency swaps (S\$98.1 million) to hedge against the currency risk arising from its Australia assets.

Excluding the GBP and AUD denominated bank loans 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
<b>Group 2019</b>						
<b>Assets</b>						
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
	<b>863,475</b>	<b>46,815</b>	<b>25,312</b>	<b>9,009</b>	<b>10,944</b>	<b>955,555</b>
<b>Liabilities</b>						
Trade and other payables	(207,865)	(4,553)	(7,450)	(2,661)	(2,851)	(225,380)
Borrowings	(1,550,219)	–	–	–	–	(1,550,219)
	<b>(1,758,084)</b>	<b>(4,553)</b>	<b>(7,450)</b>	<b>(2,661)</b>	<b>(2,851)</b>	<b>(1,775,599)</b>
<b>Net (liabilities)/assets</b>	<b>(894,609)</b>	<b>42,262</b>	<b>17,862</b>	<b>6,348</b>	<b>8,093</b>	<b>(820,044)</b>
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)
<b>Currency exposure</b>	<b>–</b>	<b>7,223</b>	<b>(21)</b>	<b>1,226</b>	<b>469</b>	<b>8,897</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

### 30. FINANCIAL RISK MANAGEMENT (CONT'D)

#### (a) Market risk (cont'd)

##### (i) Currency risk (cont'd)

	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
Group 2018				
<b>Assets</b>				
Investments	33,427	–	–	33,427
Trade and other receivables	332,552	191,325	3,634	527,511
Cash and cash equivalents	313,341	36,116	10,041	359,498
	679,320	227,441	13,675	920,436
<b>Liabilities</b>				
Trade and other payables	(219,421)	(11,778)	(4,404)	(235,603)
Borrowings	(1,607,360)	–	–	(1,607,360)
	(1,826,781)	(11,778)	(4,404)	(1,842,963)
<b>Net (liabilities)/assets</b>	(1,147,461)	215,663	9,271	(922,527)
Less: Net liabilities/(assets) denominated in the respective entities' functional currencies	1,147,461	11	(8,078)	1,139,394
Less: Firm commitments in foreign currencies	–	(914)	(5)	(919)
Less: Currency forwards	–	(144,071)	–	(144,071)
<b>Currency exposure</b>	–	70,689	1,188	71,877



# ●● NOTES TO THE FINANCIAL STATEMENTS

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## 30. 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
<b>Company</b>					
<b>2019</b>					
<b>Assets</b>					
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
	<b>2,712,130</b>	<b>5,259</b>	<b>226,133</b>	<b>383</b>	<b>2,943,905</b>
<b>Liabilities</b>					
Trade and other payables	(729,732)	(4,328)	(3,144)	(274)	(737,478)
Borrowings	(205,440)	–	(75,428)	–	(280,868)
	<b>(935,172)</b>	<b>(4,328)</b>	<b>(78,572)</b>	<b>(274)</b>	<b>(1,018,346)</b>
<b>Net assets</b>	<b>1,776,958</b>	<b>931</b>	<b>147,561</b>	<b>109</b>	<b>1,925,559</b>
Less: Net assets denominated in the Company's functional currency	(1,776,958)	–	–	–	(1,776,958)
Less: Firm commitments in foreign currencies	–	(305)	–	–	(305)
<b>Currency exposure</b>	<b>–</b>	<b>626</b>	<b>147,561*</b>	<b>109</b>	<b>148,296</b>

\* This amount represents loan to a subsidiary

## NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

### 30. FINANCIAL RISK MANAGEMENT (CONT'D)

#### (a) Market risk (cont'd)

##### (i) Currency risk (cont'd)

	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
Company 2018				
<b>Assets</b>				
Trade and other receivables	2,660,148	1,431	385	2,661,964
Cash and cash equivalents	159,014	2,276	596	161,886
	<u>2,819,162</u>	<u>3,707</u>	<u>981</u>	<u>2,823,850</u>
<b>Liabilities</b>				
Trade and other payables	(948,368)	(12,649)	(93)	(961,110)
Borrowings	(364,160)	–	–	(364,160)
	<u>(1,312,528)</u>	<u>(12,649)</u>	<u>(93)</u>	<u>(1,325,270)</u>
<b>Net assets/(liabilities)</b>	1,506,634	(8,942)	888	1,498,580
Less: Net (assets)/liabilities denominated in the Company's functional currency	(1,506,634)	–	–	(1,506,634)
Less: Firm commitments in foreign currencies	–	(914)	(5)	(919)
<b>Currency exposure</b>	<u>–</u>	<u>(9,856)</u>	<u>883</u>	<u>(8,973)</u>

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 30. 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% (2018: 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.

	2019		2018	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
<b>Group</b>				
USD against SGD				
– strengthened	300	–	2,934	–
– weakened	(300)	–	(2,934)	–
GBP against SGD				
– strengthened	(1)	–	–	–
– weakened	1	–	–	–
AUD against SGD				
– strengthened	61	–	–	–
– weakened	(61)	–	–	–
<b>Company</b>				
USD against SGD				
– strengthened	26	–	(409)	–
– weakened	(26)	–	409	–
GBP against SGD				
– strengthened	6,124	–	–	–
– weakened	(6,124)	–	–	–

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 30. 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 (2018: available-for-sale) or FVTPL (2018: fair value through profit or loss). 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% (2018: 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.

	2019		2018	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
<b>Group</b>				
Investments				
– prices increase	<b>8,469</b>	<b>67,258</b>	1,206	103,944
– prices decrease	<b>(8,469)</b>	<b>(67,258)</b>	(1,206)	(103,944)

#### (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 0.5% (2018: 0.5%) 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 30. FINANCIAL RISK MANAGEMENT (CONT'D)

### (a) Market risk (cont'd)

#### (iii) Interest rate risk (cont'd)

	2019		2018	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
<b>Group</b>				
Borrowings				
– interest rates increase	(4,847)	–	(3,467)	–
– interest rates decrease	4,847	–	3,467	–
<b>Company</b>				
Borrowings				
– interest rates increase	–	–	(872)	–
– interest rates decrease	–	–	872	–

### (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. 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 2019 was S\$131.3 million (2018: S\$85 million) [Note 20(f)]. At 31 August 2019, the Company has issued a guarantee to certain banks in respect of a term loan granted to a wholly-owned subsidiary [Note 20(i)]. 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 2019

## 30. 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	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
<b>By types of customers</b>				
Advertisement	47,235	49,398	40,916	43,029
Circulation	7,964	5,967	7,762	5,731
Multimedia	4,465	4,467	–	1,082
Rental	6,712	1,794	–	–
Others	9,895	10,981	1,595	1,422
	<b>76,271</b>	<b>72,607</b>	<b>50,273</b>	<b>51,264</b>

As at 31 August 2019, 35% – 60% (2018: 50% – 65%) of the trade receivables were backed by bankers'/insurance guarantees and/or deposits from customers.

The Group and Company have trade receivables of S\$70.4 million (2018: S\$70.6 million) and S\$50.3 million (2018: S\$51.3 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.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 30. 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 as at 31 August 2019:

	Weighted average loss rate %	Gross carrying amount S\$'000	Loss allowance S\$'000	Net carrying amount S\$'000	Credit Impaired
<b>Group</b>					
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	
<b>Company</b>					
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	

#### Comparative information under FRS 39

The following is the age analysis of trade receivables that were past due but not impaired as at 31 August 2018:

	Group S\$'000	Company S\$'000
Past due 1 to 30 days	12,671	6,134
Past due 31 to 60 days	4,768	2,317
Past due 61 to 90 days	1,724	827
Past due 91 to 120 days	3,978	2,609
	23,141	11,887

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 30. 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 S\$'000	Company S\$'000
At 1 September 2018 per FRS 39	4,706	1,938
Adjustment on initial application of SFRS(I) 9	191	–
At 1 September 2018 per SFRS(I) 9	4,897	1,938
Allowance made	690	106
Allowance utilised	(1,095)	(194)
Currency translation difference	(24)	–
At 31 August 2019 per SFRS(I) 9	4,468	1,850
At 1 September 2017 per FRS 39	5,265	3,106
Allowance made/(written-back)	306	(957)
Allowance utilised	(848)	(211)
Currency translation difference	(17)	–
At 31 August 2018 per FRS 39	4,706	1,938

#### (ii) Non-trade amounts due from subsidiaries

The Company had non-trade amount owing by subsidiaries of S\$1,727.7 million (2018: S\$1,874.7 million) and loans to subsidiaries of S\$1,038.1 million (2018: S\$728.1 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\$24.3 million [Note 14(a)].



# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 30. 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
<b>Group</b>				
<b>At 31 August 2019</b>				
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)	–
	<b>(647,953)</b>	<b>(628,441)</b>	<b>(1,138,072)</b>	<b>(388)</b>
<b>At 31 August 2018</b>				
Net-settled interest rate swaps	(2,209)	(866)	35	–
Gross-settled currency forwards				
– Receipts	142,034	–	–	–
– Payments	(143,935)	–	–	–
Trade and other payables	(197,362)	(19,023)	(19,218)	–
Borrowings	(329,418)	(309,621)	(1,062,615)	–
	<b>(530,890)</b>	<b>(329,510)</b>	<b>(1,081,798)</b>	<b>–</b>
<b>Company</b>				
<b>At 31 August 2019</b>				
Net-settled interest rate swaps	(270)	(588)	(139)	–
Trade and other payables	(737,373)	(105)	–	–
Borrowings	(137,951)	(6,355)	(144,892)	–
	<b>(875,594)</b>	<b>(7,048)</b>	<b>(145,031)</b>	<b>–</b>
<b>At 31 August 2018</b>				
Trade and other payables	(961,110)	–	–	–
Borrowings	(91,713)	(6,627)	(286,990)	–
	<b>(1,052,823)</b>	<b>(6,627)</b>	<b>(286,990)</b>	<b>–</b>

As at 31 August 2019, 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)].

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 30. FINANCIAL RISK MANAGEMENT (CONT'D)

### (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 accrued distribution for perpetual securities, divided by shareholders' interests. The "Return on Shareholders' Funds" was 6.1% per annum for the current financial year ended 31 August 2019 (2018: 8.1% per annum) and is in line with the Group's objectives. The "Return on Shareholders' Funds" for the last 5 years was between 6.1% and 10%.

### (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
<b>Group</b>				
<b>2019</b>				
<b>Assets</b>				
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
	<b>144,232</b>	<b>73,773</b>	<b>5,195,506</b>	<b>5,413,511</b>
<b>Liabilities</b>				
Derivatives	–	(3,900)	–	(3,900)
<b>2018</b>				
<b>Assets</b>				
Investment properties	–	–	4,155,122	4,155,122
Financial assets at fair value through profit or loss	–	–	6,031	6,031
Available-for-sale financial assets	312,156	130,366	127,061	569,583
Derivatives	–	39	200	239
	<b>312,156</b>	<b>130,405</b>	<b>4,288,414</b>	<b>4,730,975</b>
<b>Liabilities</b>				
Derivatives	–	(4,754)	–	(4,754)

Except for the above, the fair values of other financial assets and liabilities approximate their carrying amounts.

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 30. FINANCIAL RISK MANAGEMENT (CONT'D)

### (e) Fair value measurements (cont'd)

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.

The fair value of investment properties and FVOCI (2018: available-for-sale) 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
<b>Investment properties</b>			
Completed	Capitalisation approach	– Capitalisation rate: 3.6% to 6% (2018: 3.6% to 6%)	The estimated fair value varies inversely with the capitalisation rate.
– Retail, residential and commercial	Discounted cashflow approach	– Discount rate: 6.2% to 9.3% (2018: 6.5% to 8%) – Terminal yield rate: 3.8% to 7.2% (2018: 3.8% to 6.5%)	The estimated fair value varies inversely with the discount rate and terminal yield rate.
	Comparable sales method	– Comparable sales prices <sup>+</sup> : S\$1,175psf to S\$3,502psf (2018: S\$1,030psf to S\$3,343psf)	The estimated fair value varies with the adjusted comparable sales prices.
<b>Financial assets at FVOCI</b> (2018: Available-for-sale financial assets)			
Equities	Net tangible assets	– Net tangible assets <sup>1</sup>	N.A.
	Derived from funding exercise	– Derived from funding exercise <sup>2</sup>	N.A.
Bonds	Net asset value	– Net asset value <sup>3</sup>	N.A.
Investment funds	Net asset value	– Net asset value <sup>3</sup>	N.A.
<b>Asset held for sale</b>			
Equity	Agreed sale consideration	N.A.	N.A.

<sup>+</sup> 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.

<sup>1</sup> Fair value of certain unquoted equities is determined by reference to the underlying net tangible assets of the investee companies.

<sup>2</sup> 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.

<sup>3</sup> 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

31 AUGUST 2019

### 30. 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	
<b>Group 2019</b>							
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 29(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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## 30. 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 fair value through profit or loss		Available-for-sale financial assets		
		Bonds S\$'000	Equities S\$'000	Bonds S\$'000	Investment funds S\$'000	Derivatives S\$'000
Group 2018						
Beginning of financial year	4,034,771	4,977	77,698	8,455	110,155	200
Additions	74,649	–	–	–	10,962	–
Disposals	–	–	(72,319)	–	(30,064)	–
Gains recognised in income statement	45,702	60	9,602	–	7,681	–
(Losses)/Gains recognised in other comprehensive income	–	–	(4,507)	1	2,435	–
Transferred from Level 2	–	2,037	13,886	–	–	–
Transferred to Level 2	–	(1,043)	(6,924)	–	–	–
End of financial year	4,155,122	6,031	17,436	8,456	101,169	200

## NOTES TO THE FINANCIAL STATEMENTS

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### 30. 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
<b>Group 2019</b>					
<b>Assets</b>					
Currency forwards	20	–	20	–	20
Cross currency interest rate swaps	910	–	910	–	910
Cross currency swaps	955	–	955	–	955
	<b>1,885</b>	–	<b>1,885</b>	–	<b>1,885</b>
<b>Liabilities</b>					
Interest rate swaps	(3,900)	–	(3,900)	–	(3,900)
<b>2018</b>					
<b>Assets</b>					
Currency forwards	39	–	39	(39)	–
<b>Liabilities</b>					
Currency forwards	(1,940)	–	(1,940)	39	(1,901)
Interest rate swaps	(2,814)	–	(2,814)	–	(2,814)
	(4,754)	–	(4,754)	39	(4,715)
<b>Company 2019</b>					
<b>Liabilities</b>					
Interest rate swaps	(1,096)	–	(1,096)	–	(1,096)

# ●● NOTES TO THE FINANCIAL STATEMENTS

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## 30. 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		
<b>Interest rate risk</b>					
<b>Interest rate swaps/Cross currency interest rate swaps</b>					
Net exposure (in S\$'000)	280,000	313,904	140,000		
Average fixed interest rate (%)	2.28	2.31	1.95		
<b>2019</b>					
<b>Designated as hedged items</b>	<b>Change in value of the hedged item used for calculating hedge ineffectiveness</b>	<b>Hedging reserve</b>	<b>Balances remaining in hedging reserve from hedging relationships for which hedge accounting is no longer applied</b>		
	S\$'000	S\$'000	S\$'000		
<b>Group</b>					
<b>Interest rate risk</b>					
Borrowings	4,138	(5,470)	–		
<b>Company</b>					
<b>Interest rate risk</b>					
Borrowings	843	(910)	–		
<b>2019</b>					
	<b>During the period – 2019</b>				
<b>Designated as hedged instruments</b>	<b>Carrying amount assets/ (liabilities)</b>	<b>Hedging (gains)/ losses recognised in OCI</b>	<b>Hedge ineffectiveness recognised in income statement</b>	<b>Line item in income statement that includes hedge ineffectiveness</b>	<b>Amount reclassified from hedging reserve to finance costs in income statement</b>
	S\$'000	S\$'000	S\$'000		S\$'000
<b>Group</b>					
Interest rate swaps/ Cross currency interest rate swap	(5,656)	4,138	–	Not applicable	1,468
<b>Company</b>					
Interest rate swaps	(1,096)	843	–	Not applicable	(81)

The hedging instruments are all included as Derivatives in the statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

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## 30. FINANCIAL RISK MANAGEMENT (CONT'D)

### (g) Hedge accounting (cont'd)

#### 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 and cross currency interest rate swaps 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).

Designated as hedged items	Change in value of the hedged item used for calculating hedge ineffectiveness S\$'000	2019	
		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
AUD net investment	3,682	(3,621)	–

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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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

31 AUGUST 2019

## 30. 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
<b>Group 2019</b>					
<b>Assets</b>					
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
	<b>939,049</b>	<b>344,748</b>	<b>52,002</b>	<b>1,865</b>	<b>1,337,664</b>
<b>Liabilities</b>					
Trade and other payables excluding non-financial instruments	(225,380)	–	–	–	(225,380)
Borrowings	(2,057,009)	–	–	–	(2,057,009)
Derivatives	–	–	–	(3,900)	(3,900)
	<b>(2,282,389)</b>	<b>–</b>	<b>–</b>	<b>(3,900)</b>	<b>(2,286,289)</b>
		Financial assets/ (liabilities) at fair value through profit or loss S\$'000	Derivatives used for hedging S\$'000	Other financial liabilities at amortised cost S\$'000	Total S\$'000
<b>Group 2018</b>					
<b>Assets</b>					
Investments	–	569,583	6,031	–	575,614
Trade and other receivables excluding non-financial instruments	527,511	–	–	–	527,511
Derivatives	–	–	239	–	239
Cash and cash equivalents	359,498	–	–	–	359,498
	<b>887,009</b>	<b>569,583</b>	<b>6,270</b>	<b>–</b>	<b>1,462,862</b>
<b>Liabilities</b>					
Trade and other payables excluding non-financial instruments	–	–	–	(235,603)	(235,603)
Borrowings	–	–	–	(1,607,360)	(1,607,360)
Derivatives	–	–	(1,940)	–	(4,754)
	<b>–</b>	<b>–</b>	<b>(1,940)</b>	<b>(1,842,963)</b>	<b>(1,847,717)</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

### 30. 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	
<b>Company 2019</b>				
<b>Assets</b>				
Trade and other receivables excluding non-financial instruments	2,824,089	–	2,824,089	
Cash and cash equivalents	119,816	–	119,816	
	<b>2,943,905</b>	<b>–</b>	<b>2,943,905</b>	
<b>Liabilities</b>				
Trade and other payables excluding non-financial instruments	(737,478)	–	(737,478)	
Borrowings	(280,868)	–	(280,868)	
Derivatives	–	(1,096)	(1,096)	
	<b>(1,018,346)</b>	<b>(1,096)</b>	<b>(1,019,442)</b>	
	Loans and receivables S\$'000	Derivatives used for hedging S\$'000	Other financial liabilities at cost S\$'000	Total S\$'000
<b>2018</b>				
<b>Assets</b>				
Trade and other receivables excluding non-financial instruments	2,661,964	–	–	2,661,964
Cash and cash equivalents	161,886	–	–	161,886
	<b>2,823,850</b>	<b>–</b>	<b>–</b>	<b>2,823,850</b>
<b>Liabilities</b>				
Trade and other payables excluding non-financial instruments	–	–	(961,110)	(961,110)
Borrowings	–	–	(364,160)	(364,160)
	<b>–</b>	<b>–</b>	<b>(1,325,270)</b>	<b>(1,325,270)</b>

# ●● NOTES TO THE FINANCIAL STATEMENTS

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## 31. RELATED PARTY TRANSACTIONS

Key management personnel compensation and transactions are as follows:

	Group	
	2019 S\$'000	2018 S\$'000
Remuneration and other short-term employee benefits	20,230	22,583
Employers' contribution to defined contribution plans	791	889
Share-based compensation expense	2,033	1,729
	<b>23,054</b>	<b>25,201</b>
Staff loans granted to key management personnel	<b>100</b>	235

The above includes total emoluments of the Company's directors of S\$3.4 million (2018: S\$3.7 million).

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

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 32. SEGMENTAL INFORMATION (CONT'D)

### (a) Operating segments (cont'd)

Information regarding the results of each reportable segment is included in the table below.

	Media S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
<b>2019</b>						
<b>Operating revenue</b>						
External sales	576,881	296,512	–	85,862	–	959,255
Inter-segmental sales	5,433	3,188	–	1,501	(10,122)	–
Total operating revenue	582,314	299,700	–	87,363	(10,122)	959,255
<b>Result</b>						
Segment result	55,657	214,644	8,062	(32,335)	–	246,028
Finance costs	–	(49,171)	(101)	–	–	(49,272)
Fair value change on investment properties	–	82,407	–	–	–	82,407
Share of results of associates and joint ventures	(990)	15,118	–	4,991	–	19,119
Profit/(Loss) before taxation	54,667	262,998	7,961	(27,344)	–	298,282
Taxation						(38,736)
Profit after taxation						259,546
Non-controlling interests						(46,335)
Profit attributable to Shareholders						213,211
<b>Other information</b>						
Segment assets	249,067	5,810,383	347,871	700,069	–	7,107,390
Segment assets includes:						
Associates/Joint ventures	10,078	35,602	–	342,327	–	388,007
Additions to:						
– property, plant and equipment	22,340	511	–	2,935	–	25,786
– investment properties	–	814,020	–	–	–	814,020
– intangible assets	–	2,015	–	256	–	2,271
Segment liabilities	124,250	2,178,429	1,031	26,002	–	2,329,712
Current tax liabilities						36,099
Deferred tax liabilities						34,431
Consolidated total liabilities						2,400,242
Depreciation	21,218	489	–	5,674	–	27,381
Amortisation of intangible assets	373	–	–	7,689	–	8,062
Impairment of goodwill	146	–	–	22,000	–	22,146
Impairment of intangible assets	666	–	–	791	–	1,457

# NOTES TO THE FINANCIAL STATEMENTS

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## 32. SEGMENTAL INFORMATION (CONT'D)

### (a) Operating segments (cont'd)

	Media S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
2018						
<b>Operating revenue</b>						
External sales	655,782	242,417	–	84,356	–	982,555
Inter-segmental sales	3,691	2,538	–	2,149	(8,378)	–
Total operating revenue	659,473	244,955	–	86,505	(8,378)	982,555
<b>Result</b>						
Segment result	98,668	182,843	100,895	(16,770)	–	365,636
Finance costs	–	(35,585)	(1,915)	(13)	–	(37,513)
Fair value change on investment properties	–	45,702	–	–	–	45,702
Share of results of associates and joint ventures	5	(3,713)	–	(1,220)	–	(4,928)
Profit/(Loss) before taxation	98,673	189,247	98,980	(18,003)	–	368,897
Taxation						(47,630)
Profit after taxation						321,267
Non-controlling interests						(42,887)
Profit attributable to Shareholders						278,380
<b>Other information</b>						
Segment assets	268,797	4,531,326	958,139	395,947	–	6,154,209
Segment assets includes:						
Associates/Joint ventures	12,823	84,453	–	37,723	–	134,999
Additions to:						
– property, plant and equipment	14,532	164	–	9,053	–	23,749
– investment properties	–	74,649	–	–	–	74,649
– intangible assets	–	–	–	3,700	–	3,700
Segment liabilities	151,165	1,616,703	87,676	26,459	–	1,882,003
Current tax liabilities						
Deferred tax liabilities						47,682
Consolidated total liabilities						33,093
						1,962,778
Depreciation	20,845	540	–	5,227	–	26,612
Amortisation of intangible assets	808	–	–	8,920	–	9,728
Impairment of goodwill	275	–	–	16,995	–	17,270
Impairment of intangible assets	449	–	–	4,637	–	5,086

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 32. SEGMENTAL INFORMATION (CONT'D)

### (a) Operating segments (cont'd)

	Media S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
1 Sept 2017						
<b>Other information</b>						
Segment assets	305,320	4,322,917	999,819	437,483	–	6,065,539
Segment liabilities	171,345	1,296,052	300,271	19,637	–	1,787,305
Current tax liabilities						46,591
Deferred tax liabilities						42,242
Consolidated total liabilities						<u>1,876,138</u>

### (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 and retail properties, publishing and distributing magazines, providing marketing and editorial services, providing online classified services, organising events and exhibitions, and holding investments.

	Operating revenue		
	2019	2018	
	S\$'000	S\$'000	
Singapore	<b>894,348</b>	962,450	
Other countries	<b>64,907</b>	20,105	
	<b>959,255</b>	982,555	
	Non-current assets		1 Sept
	2019	2018	2017
	S\$'000	S\$'000	S\$'000
Singapore	<b>5,518,216</b>	5,332,289	5,008,363
Other countries	<b>820,106</b>	25,222	25,373
	<b>6,338,322</b>	5,357,511	5,033,736
	Total assets		1 Sept
	2019	2018	2017
	S\$'000	S\$'000	S\$'000
Singapore	<b>6,240,561</b>	6,113,353	6,023,161
Other countries	<b>866,829</b>	40,856	42,378
	<b>7,107,390</b>	6,154,209	6,065,539

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 33. EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS

In December 2017, the Accounting Standards Council (ASC) issued the SFRS(I). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on or after 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

These are the first financial statements of the Group and of the Company prepared in accordance with SFRS(I).

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 August 2019, the comparative information presented in these financial statements for the year ended 31 August 2018 and in the preparation of the opening SFRS(I) statement of financial position at 1 September 2017 (the Group's date of transition), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

In preparing the opening SFRS(I) statement of financial position, the Group has adjusted amounts reported previously in the financial statements prepared in accordance with previous FRS.

An explanation of how the transition from previous FRS to SFRS(I) and the adoption of SFRS(I) 9 have affected the Group's financial position, financial performance and cash flows, and the Company's financial position is set out under the summary of quantitative impact and the accompanying notes.

### **Summary of quantitative impact**

The following reconciliations summarise the impacts on initial application of SFRS(I) 1, SFRS(I) 15 and SFRS(I) 9 on the Group's and the Company's financial positions as at 1 September 2017, 31 August 2018 and 1 September 2018 and the Group's income statement for the year ended 31 August 2018. There were no material adjustments to the Group's OCI and statement of cash flows for the year ended 31 August 2018 arising on the transition to SFRS(I).

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 33. EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

### Statement of financial position for the Group

	As at 1 Sept 2017			As at 31 Aug 2018			As at 1 Sept 2018	
	FRS frame- work		SFRS(I) frame- work	FRS frame- work		SFRS(I) frame- work	SFRS(I) frame- work	
	S\$'000	SFRS(I) 1 S\$'000	S\$'000	S\$'000	SFRS(I) 1 & 15 S\$'000	S\$'000	SFRS(I) 9 S\$'000	S\$'000
<b>CAPITAL EMPLOYED</b>								
Share capital	522,809	–	522,809	522,809	–	522,809	–	522,809
Treasury shares	(7,384)	–	(7,384)	(7,101)	–	(7,101)	–	(7,101)
Reserves	324,397	4,867	329,264	259,856	4,867	264,723	(12,426)	252,297
Retained profits	2,648,576	(38,790)	2,609,786	2,691,368	(41,520)	2,649,848	12,247	2,662,095
Shareholders' interests	3,488,398	(33,923)	3,454,475	3,466,932	(36,653)	3,430,279	(179)	3,430,100
Non-controlling interests	734,926	–	734,926	761,152	–	761,152	(12)	761,140
<b>Total equity</b>	<b>4,223,324</b>	<b>(33,923)</b>	<b>4,189,401</b>	<b>4,228,084</b>	<b>(36,653)</b>	<b>4,191,431</b>	<b>(191)</b>	<b>4,191,240</b>
<b>EMPLOYMENT OF CAPITAL</b>								
<b>Non-current assets</b>								
Property, plant and equipment	235,042	(40,871)	194,171	224,918	(34,269)	190,649	–	190,649
Investment properties	4,034,771	–	4,034,771	4,155,122	–	4,155,122	–	4,155,122
Associates	68,792	–	68,792	95,825	–	95,825	–	95,825
Joint ventures	8,696	–	8,696	47,384	(8,210)	39,174	–	39,174
Investments	513,728	–	513,728	453,951	–	453,951	–	453,951
Intangible assets	204,443	–	204,443	176,028	–	176,028	–	176,028
Trade and other receivables	8,935	–	8,935	246,562	–	246,562	–	246,562
Derivatives	200	–	200	200	–	200	–	200
	5,074,607	(40,871)	5,033,736	5,399,990	(42,479)	5,357,511	–	5,357,511
<b>Current assets</b>								
Inventories	21,892	–	21,892	22,636	–	22,636	–	22,636
Trade and other receivables	314,421	–	314,421	292,862	–	292,862	(191)	292,671
Investments	363,370	–	363,370	121,663	–	121,663	–	121,663
Asset held for sale	18,000	–	18,000	–	–	–	–	–
Derivatives	1,473	–	1,473	39	–	39	–	39
Cash and cash equivalents	312,647	–	312,647	359,498	–	359,498	–	359,498
	1,031,803	–	1,031,803	796,698	–	796,698	(191)	796,507
<b>Total assets</b>	<b>6,106,410</b>	<b>(40,871)</b>	<b>6,065,539</b>	<b>6,196,688</b>	<b>(42,479)</b>	<b>6,154,209</b>	<b>(191)</b>	<b>6,154,018</b>
<b>Non-current liabilities</b>								
Trade and other payables	37,556	–	37,556	39,362	–	39,362	–	39,362
Deferred tax liabilities	49,190	(6,948)	42,242	38,919	(5,826)	33,093	(2,546)	30,547
Borrowings	528,044	–	528,044	1,312,507	–	1,312,507	–	1,312,507
Derivatives	7,365	–	7,365	2,814	–	2,814	–	2,814
	622,155	(6,948)	615,207	1,393,602	(5,826)	1,387,776	(2,546)	1,385,230
<b>Current liabilities</b>								
Trade and other payables	241,352	–	241,352	230,527	–	230,527	–	230,527
Current tax liabilities	46,591	–	46,591	47,682	–	47,682	2,546	50,228
Borrowings	971,695	–	971,695	294,853	–	294,853	–	294,853
Derivatives	1,293	–	1,293	1,940	–	1,940	–	1,940
	1,260,931	–	1,260,931	575,002	–	575,002	2,546	577,548
<b>Total liabilities</b>	<b>1,883,086</b>	<b>(6,948)</b>	<b>1,876,138</b>	<b>1,968,604</b>	<b>(5,826)</b>	<b>1,962,778</b>	<b>–</b>	<b>1,962,778</b>
<b>Net assets</b>	<b>4,223,324</b>	<b>(33,923)</b>	<b>4,189,401</b>	<b>4,228,084</b>	<b>(36,653)</b>	<b>4,191,431</b>	<b>(191)</b>	<b>4,191,240</b>



# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 33. EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

### Statement of financial position for the Company

	As at 1 Sept 2017			As at 31 Aug 2018		
	FRS		FRS	FRS		SFRS(I)
	frame-work	SFRS(I) 1	frame-work	frame-work	SFRS(I) 1	frame-work
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>CAPITAL EMPLOYED</b>						
Share capital	522,809	–	522,809	522,809	–	522,809
Treasury shares	(7,384)	–	(7,384)	(7,101)	–	(7,101)
Reserves	32,907	–	32,907	7,783	–	7,783
Retained profits	1,277,297	(33,923)	1,243,374	1,518,369	(28,443)	1,489,926
<b>Total equity</b>	<b>1,825,629</b>	<b>(33,923)</b>	<b>1,791,706</b>	<b>2,041,860</b>	<b>(28,443)</b>	<b>2,013,417</b>
<b>EMPLOYMENT OF CAPITAL</b>						
<b>Non-current assets</b>						
Property, plant and equipment	78,044	(40,871)	37,173	70,731	(34,269)	36,462
Subsidiaries	438,077	–	438,077	439,940	–	439,940
Joint ventures	–	–	–	600	–	600
Investments	27,173	–	27,173	–	–	–
Intangible assets	46,832	–	46,832	44,071	–	44,071
Trade and other receivables	4,650	–	4,650	283,809	–	283,809
	594,776	(40,871)	553,905	839,151	(34,269)	804,882
<b>Current assets</b>						
Inventories	19,557	–	19,557	20,281	–	20,281
Trade and other receivables	2,391,965	–	2,391,965	2,383,725	–	2,383,725
Asset held for sale	18,000	–	18,000	–	–	–
Cash and cash equivalents	150,467	–	150,467	161,886	–	161,886
	2,579,989	–	2,579,989	2,565,892	–	2,565,892
<b>Total assets</b>	<b>3,174,765</b>	<b>(40,871)</b>	<b>3,133,894</b>	<b>3,405,043</b>	<b>(34,269)</b>	<b>3,370,774</b>
<b>Non-current liabilities</b>						
Trade and other payables	2,876	–	2,876	1,121	–	1,121
Deferred tax liabilities	13,564	(6,948)	6,616	12,264	(5,826)	6,438
Borrowings	–	–	–	279,160	–	279,160
	16,440	(6,948)	9,492	292,545	(5,826)	286,719
<b>Current liabilities</b>						
Trade and other payables	1,020,196	–	1,020,196	973,237	–	973,237
Current tax liabilities	16,500	–	16,500	12,401	–	12,401
Borrowings	296,000	–	296,000	85,000	–	85,000
	1,332,696	–	1,332,696	1,070,638	–	1,070,638
<b>Total liabilities</b>	<b>1,349,136</b>	<b>(6,948)</b>	<b>1,342,188</b>	<b>1,363,183</b>	<b>(5,826)</b>	<b>1,357,357</b>
<b>Net assets</b>	<b>1,825,629</b>	<b>(33,923)</b>	<b>1,791,706</b>	<b>2,041,860</b>	<b>(28,443)</b>	<b>2,013,417</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

### 33. EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

#### Consolidated Income Statement

	For the year ended 31 Aug 2018		
	FRS	SFRS(I)	SFRS(I)
	frame-work	1 & 15	frame-work
	S\$'000	S\$'000	S\$'000
Operating revenue	982,555	–	982,555
Other operating income	23,117	–	23,117
<b>Total revenue</b>	<b>1,005,672</b>	<b>–</b>	<b>1,005,672</b>
Materials, production and distribution costs	(142,752)	–	(142,752)
Staff costs	(351,785)	–	(351,785)
Premises costs	(69,998)	–	(69,998)
Depreciation	(33,214)	6,602	(26,612)
Other operating expenses	(141,708)	306	(141,402)
Impairment of trade receivables	–	(306)	(306)
Impairment of goodwill and intangibles	(22,356)	–	(22,356)
Finance costs	(37,513)	–	(37,513)
<b>Total costs</b>	<b>(799,326)</b>	<b>6,602</b>	<b>(792,724)</b>
Operating profit	206,346	6,602	212,948
Fair value change on investment properties	45,702	–	45,702
Share of results of associates and joint ventures	3,282	(8,210)	(4,928)
Net income from investments	115,175	–	115,175
<b>Profit before taxation</b>	<b>370,505</b>	<b>(1,608)</b>	<b>368,897</b>
Taxation	(46,508)	(1,122)	(47,630)
<b>Profit after taxation</b>	<b>323,997</b>	<b>(2,730)</b>	<b>321,267</b>
Attributable to:			
<b>Shareholders of the Company</b>	<b>281,110</b>	<b>(2,730)</b>	<b>278,380</b>
Non-controlling interests	42,887	–	42,887
	323,997	(2,730)	321,267

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 33. EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

### Notes to the reconciliations

#### SFRS(I) 1

In adopting SFRS(I) in 2019, the Group has applied the transition requirements in SFRS(I) 1 with 1 September 2017 as the date of transition. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in SFRS(I) 1. Except as described below, the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 did not have any significant impact on the financial statements.

#### Fair value as deemed cost for certain printing presses classified as property, plant and equipment

The Group elected the optional exemption in SFRS(I) 1 to measure certain printing presses held by the Group at the date of transition to SFRS(I) at fair value and used that fair value as its deemed cost in its SFRS(I) financial statements.

As the printing presses has declined significantly in value since its acquisition, the Group considers that the election of fair value at the date of transition as its deemed cost would result in more relevant financial information. The fair value of the printing presses was determined based on independent quotation, taking into consideration of the printing presses' current condition and age. The carrying amount of property, plant and equipment and deferred tax liabilities decreased by S\$40.9 million and S\$6.9 million respectively as at 1 September 2017 for the Group and the Company, with the corresponding adjustments recognised in retained earnings. In addition, the depreciation charges and deferred tax expense of the Group reduced by S\$6.6 million and increased by S\$1.1 million respectively in the consolidated income statement for the financial year ended 31 August 2018 under the SFRS(I) framework.

#### Foreign currency translation reserve (CTR)

The Group considers that restating CTR to comply with current SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* may not be practicable as certain acquisitions and disposals were transacted at dates that preceded the statutory record keeping periods.

The Group elected the optional exemption in SFRS(I) 1 to reset its cumulative CTR for all foreign operations to nil at the date of transition, and reclassified the cumulative CTR of S\$4.9 million as at 1 September 2017 determined in accordance with SFRS(I) to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

#### SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

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

Following clarification from the International Financial Reporting Interpretations Committee (IFRIC) on the capitalisation of borrowing cost for development property units for which revenue is recognised over time, a joint venture of the Group has expensed all borrowing costs which was previously capitalised. Consequently, the share of results of associates and joint ventures of the Group reduced by S\$8.2 million in the consolidated income statement for the financial year ended 31 August 2018, and the carrying amount of joint ventures in the Group's statement of financial position as at 31 August 2018 reduced by the same amount.

## ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

### 33. EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

#### SFRS(I) 9

SFRS(I) 9 *Financial Instruments* contains new requirements for classification and measurement of financial instruments, a new 'expected credit loss' (ECL) model for calculation of impairment and a new general hedge accounting model. The Group adopted SFRS(I) 9 from 1 September 2018.

In accordance with the exemption in SFRS(I) 1, the Group elected not to restate comparative information for 2018. Accordingly, the information presented for 2018 is presented, as previously reported, under FRS 39 *Financial Instruments: Recognition and Measurement*. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 September 2018.

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative period.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Group retrospectively, except as described below.

- The following assessments were made on the basis of facts and circumstances that existed at 1 September 2018
  - The determination of the business model within which a financial asset is held;
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding;
  - The designation of an equity investment that is not held-for-trading as at FVOCI; and
  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at FVTPL.
- If a debt investment has low credit risk at 1 September 2018, the Group had assumed that the credit risk on the asset has not increased significantly since its initial recognition.
- New hedge accounting requirements are applied prospectively. All hedging relationships designated under FRS 39 at 31 August 2018 met the criteria for hedge accounting under SFRS(I) 9 at 1 September 2018 and therefore were regarded as continuing hedging relationships.

The impact upon adoption of SFRS(I) 9, including the corresponding tax effects, are described below.

#### Classification of financial assets and financial liabilities

For an explanation of how the Group classifies and measures financial assets and related gains and losses under SFRS(I) 9, see Note 2(i).

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 33. EXPLANATION OF TRANSITION TO SFRS(I) AND ADOPTION OF NEW STANDARDS (CONT'D)

### SFRS(I) 9 (cont'd)

#### Classification of financial assets and financial liabilities (cont'd)

For financial assets currently held at fair value, the Group continues to measure most of these assets at fair value under SFRS(I) 9. The classification and measurement of these financial assets under SFRS(I) 9 as at 1 September 2018 is summarised below:

- Non-current available-for-sale (AFS) equity securities and investment funds amounting to S\$439.5 million were classified as financial assets subsequently measured at FVOCI. Similar to AFS financial assets, the fair value changes of FVOCI financial assets are taken to OCI on re-measurement. However, any gain or loss on FVOCI equity instruments will not be reclassified to income statements upon divestment.
- Non-current AFS debt securities of S\$8.5 million and non-current fair value through profit or loss debt securities of S\$6 million were classified as FVOCI and FVTPL financial assets respectively.
- Current AFS financial assets of S\$121.7 million were reclassified as FVTPL financial assets. With the change in classification from AFS to FVTPL, fair value changes of S\$12.4 million in the fair value reserves as at 1 September 2018 were reclassified to retained earnings.

#### Impairment of financial assets

SFRS(I) 9 replaces the 'incurred loss' model in FRS 39 with an ECL model. The new impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not to equity investments.

As a result of the adoption of SFRS(I) 9, impairment loss on trade receivables is presented separately in the income statement, and the Group reclassified impairment loss amounting to S\$0.3 million, recognised under FRS 39, from 'Other operating expenses' to 'Impairment loss on trade receivables' in the consolidated income statement for the year ended 31 August 2018.

The application of SFRS(I) 9 impairment requirements at 1 September 2018 results in additional allowances for impairment of S\$191,000, of which S\$179,000 were taken to retained earnings and S\$12,000 to non-controlling interests.

	<b>Group S\$'000</b>
Loss allowance at 31 August 2018 under FRS 39	4,706
Additional impairment recognised at 1 September 2018 on:	
Trade receivables as at 31 August 2018	191
Loss allowance at 1 September 2018 under SFRS(I) 9	4,897

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The loss allowance for debt investments at FVOCI is not significant.

Additional information about how the Group and the Company measure the allowance for impairment is described in Note 30.

# NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 34. 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 2019 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 effective for the Group's annual periods beginning on 1 September 2019.

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Previously Held Interest in a Joint Operation* (Amendments to SFRS(I) 3 and 11)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to SFRS(I) 1-19)

The Group's assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group, is as described below.

### SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces the existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group and the Company plan to apply SFRS(I) 16 initially on 1 September 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 September 2019, with no restatement of comparative information. The Group and the Company plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply SFRS(I) 16 to all contracts entered into before 1 September 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

#### (a) The Group as lessee

The Group expects to measure lease liabilities by applying a single discount rate to the portfolio of leases. Furthermore, the Group will measure its ROU on a lease-by-lease basis at the amount of the lease liability or as if the SFRS(I) 16 had always been applied.

The Group expect its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. Lease payments that are increased periodically to reflect market rentals, and those that are based on changes in local price index, are included in the measurement of lease liabilities as at date of initial application.

# ●● NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2019

## 34. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONT'D)

### SFRS(I) 16 (cont'd)

#### (a) The Group as lessee (cont'd)

The ROU assets and lease liabilities are expected to increase by S\$173 million for the Group and S\$10.1 million for the Company as at 1 September 2019.

The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

No significant impact is expected for the Group's finance leases.

#### (b) The Group as lessor

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively.

No significant impact is expected for other leases in which the Group is a lessor.

## 35. CONTINGENCIES

During the year, the Group reviewed its obligation to remediate the condition of a leasehold industrial property and made a provision based on best available estimate. The final costs may differ from the provision amount as the remediation requires ongoing specialised technical analysis.

The Group also 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.

## 36. SUBSEQUENT EVENTS

(a) The Group will be streamlining its Media operations in line with a new integrated sales approach. This will result in a rationalisation of its Media sales and content teams and see an approximate 5% reduction in staff numbers across the Media Group. The exercise is expected to be completed in 1Q 2020 and to incur retrenchment costs of approximately S\$8 million.

(b) The Group has, on 15 October 2019, entered into a strategic partnership with Bridge C Capital Inc. ("Bridge C") to set up a fund, focused on investing in aged care and healthcare assets such as senior housing, nursing homes and medical office buildings in Japan (the "Fund"). The Group will invest seed equity of up to S\$50 million in the Fund while Bridge C will be the asset manager for the properties in Japan acquired by the Fund, focusing on marketing, deal sourcing, and management expertise. Both parties will be jointly responsible for raising additional funds, as well as sourcing for suitable assets for the Fund.

## 37. AUTHORISATION OF FINANCIAL STATEMENTS

On 17 October 2019, the Board of Directors of Singapore Press Holdings Limited authorised these financial statements for issue.

# OPERATING COMPANIES OF THE GROUP

31 AUGUST 2019

## SUBSIDIARIES

Name of Subsidiary	Principal Activities	Country of Incorporation
Beerfest Asia Pte. Ltd.	Organising events, concerts and exhibitions	Singapore
Bizlink Exhibition Services Pte. Ltd.	Organising conventions, conferences and exhibitions	Singapore
Blu Inc Holdings (Malaysia) Sdn. Bhd.	Holding investments and providing management support services	Malaysia
Blu Inc Media (HK) Limited	Publishing magazines and providing editorial and other services	Hong Kong
Blu Inc Media Sdn. Bhd.	Publishing and distributing magazines and books	Malaysia
BNM Content Solutions Pte. Ltd.	Production of dramas, variety shows and documentaries	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
Exhibits Inc Pte. Ltd.	Organising conventions, conferences and exhibitions	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
Focus Publishing Ltd	Publishing magazines and providing editorial services	Singapore
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 for trading purposes	Singapore
Life-Medic Healthcare Supplies Pte. Ltd.	Trading of medical and healthcare equipment and consumables	Singapore
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 and other commercial properties	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
Red Anthill Ventures Pte. Ltd.	Holding investments	Singapore
SGCM Pte. Ltd.	Providing online classifieds services for cars	Singapore
Sin Chew Jit Poh (Singapore) Limited	Holding investments and properties	Singapore
Singapore News and Publications Limited	Holding investments and properties	Singapore
Singapore Newspaper Services Private Limited	Holding investments and properties	Singapore



## ●● OPERATING COMPANIES OF THE GROUP

31 AUGUST 2019

### SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Activities	Country of Incorporation
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 Buzz Pte. Ltd.	Franchising kiosks to third party operators	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 Pacom Pte. Ltd.	Publishing, events management and holding investments	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 Moelis Australia Trust	Holding investments	Australia
SPH REIT Management Pte. Ltd.	Property fund management	Singapore
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	Property management	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 Property Management Services Limited	Managing student accommodation assets	United Kingdom
Straits Times Press Pte. Ltd.	Publishing and distributing of books	Singapore
StreetSine Technology Group Pte. Ltd.	Developing E-commerce applications and software consultancy	Singapore

## ●● OPERATING COMPANIES OF THE GROUP

31 AUGUST 2019

### SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Activities	Country of Incorporation
StreetSine Singapore Pte. Ltd.	Web search portals in providing property data and analysis and development of E-commerce applications	Singapore
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
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

### ASSOCIATES

Name of Associate	Principal Activities	Country of Incorporation
AsiaOne Online Pte. Ltd.	Development of software for interactive digital media	Singapore
Brand New Media (Singapore) Pte. Ltd.	Television programme production and advertising services	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.	Providing online marketing and technology services	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
Perennial Chinatown Point LLP	Real estate investment	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
ZBJ-SPH Pte. Ltd.	Providing of online market place for service providers	Singapore

### JOINT VENTURES

Name of Joint Venture	Principal Activities	Country of Incorporation
702Search (Thailand) B.V.	Investment holding and other activities	The Netherlands
703Search (Indonesia) B.V.	Investment holding and other activities	The Netherlands
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

## OVERSEAS BUREAUS

AS AT 31 AUGUST 2019

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## OVERSEAS BUREAUS

AS AT 31 AUGUST 2019

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## PROPERTIES OF THE GROUP

AS AT 31 AUGUST 2019

Location	Tenure	Expiry Date of Lease	Land (Sq M)	Built-In (Sq M)	Existing Use	Effective Group Interest (%)
<b>SINGAPORE</b>						
<b>News Centre</b> 1000 Toa Payoh North	Leasehold	March 2, 2031	21,730	54,275	Industrial	100
<b>Media Centre</b> 82 Genting Lane	Leasehold	July 15, 2040	24,892	49,131	Industrial	100
<b>Print Centre</b> 2 Jurong Port Road	Leasehold	June 8, 2034	110,075	102,352	Industrial	100
<b>Manhattan House</b> 151 Chin Swee Road Units #01-39 to #01-48 and #01-51 to #01-56	Leasehold	October 15, 2068	–	554	Commercial	100
<b>20A Yarwood Avenue</b>	Leasehold	May 6, 2878	1,721	488	Residential	100
<b>42 Nassim Road</b>	Freehold	–	1,406	686	Residential	100
<b>42A Nassim Road</b>	Freehold	–	1,444	645	Residential	100
<b>42B Nassim Road</b>	Freehold	–	1,418	645	Residential	100
<b>Paragon</b> 290 Orchard Road	Freehold	–	17,362	94,502	Commercial	70
<b>The Clementi Mall</b> 3155 Commonwealth Avenue West	Leasehold	August 31, 2109	–	26,973	Commercial	70
<b>The Seletar Mall</b> 33 Sengkang West Avenue	Leasehold	April 17, 2111	8,790	26,370	Commercial	70
<b>The Rail Mall</b> 380 to 400 & 422 to 484 (Even Numbers) Upper Bukit Timah Road	Leasehold	March 17, 2046	9,807	4,623	Commercial	70
<b>The Woodleigh Mall &amp; The Woodleigh Residences</b> 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31 & 33 Bidadari Park Drive	Leasehold	September 17, 2116	25,441	95,392	Mixed Use; Commercial & Residential	50
<b>Orange Valley Nursing Homes Pte Ltd</b> 11, Woodlands Avenue 1	Leasehold	September 30, 2033	2,000	3,597	Nursing	100
<b>Orange Valley Properties Pte Ltd</b> 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
<b>HONGKONG</b>						
<b>Tower Two, Lippo Centre</b> Unit 1308 13th Floor 89 Queensway, Hong Kong	Leasehold	February 14, 2059	–	368	Commercial	100
<b>CHINA</b>						
<b>New Beginnings</b> Room 1302, Block A, No. 868 East Longhua Road, Shanghai 200023, PRC	Leasehold	February 17, 2058	170	111	Commercial	100
<b>Blu Inc Media China</b> Unit 1902-1905, No. 425, Yishan Road, Xuhui District, Shanghai	Leasehold	August 27, 2054	647	461	Commercial	100
<b>AUSTRALIA</b>						
<b>Figtree Grove Shopping Centre</b> 19 & 23 Princes Highway, Figtree, NSW 2525	Freehold	–	51,366	21,986*	Commercial	59

\* Gross Lettable Area

## PROPERTIES OF THE GROUP

AS AT 31 AUGUST 2019

Location	Tenure	Expiry Date of Lease	Beds	Built-In (Sq M)	Existing Use	Effective Group Interest (%)
<b>UNITED KINGDOM</b>						
<b>Londonderry House</b> 2 Newton St, Birmingham, B4 6NB	Leasehold	27 Sep 2098	175	4,364.00	Student Accommodation	100
<b>Culver House</b> 26 Park Street Culver House, Bristol BS1 5JA	Freehold	–	97	3,416.00	Student Accommodation	100
<b>Transom House</b> Victoria Street, Bristol, BS1 6AH	Leasehold	20 Nov 2137	134	4,635.00	Student Accommodation	100
<b>Bernard Myers</b> 4-6 Havil Street, London, SE5 7RU	Freehold	–	123	3,075.00	Student Accommodation	100
<b>St Marks</b> 20 St. Marks Street, Lincoln, LN5 7BA	Freehold	–	116	2,801.00	Student Accommodation	100
<b>Clifton House</b> 1 Clifton Place, Glasgow, G3 7DL	Freehold	–	213	6,550.00	Student Accommodation	100
<b>Stewart House</b> 123 Elderslie St, Glasgow, G3 7AR	Freehold	–	51	1,600.00	Student Accommodation	100
<b>Firth Point</b> 100 Firth Street, Huddersfield HD1 3BQ	Freehold	–	200	5,117.00	Student Accommodation	100
<b>Saw Mill</b> King's Mill Lane, Huddersfield HD1 3AN	Freehold	–	378	11,142.00	Student Accommodation	100
<b>Snow Island</b> King's Mill Lane, Huddersfield HD1 3AU	Freehold/ Leasehold	28 Sep 2917	427	11,622.00	Student Accommodation	100
<b>Central Point</b> 50 Royal Parade, Plymouth, PL1 1DZ	Leasehold	20 Jun 2124	235	9,324.00	Student Accommodation	100
<b>Discovery Height</b> 27-31 Cobourg Street, Plymouth, PL1 1UH	Freehold	–	281	7,469.00	Student Accommodation	100
<b>St Teresa House</b> Beaumont Road, Plymouth, PL4 9AZ	Freehold	–	112	3,462.00	Student Accommodation	100
<b>St Thomas Court</b> 20 Gasking Street, Plymouth, PL4 9AP	Freehold	–	237	5,545.00	Student Accommodation	100
<b>Sunlight Apartments</b> Sunlight Square, London, E2 6LD	Freehold	–	24	575.00	Student Accommodation	100
<b>Alexandra Works</b> 119 Alexandra Road, Plymouth, PL4 7DU	Freehold	–	246	5,693.00	Student Accommodation	100
<b>Central Quay</b> 33 Alma Street, Sheffield, S3 8RA	Freehold	–	767	27,667.00	Student Accommodation	100
<b>ASA Briggs House</b> 6 St. John's Road, Leeds, LS3 1HF	Freehold	–	320	8,719.68	Student Accommodation	100
<b>Sharman Court</b> Broad Lane, Sheffield, S1 4FA	Freehold	–	397	14,986.00	Student Accommodation	100
<b>Hampton Square</b> 2 Mayfield Road, Southampton, SO17 3SX	Freehold	–	526	7,214.62	Student Accommodation	100

# ●● SHAREHOLDING STATISTICS

AS AT 7 OCTOBER 2019

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%*
1 – 99	326	0.56	12,478	0.00
100 – 1,000	7,882	13.48	7,036,270	0.44
1,001 – 10,000	36,368	62.21	170,929,366	10.72
10,001 – 1,000,000	13,818	23.64	617,108,788	38.70
1,000,001 and above	62	0.11	799,476,478	50.14
<b>TOTAL</b>	<b>58,456</b>	<b>100.00</b>	<b>1,594,563,380</b>	<b>100.00</b>

\* Shareholdings exclude 6,085,741 treasury shares.

## TWENTY LARGEST ORDINARY SHAREHOLDERS

	NAME OF SHAREHOLDER	NO. OF SHARES	%*
1	DBS NOMINEES PTE LTD	193,658,931	12.14
2	CITIBANK NOMINEES SINGAPORE PTE LTD	180,582,566	11.32
3	DBSN SERVICES PTE LTD	91,890,382	5.76
4	HSBC (SINGAPORE) NOMINEES PTE LTD	56,973,005	3.57
5	RAFFLES NOMINEES (PTE) LIMITED	34,634,750	2.17
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	20,399,304	1.28
7	UOB KAY HIAN PTE LTD	19,883,711	1.25
8	OCBC NOMINEES SINGAPORE PTE LTD	15,757,001	0.99
9	LEE FOUNDATION STATES OF MALAYA	15,215,522	0.95
10	CHAN SIEW KIM ALICE	11,205,000	0.70
11	LEUNG KAI FOOK MEDICAL COMPANY PTE LTD	10,331,950	0.65
12	PHAY THONG HUAT PTE LTD	9,142,000	0.57
13	OCBC SECURITIES PRIVATE LTD	9,077,812	0.57
14	GAN THIAN CHIN	8,952,000	0.56
15	LEE FOUNDATION	8,210,940	0.51
16	BPSS NOMINEES SINGAPORE (PTE.) LTD.	7,348,312	0.46
17	TAN TIANG HIN JERRY	6,223,675	0.39
18	SOCIETE GENERALE SINGAPORE BRANCH	5,375,602	0.34
19	PHILLIP SECURITIES PTE LTD	5,292,758	0.33
20	YONG SIEW YOON	5,000,000	0.31
	<b>Total:</b>	<b>715,155,221</b>	<b>44.82</b>

\* Shareholdings exclude 6,085,741 treasury shares.

## ●● SHAREHOLDING STATISTICS

### 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
<b>TOTAL</b>	<b>19</b>	<b>100.00</b>	<b>16,361,769</b>	<b>100.00</b>

### 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	CHIEF EXECUTIVE OFFICER	12	0.00
11	DIRECTORS* (FOUR EACH)	36	0.00
	<b>Total:</b>	<b>16,361,769</b>	<b>100.00</b>

\* 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-Fifth Annual General Meeting of Singapore Press Holdings Limited (the "Company") will be held at the Auditorium, 1000 Toa Payoh North, News Centre, 1st Storey, Annexe Block, Singapore 318994 on Friday, 29 November 2019 at 2.30 p.m. for the following business:

## ROUTINE BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 August 2019 and the Auditor's Report thereon.
2. To declare a final dividend of 5.5 cents per share and a special dividend of 1 cent per share, on a tax-exempt basis, in respect of the financial year ended 31 August 2019.
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) Ng Yat Chung
  - (ii) Tan Yen Yen
4. To re-elect Lim Ming Yan, a Director who will cease to hold office in accordance with Article 120 of the Company's Constitution, and who, being eligible, offers himself for re-election.
5. To approve Directors' fees of up to S\$1,400,000 for the financial year ending 31 August 2020 (2019: up to S\$1,450,000).
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 (the "**Companies Act**") 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,

# ●● NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

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 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;
  - (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

# ●● NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

- (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 SGX-ST.”

(iii) “That:

- (a) for the purposes of Sections 76C and 76E of 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 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;

- (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 after the relevant five day period;

“**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;

# ●● NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

“**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,  
1 November 2019

## NOTES:

1. (a) A Member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting, provided that a member holding management shares is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting in respect of the management shares held by him. Where such Member’s form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A Member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member’s form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

“**Relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

2. A proxy need not be a Member of the Company.
3. The instrument appointing a proxy or proxies must be lodged at the Company’s Share Registration Office, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02, Singapore 068898 not less than 72 hours before the time fixed for the Meeting.

# ●● NOTICE OF ANNUAL GENERAL MEETING

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## PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Member of the Company (i) 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 proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (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 (collectively, the "Purposes"), (ii) warrants that where the Member discloses the personal data of the Member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of warranty.

## EXPLANATORY NOTES & STATEMENT PURSUANT TO ARTICLE 75 OF THE COMPANY'S CONSTITUTION

1. In relation to Ordinary Resolution No. 3(i):

Ng Yat Chung\* will, upon re-election, continue as a member of the Executive Committee and Board Risk Committee. He is the Chief Executive Officer of the Company.

2. In relation to Ordinary Resolution No. 3(ii):

Tan Yen Yen\* will, upon re-election, continue as a member of the Board Risk Committee and Remuneration Committee. She is considered an independent Director.

3. Chong Siak Ching is also retiring from office by rotation pursuant to Articles 116 and 117 of the Company's Constitution, but has decided not to offer herself for re-election.

4. In relation to Ordinary Resolution No. 4:

Lim Ming Yan\* will, upon re-election, continue as a member of the Remuneration Committee. He will step down from the Nominating Committee and be appointed as a member of the Board Risk Committee. He 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 27 to 31 and on pages 120 to 122 of the Annual Report 2019.

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 2019 to 31 August 2020. 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.

# ●● NOTICE OF ANNUAL GENERAL MEETING

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6. The effects of the Resolutions under the heading "Special Business" in the Notice of the Thirty-Fifth 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 Annual General Meeting, 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 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 2019, the Company had 6,085,741 treasury shares and no subsidiary holdings.
  - (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 Annual General Meeting to the next Annual General Meeting (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 2019, based on certain assumptions, are set out in paragraph 2.6 of the Letter to Shareholders dated 1 November 2019.

## 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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**PROXY  
FORM****IMPORTANT**

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in Singapore Press Holdings Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

**Personal Data Privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Member accepts and agrees to the personal data privacy terms set out in the accompanying Notice of Annual General Meeting.

**Refreshments after Annual General Meeting**

Coffee, tea and water will be served after the Annual General Meeting.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Co. Reg. No.)

of \_\_\_\_\_ (Address)

being a Member/Members of the abovenamed Company, hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

or failing him/her, or if no person is named above, the Chairman of the Annual General Meeting, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the Auditorium, 1000 Toa Payoh North, News Centre, 1st Storey, Annexe Block, Singapore 318994 on Friday, 29 November 2019 at 2.30 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting and at any adjournment thereof.

(Voting will be conducted by poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" in the relevant box provided below. Alternatively, if you wish to vote some of your shares "For" and some of your shares "Against" the relevant resolution, please insert the relevant number of shares (and, if you hold both ordinary shares and management shares, the relevant class of shares) in the relevant boxes provided below.)

No.	Resolutions	No. of votes For	No. of votes Against
<b>Routine Business</b>			
1.	To receive and adopt the Directors' Statement and Audited Financial Statements and the Auditor's Report thereon		
2.	To declare a Final Dividend and a Special Dividend		
3.	To re-elect Directors pursuant to Articles 116 and 117		
	(i) Ng Yat Chung		
	(ii) Tan Yen Yen		
4.	To re-elect Director pursuant to Article 120		
	Lim Ming Yan		
5.	To approve Directors' fees for the financial year ending 31 August 2020		
6.	To re-appoint the Auditor and authorise the Directors to fix its remuneration		
<b>Special Business</b>			
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 \_\_\_\_\_ 2019.

\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal

**IMPORTANT: PLEASE READ NOTES ON THE REVERSE**

<b>Total Number of Ordinary Shares held</b>	
<b>Total Number of Management Shares held</b>	

## SINGAPORE PRESS HOLDINGS LIMITED

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Co Regn No: 198402868E

### 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 a proxy or proxies shall be deemed to relate to all the Shares held by you.
  2.
    - (a) A Member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting, provided that a Member holding management shares is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting in respect of the management shares held by him. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
    - (b) A Member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- "Relevant intermediary"** has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.
3. A proxy need not be a Member of the Company.
  4. The instrument appointing a proxy or proxies must be deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02, Singapore 068898, not less than 72 hours before the time appointed for the Annual General Meeting.
  5. Completion and return of an instrument appointing a proxy or proxies shall not preclude a Member from attending, speaking and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy or proxies, to the Annual General Meeting.
  6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
  7. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.
  8. The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 a proxy or proxies (including any related attachment). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged 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 Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.



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**SINGAPORE PRESS HOLDINGS LIMITED**

Co. Reg. No 198402868E

1000 Toa Payoh North  
News Centre  
Singapore 318994

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SEIZING OPPORTUNITIES FOR TRANSFORMATION

SINGAPORE PRESS HOLDINGS LIMITED

ANNUAL REPORT 2019