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

ANNOUNCEMENT
AUDITED RESULTS FOR THE YEAR ENDED 31 August 2021

Note

The Group undertook a strategic review and announced a media restructuring exercise on 6 May 2021. At an extraordinary general meeting on 10 September 2021, shareholders gave their approval for the transfer of its Media business to a not-for-profit company limited by guarantee ("CLG"). Results of the Media segment were therefore classified under discontinued operation for the financial year ended 31 August 2021 with prior year comparatives restated ("Restated"). Assets and liabilities of the Media business to be transferred to the CLG were classified as assets held for sale and liabilities associated with assets held for sale respectively for the financial year ended 31 August 2021.

Continuing operations of the Group comprise businesses of the Retail & Commercial, Purpose-Built Student Accommodation ("PBSA") and Others segments.

1(a)(i) <u>An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year</u>

Results for the Year ended 31 August 2021

	Group		
	2021 S$'000	**2020** S$'000 (Restated)	**Change** %
Continuing operations			
Operating revenue	449,926	420,517	7.0
Other operating income	25,152	43,636	(42.4)
Total revenue	475,078	464,153	2.4
Materials and production costs	(9,476)	(35,370)	(73.2)
Staff costs	(61,714)	(64,105)	(3.7)
Premises costs	(89,056)	(101,705)	(12.4)
Depreciation	(10,385)	(11,169)	(7.0)
Other operating expenses	(39,800)	(39,142)	1.7
Allowance on trade receivables	(1,998)	(8,499)	(76.5)
Write-back of allowance/(Allowance) on cash and cash equivalents	1,956	(1,956)	NM
Impairment of goodwill and intangibles	-	(17,451)	NM
Finance costs	(57,905)	(63,020)	(8.1)
Total costs	(268,378)	(342,417)	(21.6)
Operating profit	206,700	121,736	69.8
Fair value change on investment properties	66,585	(232,013)	NM
Share of results of associates and joint ventures	6,680	3,894	71.5
Net income from investments	35,592	17,382	104.8
Gain on divestment of subsidiaries	12,762	-	NM
Gain on divestment of a property	-	25,712	NM
Impairment of an associate	(3,304)	(10,008)	(67.0)
Profit/(Loss) before taxation	325,015	(73,297)	NM
Taxation	(47,004)	(27,240)	72.6
Profit/(Loss) after taxation from continuing operations	278,011	(100,537)	NM
Discontinued operation			
Loss from discontinued operation	(128,340)	(11,965)	972.6
Profit/(Loss) after taxation	149,671	(112,502)	NM
Attributable to:			
Shareholders of the Company	**92,942**	**(83,676)**	**NM**
Non-controlling interests	56,729	(28,826)	NM
	149,671	(112,502)	NM

NM Not Meaningful

1(a)(ii) Notes:
Profit/(Loss) after taxation from continuing operations is arrived at after accounting for:

	Group		
	2021	**2020**	**Change**
	S$'000	S$'000 (Restated)	%
Impairment of property, plant and equipment	(199)	(83)	139.8
Loss on disposal of property, plant and equipment	(5)	(253)	(98.0)
Amortisation of intangible assets	(4,828)	(7,675)	(37.1)
Impairment of goodwill	-	(11,688)	NM
Impairment of intangible assets	-	(5,763)	NM
Interest income from treasury and operations	5,875	9,436	(37.7)
Net fair value changes on			
- Investments at fair value through profit or loss ("FVTPL")	5,832	5,108	14.2
- Derivatives (foreign exchange forwards)	-	(100)	NM
Net foreign exchange differences	2,460	2,023	21.6
Net over/(under)-provision of prior years' taxation	1,346	(55)	NM

1(a)(iii) Statement of Comprehensive Income

	Group 2021 S$'000	Group 2020 S$'000	Change %
Profit/(Loss) after taxation	149,671	(112,502)	NM
Other comprehensive income, net of tax			
Items that may be re-classified subsequently to profit or loss			
Capital reserves			
- share of capital reserves of an associate	(388)	-	NM
Cash flow hedges (interest rate swaps)			
- net fair value changes	6,932	(10,808)	NM
- transferred to income statement	1,987	2,966	(33.0)
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	2,728	57,298	(95.2)
	11,259	49,456	(77.2)
Item that will not be re-classified subsequently to profit or loss			
Net fair value changes on fair value through other comprehensive income ("FVOCI") financial assets	297,081	35,696	732.3
Total comprehensive income	458,011	(27,350)	NM
Attributable to:			
Shareholders of the Company	**403,310**	**(10,573)**	**NM**
Non-controlling interests	54,701	(16,777)	NM
	458,011	(27,350)	NM

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Statements of Financial Position as at 31 August 2021

	Group		Company	
	31 Aug 2021	**31 Aug 2020**	**31 Aug 2021**	**31 Aug 2020**
	S$'000	S$'000	S$'000	S$'000
CAPITAL EMPLOYED				
Share capital	522,809	522,809	522,809	522,809
Treasury shares	(18,802)	(20,734)	(18,802)	(20,734)
Reserves	437,568	139,779	4,234	1,845
Retained profits	2,687,456	2,671,666	1,763,322	1,693,580
Shareholders' interests	3,629,031	3,313,520	2,271,563	2,197,500
Perpetual securities	452,493	452,493	452,493	452,493
Non-controlling interests	1,196,071	1,185,933	-	-
Total equity	**5,277,595**	**4,951,946**	**2,724,056**	**2,649,993**
EMPLOYMENT OF CAPITAL				
Non-current assets				
Property, plant and equipment	89,667	225,626	702	43,175
Investment properties	6,519,263	6,420,294	-	-
Subsidiaries	-	-	428,273	430,528
Associates	361,423	358,055	-	-
Joint ventures	11,385	14,933	-	195
Investments	516,916	423,564	-	-
Intangible assets	118,908	131,754	35,790	38,550
Trade and other receivables	257,393	246,250	3,004,606	2,311,924
Derivatives	200	200	-	-
	7,875,155	7,820,676	3,469,371	2,824,372
Current assets				
Inventories	1,634	20,063	-	18,542
Trade and other receivables	50,721	144,295	676,232	1,308,294
Investments	143,319	-	-	-
Cash and cash equivalents	743,988	864,693	495,701	671,091
Assets held for sale	99,408	-	66,489	-
	1,039,070	1,029,051	1,238,422	1,997,927
Total assets	8,914,225	8,849,727	4,707,793	4,822,299
Non-current liabilities				
Trade and other payables	61,580	55,736	-	515
Deferred tax liabilities	62,696	42,052	5,168	5,930
Borrowings	2,421,045	2,191,173	500,493	648,412
Derivatives	4,690	13,933	-	2,548
	2,550,011	2,302,894	505,661	657,405
Current liabilities				
Trade and other payables	276,787	285,540	881,146	798,176
Current tax liabilities	23,551	22,622	190	2,277
Borrowings	686,758	1,286,045	530,127	714,448
Derivatives	1,175	680	124	-
Provision for loss from discontinued operation	16,953	-	13,130	-
Liabilities associated with assets held for sale	81,395	-	53,359	-
	1,086,619	1,594,887	1,478,076	1,514,901
Total liabilities	3,636,630	3,897,781	1,983,737	2,172,306
Net assets	**5,277,595**	**4,951,946**	**2,724,056**	**2,649,993**

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

Group Borrowings

	As at 31 August 2021		As at 31 August 2020	
	Secured S$'000	**Unsecured** S$'000	**Secured** S$'000	**Unsecured** S$'000
Amount repayable in one year	155,607	527,281	515,607	761,678
Amount repayable after one year	1,853,143	541,765	1,494,566	637,720

Details of collateral

The total secured borrowings of S$2,008.8 million as at 31 August 2021 (31 August 2020: S$2,010.2 million) represented the secured borrowings stated at amortised cost.

The secured borrowings as at 31 August 2021 and 31 August 2020 comprised S$995 million for SPH REIT, S$300 million for The Seletar Mall Pte Ltd ("TSMPL"), £205 million for Straits Capitol Trust ("SCT"), A$105 million for Figtree Holding Trust ("FHT"), A$200 million for Marion Sub Trust ("MST") and ¥3.2 billion for Straits Himawari TMK One TMK ("TMK1") and Straits Himawari TMK Two TMK ("TMK2").

The term loan taken up by SPH REIT is secured by way of a first legal mortgage on SPH REIT's investment property – Paragon, first legal charge over the tenancy account and sales proceeds account for Paragon, and an assignment of certain insurances taken in relation to Paragon.

The term loan taken up by TSMPL is secured by way of a first legal mortgage on TSMPL's investment property – The Seletar Mall, first legal charge over the tenancy account and sales proceeds account for The Seletar Mall, and an assignment of certain insurances taken in relation to The Seletar Mall.

The term loan taken up by SCT is secured, inter alia, by way of property mortgages against 20 assets of the PBSA portfolio in the United Kingdom, and a corporate guarantee from the Company. The PBSA portfolio comprised a total of 28 assets in the United Kingdom and Germany.

The term loan taken up by FHT is secured by way of mortgage over the Figtree Grove Shopping Centre ("Figtree") and a fixed and floating charge over all assets of FHT and Figtree Trust and the assets of the trustee of each of the Trust.

The term loan taken up by MST is secured by way of mortgage over the Westfield Marion Shopping Centre ("Westfield Marion"), all-asset general security deed over current and future assets of MAAM TT (Marion) Pty Ltd in its own capacity and as trustee for MST and such specified entities constituted to receive income derived from Westfield Marion.

The issue of bonds by TMK1 and TMK2 are both secured by the statutory general lien under the Japan law. In addition, the bond issued by TMK1 is secured by way of property mortgages in respect of the 3 properties owned by TMK1.

The above borrowings exclude lease liabilities of S$30 million (31 August 2020: S$67.6 million) recognised on right-of-use assets.

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

Consolidated Statement of Cash Flows for the Year ended 31 August 2021

	2021 S$'000	**2020** S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation		
Continuing operations	325,015	(73,297)
Discontinued operation	(128,340)	(11,965)
	196,675	(85,262)
Adjustments for:		
Depreciation	27,654	40,628
Loss/(Profit) on disposal of property, plant and equipment	21	(507)
Fair value change on investment properties	(66,585)	232,013
Share of results of associates and joint ventures	(7,372)	(3,418)
(Gain)/Loss on divestment of interests in subsidiaries	(12,762)	98
Gain on divestment of a property	-	(25,712)
Impairment and provision for loss from discontinued operation	115,290	-
Loss/(Gain) on divestment of interests in associates/ joint venture	5	(477)
Net income from investments	(35,592)	(17,382)
Amortisation of intangible assets	4,872	7,740
Impairment of an associate	3,304	10,008
Impairment of goodwill	-	11,688
Impairment of intangible assets	327	5,763
Impairment of property, plant and equipment	2,050	4,458
Allowance on trade receivables	1,837	9,844
Finance costs	58,995	65,065
Share-based compensation expense	2,273	2,601
Other non-cash items	(4,945)	2,124
Operating cash flow before working capital changes	286,047	259,272
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	8,692	3,409
Trade and other receivables, current	36,147	(23,164)
Trade and other payables, current	58,318	7,712
Trade and other receivables, non-current	3,484	732
Trade and other payables, non-current	5,881	(853)
Others	(5,263)	6,496
	393,306	253,604
Income tax paid	(26,220)	(32,263)
Net cash from operating activities	**367,086**	**221,341**

Consolidated Statement of Cash Flows for the Year ended 31 August 2021(cont'd)

	2021 S$'000	2020 S$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(10,568)	(12,236)
Proceeds from disposal of property, plant and equipment	87	25,915
Additions to investment properties	(29,048)	(780,428)
Acquisition of subsidiaries (net of cash acquired)	-	(720,429)
Acquisition of interests in associates	-	(660)
Distributions received from associates/joint ventures	12,287	14,215
(Cash ouflow)/Proceeds from divestment of interests in subsidiaries	(1,283)	3,401
Proceeds from divestment of interests in an associate/joint venture	257	-
Increase in amounts owing by associates/ joint ventures	(12,646)	(813)
(Decrease)/Increase in amounts owing to associates/ joint venture	(170)	269
Purchase of investments, non-current	(7,471)	(10,819)
Purchase of investments, current	-	(150,778)
Proceeds from capital distribution/disposal of investments, non-current	71,007	41,202
Proceeds from capital distribution/disposal of investments, current	-	190,577
Dividends received	24,082	5,264
Interest received	5,548	5,017
Other investment income	76	1,246
Net cash from/(used in) investing activities	**52,158**	**(1,389,057)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings (net of transaction costs)	197,340	2,472,754
Repayment of borrowings	(520,487)	(1,187,968)
Payment for lease liabilities	(11,936)	(15,432)
Interest paid	(58,631)	(58,775)
Share buy-back	-	(9,349)
Proceeds from perpetual securities issued (net of transaction costs)	-	298,396
Proceeds from capital contribution by non-controlling interests	-	162,823
Repayment of loans from non-controlling interest	(9,000)	-
Dividends paid	(64,306)	(128,842)
Dividends paid to non-controlling interests	(41,880)	(30,545)
Distributions to perpetual securities holders	(31,049)	(25,088)
Net cash (used in)/from financing activities	**(539,949)**	**1,477,974**
Net (decrease)/increase in cash and cash equivalents	**(120,705)**	**310,258**
Cash and cash equivalents at beginning of financial year	864,693	554,435
Cash and cash equivalents at end of financial year	**743,988**	**864,693**

(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statements of Changes in Total Equity for the Year ended 31 August 2021

(a) Group

	Attributable to Shareholders of the Company											
	Share Capital	Treasury Shares	Capital Reserve	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Currency Translation Reserve	Retained Profits	Total	Perpetual Securities	Non-controlling Interests	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 September 2020	522,809	(20,734)	(9,565)	3,960	(11,835)	124,291	32,928	2,671,666	3,313,520	452,493	1,185,933	4,951,946
Total comprehensive income for the year	-	-	(388)	-	7,788	297,081	5,887	92,942	403,310	-	54,701	458,011
Realised profit on disposal of FVOCI financial assets	-	-	-	-	-	(12,879)	-	12,879	-	-	-	-
Transactions with owners, recognised directly in equity												
Contributions by and distributions to owners												
Share-based compensation	-	-	-	2,273	-	-	-	-	2,273	-	-	2,273
Treasury shares re-issued	-	1,932	-	(1,896)	-	-	-	799	835	-	-	835
Dividends and distribution	-	-	-	-	-	-	-	(91,207)	(91,207)		(46,028)	(137,235)
Changes in ownership interest in subsidiary without a change in control												
Acquisition of additional interest in a subsidiary	-	-	(51)	-	(21)	-	95	(98)	(75)	-	75	-
Dilution of interest in a subsidiary	-	-	1	-	-	-	(2)	(21)	(22)	-	166	144
Changes in ownership interests in subsidiaries												
Disposal of interests in subsidiaries	-	-	-	-	-	-	(99)	496	397	-	148	545
Fair value gain on interest-free loans	-	-	-	-	-	-	-	-	-	-	1,076	1,076
Balance as at 31 August 2021	**522,809**	**(18,802)**	**(10,003)**	**4,337**	**(4,068)**	**408,493**	**38,809**	**2,687,456**	**3,629,031**	**452,493**	**1,196,071**	**5,277,595**

Statements of Changes in Total Equity for the Year ended 31 August 2020 (cont'd)

(a) Group (cont'd)

	Attributable to Shareholders of the Company											
	Share Capital	Treasury Shares	Capital Reserve	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Currency Translation Reserve	Retained Profits	Total	Perpetual Securities	Non-controlling Interests	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 September 2019	522,809	(13,226)	(10,278)	4,170	(5,366)	105,259	(11,167)	2,896,255	3,488,456	150,512	1,068,180	4,707,148
Total comprehensive income for the year	-	-	-	-	(6,641)	35,696	44,048	(83,676)	(10,573)	-	(16,777)	(27,350)
Realised profit on disposal of FVOCI financial assets	-	-	-	-	-	(16,664)	-	16,664	-	-	-	-
Transactions with owners, recognised directly in equity												
Contributions by and distributions to owners												
Share-based compensation	-	-	-	2,601	-	-	-	-	2,601	-	-	2,601
Treasury shares re-issued	-	1,841	-	(2,811)	-	-	-	1,176	206	-	-	206
Share buy-back – held as treasury shares	-	(9,349)	-	-	-	-	-	-	(9,349)	-	-	(9,349)
Issue of perpetual securities	-	-	-	-	-	-	-	-	-	298,396	-	298,396
Dividends and distribution	-	-	-	-	-	-	-	(153,344)	(153,344)	3,585	(34,716)	(184,475)
Changes in ownership interests in subsidiaries without a change in control												
Acquisition of additional interests in subsidiaries	-	-	(39)	-	(9)	-	(3)	(56)	(107)	-	107	-
Dilution of interest in a subsidiary	-	-	752	-	181	-	50	(5,353)	(4,370)	-	4,577	207
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	162,823	162,823
Changes in ownership interests in subsidiaries												
Disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	1,739	1,739
Balance as at 31 August 2020	**522,809**	**(20,734)**	**(9,565)**	**3,960**	**(11,835)**	**124,291**	**32,928**	**2,671,666**	**3,313,520**	**452,493**	**1,185,933**	**4,951,946**

Statements of Changes in Total Equity for the Year ended 31 August 2021 (cont'd)

(b) Company

	Share Capital	Treasury Shares	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Retained Profits	Total	Perpetual securities	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 September 2020	522,809	(20,734)	3,960	(2,115)	-	1,693,580	2,197,500	452,493	2,649,993
Total comprehensive income for the year	-	-	-	2,012	-	151,999	154,011	-	154,011
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Share-based compensation	-	-	2,273	-	-	-	2,273	-	2,273
Treasury shares re-issued	-	1,932	(1,896)	-	-	799	835	-	835
Dividends and distribution	-	-	-	-	-	(83,056)	(83,056)	-	(83,056)
Balance as at 31 August 2021	**522,809**	**(18,802)**	**4,337**	**(103)**	**-**	**1,763,322**	**2,271,563**	**452,493**	**2,724,056**

	Share Capital	Treasury Shares	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Retained Profits	Total	Perpetual securities	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 September 2019	522,809	(13,226)	4,170	(910)	-	1,780,434	2,293,277	150,512	2,443,789
Total comprehensive income for the year	-	-	-	(1,205)	-	57,150	55,945	-	55,945
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Share-based compensation	-	-	2,601	-	-	-	2,601	-	2,601
Treasury shares re-issued	-	1,841	(2,811)	-	-	1,176	206	-	206
Share buy-back – held as treasury shares	-	(9,349)	-	-	-	-	(9,349)	-	(9,349)
Issue of perpetual securities	-	-	-	-	-	-	-	298,396	298,396
Dividends and distribution	-	-	-	-	-	(145,180)	(145,180)	3,585	(141,595)
Balance as at 31 August 2020	**522,809**	**(20,734)**	**3,960**	**(2,115)**	**-**	**1,693,580**	**2,197,500**	**452,493**	**2,649,993**

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

Performance Shares

(a) At the annual general meeting of the Company held on 1 December 2016, the Company's shareholders approved the adoption of the SPH Performance Share Plan 2016 ("the 2016 Share Plan"). This replaced the SPH Performance Share Plan, which was terminated.

(b) As at 31 August 2021, the number of shares granted and outstanding (being contingent award) under the 2016 Share Plan was 6,104,541 (31 August 2020: 4,605,458). Movements in the number of performance shares during the financial year are summarised below:

Outstanding as at 01.09.20 ('000)	Adjusted# ('000)	Granted* ('000)	Vested ('000)	Lapsed ('000)	Outstanding as at 31.08.21 ('000)
4,605	(612)	3,519	(938)	(469)	6,105

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

* Included a special sign-on bonus of SPH shares

Share Buy Back

No shares were bought back by the Company during the financial year ended 31 August 2021 under the Share Buy Back Mandate (first approved by the Shareholders on 16 July 1999 and last renewed at the Annual General Meeting on 27 November 2020).

Share Capital and Treasury Shares

As at 31 August 2021, the Company had 1,591,512,137 ordinary shares, 16,361,769 management shares and 9,136,984 treasury shares (31 August 2020: 1,590,574,197 ordinary shares, 16,361,769 management shares and 10,074,924 treasury shares).

The treasury shares held represent 0.6% (31 August 2020: 0.6%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 31 August 2021 and 31 August 2020.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 August 2021, the Company had 1,591,512,137 ordinary shares, 16,361,769 management shares (31 August 2020: 1,590,574,197 ordinary shares, 16,361,769 management shares).

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

During the financial year, the Company transferred 937,940 treasury shares for the fulfillment of share awards vested under the 2016 Share Plan. The total value of the treasury shares transferred was S$1.9 million.

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

The Company has no subsidiary holdings as at 31 August 2021.

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

The figures for the financial year have been audited. The auditors' report on the financial statements of the Group was not subject to any modification.

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

Please refer to the attached auditors' report.

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

Accounting Policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 August 2020 except for the following:

The Group has early adopted Covid-19-Related Rent Concessions – Amendment to SFRS(I) 16 issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the Covid-19 pandemic are lease modifications. The amendment has no impact on retained earnings at 1 September 2020.

5. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earnings/(Loss) Per Share

	Group	
	2021	**2020 (Restated)**
Earnings/(Loss) Per Share of the Group (including Discontinued Operation)		
(a) Based on the weighted average number of shares on issue (S$)	0.04	(0.07)
(b) On fully diluted basis (S$)	0.04	(0.07)
Earnings/(Loss) Per Share of Continuing Operations		
(a) Based on the weighted average number of shares on issue (S$)	0.12	(0.06)
(b) On fully diluted basis (S$)	0.12	(0.06)

Earnings/(Loss) per share was calculated based on profit/(loss) after taxation attributable to shareholders of the Company less distribution for perpetual securities, divided by the weighted average number of shares (excluding treasury shares).

6. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year**

Net Asset Value Per Share

	Group		Company	
	31 Aug 2021	**31 Aug 2020**	**31 Aug 2021**	**31 Aug 2020**
Net asset value per share based on total number of issued shares at the end of year (S$)	2.26	2.06	1.41	1.37

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

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

Review of Results for the Year ended 31 August 2021 ("FY2021") compared with the Year ended 31 August 2020 (FY2020).

7.1 Income Statement

Results of Continuing Operations (Paragraph 7.1.1 to 7.1.11)

7.1.1 Group operating revenue comprised mainly rental income from retail malls and student accommodation, and income from other businesses (including aged care, exhibitions and education). The increase in group operating revenue of S$29.4 million (7%), from S$420.5 million in FY2020 to S$449.9 million in FY2021, was driven by higher rental income of S$60.9 million (18.5%) from Retail & Commercial, PBSA and Japan TMK portfolios. The increase was partially offset by the absence of S$22.3 million revenue from sale of personal protective equipment of the aged care business in FY2020 and decline in operating revenue of S$7.8 million (86%) from the exhibitions business ("Sphere") due to Covid-19 impact and the divestment of Sphere in February 2021.

Other operating income included grant income and income from other business activities. Other operating income decreased by S$18.5 million (42.4%), from S$43.6 million in FY2020 to S$25.2 million in FY2021 mainly due to lower grant income (property tax rebates and SME grants) and Jobs Support Scheme ("JSS") of S$25.3 million (89.7%) and S$2.4 million (45.3%) respectively. The decrease was offset by income from rental guarantee of S$9.4 million relating to the acquisition of the Student Castle portfolio.

Total revenue of S$475.1 million in FY2021 was higher by S$10.9 million (2.4%) compared to S$464.2 million in FY2020.

7.1.2 Materials and production costs included event costs and supplies for exhibitions and aged care businesses. The reduction in materials and production costs by S$25.9 million (73.2%), from S$35.4 million in FY2020 to S$9.5 million in FY2021, was in line with lower revenue from the exhibitions and aged care businesses.

Staff costs comprised salaries, bonuses, allowances, employers' contribution to defined contribution plans and share-based compensation expense. The decrease in staff costs of S$2.4 million (3.7%), from S$64.1 million in FY2020 to S$61.7 million in FY2021 was due to lower headcount.

Premises costs relate mainly to rental expenses, property tax, building maintenance costs and utility charges, and are primarily incurred for the retail malls, student accommodation and aged care businesses. The decrease in premises costs of S$12.6 million (12.4%), from S$101.7 million in FY2020 to S$89.1 million in FY2021 was mainly due to S$25.3 million (89.7%) lower grants (property tax rebates and SME grants) passed onto tenants. This was partially offset by S$6.9 million (54.8%) higher premises cost attributable to Westfield Marion which was acquired in December 2019, and provision for rent relief of S$5.1 million made to assist eligible tenants under the Rental Waiver Framework.

Other operating expenses included business promotion expenses, computer system maintenance and software licence fees, amortisation of intangibles assets, foreign exchange differences and other expenses in line with business activities. Other operating expenses increased by S$0.7 million (1.7%), from S$39.1 million in FY2020 to S$39.8 million in FY2021.

Allowance on trade receivables of S$2 million recognised in FY2021 was lower by S$6.5 million (76.5%) as compared to the S$8.5 millon taken up in FY2020, as FY2020 included amounts relating to retail mall tenants' assistance relief mandated by the Australia authorities.

Allowance on cash and cash equivalents of S$2 million recognised in FY2020 in relation to expected credit loss on bank balances was written back in FY2021.

Impairment of goodwill and intangibles of S$17.5 million recognised in FY2020 was attributed mainly to the aged care and PBSA businesses in view of the Covid-19 situation.

Finance costs decreased by S$5.1 million (8.1%), from S$63 million in FY2020 to S$57.9 million in FY2021, due to lower interest rates.

Overall, total costs decreased by S$74 million (21.6%) from S$342.4 million in FY2020 to S$268.4 million in FY2021.

7.1.3 As a result of the foregoing, operating profit of S$206.7 million in FY2021 was S$85 million (69.8%) higher compared to S$121.7 million in FY2020. This was primarily due to the increase in rental income and the absence of impairment charges on goodwill and intangibles incurred in FY2020.

7.1.4 Fair value gain on investment properties of S$66.6 million in FY2021 was mainly attributed to PBSA portfolio (S$34.7 million), retail malls (S$21.9 million) and bungalows (S$9.5 million). Fair value loss on investment properties of S$232 million in FY2020 largely arose from reduction in property valuation of retail malls (S$196.5 million) and PBSA portfolio (S$31.9 million).

7.1.5 Share of results of associates and joint ventures increased by S$2.8 million (71.5%), from S$3.9 million in FY2020 to S$6.7 million in FY2021. The improvement was largely attributable to the Woodleigh development, partially offset by lower share of profit from Konnectivity (M1).

7.1.6 Investment income comprised fair value changes on investments and derivatives, foreign exchange differences, and dividend and interest income from the investment portfolio. Investment income increased by S$18.2 million (104.8%) from S$17.4 million in FY2020 to S$35.6 million in FY2021, mainly due to higher dividend income.

7.1.7 Gain on divestment of subsidiaires of S$12.8 million relates to gain on the divestment of interests in subsidiaries in the exhibitions and online classified businesses.

7.1.8 Gain on divestment of a property of S$25.7 million in FY2020 relates to gain on the divestment of 60% effective interest in Media Centre. The Group retained 40% interest in the property via its investment in Memphis 1 Pte Ltd.

7.1.9 Impairment of an associate of S$3.3 million in FY2021 and S$10 million in FY2020 was attributed to MindChamps Preschool Limited ("MindChamps") due to the challenging market conditions arising from the Covid-19 situation.

7.1.10 Profit before taxation was S$325 million in FY2021 against loss before taxation of S$73.3 million in FY2020. Excluding fair value change on investment properties, divestment gains and impairment charges, the Group would have recorded profit before taxation of S$249 million in FY2021, S$88.5 million (55.2%) higher year-on-year.

7.1.11 Taxation charge of S$47 million in FY2021 was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. This included the amount of S$1.3 million for over-provision of taxation in respect of prior years.

7.1.12 Loss from discontinued operation relates to results of the Media business. FY2021 loss of S$128.3 million comprised loss on media restructuring of S$115.3 million and operating loss of the business of S$13 million on a discontinued basis. Last year's operating loss was S$12 million.

Loss on media restructuring of S$115.3 million recognised in FY2021 relates to net asset value of the Media business as at 31 August 2021 that will be transferred to the CLG for nominal consideration. This amount included impairment losses of S$98.3 million on write-downs of property, plant and equipment, associates and joint venture to the nominal consideration. In addition, a provision of S$17 million has been recognised on the excess carrying value of the assets held for sale over that of liabilities associated with assets held for sale.

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

On the operating front, total revenue of the Media business declined S$85.8 million (17.5%) driven by lower advertisement revenue of S$37.6 million (14.1%) and circulation revenue of S$17.2m (12.3%). In addition, FY2021 saw lower grant income from JSS of S$10.3m (36.7%) coupled with the absence of income of S$10.5 million from the local convenience store chain Buzz which was divested in July 2020.

Total costs reduced by S$83.6 million (16.7%) in line with revenue decline. Materials, production and distribution costs decreased by S$29 million (34.4%) and staff costs was lower by S$17.4 million (6.6%) compared to FY2020. Depreciation ceased when the media assets were reclassified as held for sale from 6 May 2021 and fully impaired, hence further depreciation of S$7.9 million for the remaining period up to 31 August 2021 were not taken up in the income statement. The reduction in costs was also due to the lower retrenchment costs and business promotion expenses of S$12.7 million (76.4%) and S$7.5 million (34.2% respectively.

Excluding JSS (FY2021: S$17.8 million; FY2020: S$28.1 million) and including the effect of depreciation charges for the period from 6 May 2021 to 31 August 2021 (S$7.9 million), operating losses would have narrowed by S$1.4 million (3.5%) to a loss of S$38.7 million in FY2021 compared to S$40.1 million in FY2020.

7.1.13 Consequently, net profit attributable to shareholders was S$92.9 million in FY2021 as compared to net loss of S$83.7 million in FY2020.

7.2 Statements of Financial Position

<u>Equity</u>

7.2.1 Equity comprised share capital, treasury shares, reserves and retained profits of the Company's shareholders, perpetual securities and non-controlling interests. The increase in equity by S$325.6 million (6.6%) from S$4,951.9 million as at 31 August 2020 to S$5,277.6 million as at 31 August 2021 was attributed to re-measurement gains of S$297.1 million mainly arising from investments in iFast and Coupang, and net profit of S$92.9 million in FY2021. This was partially offset by S$91.2 million of dividends and distribution paid during the year.

Non-current assets

7.2.2 Non-current assets comprised property, plant and equipment, investment properties, interests in associates and joint ventures, investments, intangible assets, trade and other receivables, and derivatives. The increase in non-current assets by S$54.5 million (0.7%) from S$7,820.7 million as at 31 August 2020 to S$7,875.2 million as at 31 August 2021 was mainly due to increases in investment properties and non-current investments, partially offset by decrease in property, plant and equipment.

7.2.3 Property, plant and equipment comprised leasehold land and buildings, plant and equipment, furniture and fittings, and motor vehicles. It also includes right-of-use ("ROU") assets that represent the Group's right, as a lessee, to use the underlying assets for the lease term. The decrease in property, plant and equipment by S$136 million (60.3%), from S$225.6 million as at 31 August 2020 to S$89.7 million as at 31 August 2021, was mainly due to S$88.3 million of media assets being written off due to the transfer of the Media business to the CLG for nominal consideration, and S$31.8 million of right-of-use ("ROU") assets being classified as assets held for sale.

7.2.4 Investment properties comprised mainly retail malls, student accommodation and aged care assets. The increase in investment properties by S$99 million (1.5%), from S$6,420.3 million as at 31 August 2020 to S$6,519.3 million as at 31 August 2021, was attributable to fair value gains on investment properties of S$66.6 million and asset enhancement of S$28.6 million.

7.2.5 Investments refer to equity securities, debt securities and investment funds. Non-current investments increased by S$93.4 million (22%) from S$423.6 million as at 31 August 2020 to S$516.9 million as at 31 August 2021, due to remeasurement gains of S$296 million mainly arising from investments in iFast and Coupang, partially offset by reclassification of certain investments of S$143.3 million to current investments as these are expected to be divested within one year, and net disposals/redemptions of S$63.5 million.

Current assets

7.2.6 Current assets comprised inventories, trade and other receivables, investments, cash and cash equivalents and assets held for sale. The increase in current assets of S$10 million (1%) from S$1,029.1 million as at 31 August 2020 to S$1,039.1 million as at 31 August 2021 was due to increase in current investments and assets held for sale, which was offset by decrease in cash and cash equivalents, and trade and other receivables.

7.2.7 Trade and other receivables decreased by S$93.6 million (64.8%) mainly due to reclassification of receivables of the Media business to assets held for sale and the absence of grant receivables.

7.2.8 Investments refer to equity securities, debt securities and investment funds. Current investments amounted to S$143.3 millon as at 31 August 2021 (31 August 2020: Nil) due to reclassification of certain investments from non-current investments as these investments are expected to be divested within one year.

7.2.9 Cash and cash equivalents decreased by S$120.7 million (14%) from S$864.7 million as at 31 August 2020 to S$744 million as at 31 August 2021. Details of the movements are set out in the Consolidated Statement of Cash Flows in paragraph 1(c) and paragraph 7.3.

7.2.10 Assets held for sale of S$99.4 million as at 31 August 2021 relates to assets of the Media business to be transferred to the CLG, and comprised mainly S$51.1 million of trade and other receivables, S$31.8 million of ROU assets and S$9.7 million of inventories (FY2020: S$69.9 million of trade and other receivables, S$34.7 million of ROU assets and S$18.9 million of inventories).

Non-current liabilities

7.2.11 Non-current liabilities comprised trade and other payables, deferred tax liabilities, borrowings, and derivatives. The increase in non-current liabilities by S$247.1 million (10.7%) from S$2,302.9 million as at 31 August 2020 to S$2,550 million as at 31 August 2021 was attributed to increase in non-current borrowings.

7.2.12 Borrowings increased by S$229.9 million (10.5%), from S$2,191.2 million as at 31 August 2020 to S$2,421 million as at 31 August 2021. The increase was mainly due to the re-financing of loans of S$559 million that were due within one year as at 31 August 2020, partially offset by reclassification of S$295 million loans repayable within one year to current borrowings and S$31.8 million relating to lease liabilities of the Media business to liabilities associated with assets held for sale.

Current liabilities

7.2.13 Current liabilities comprised trade and other payables, current tax liabilities, borrowings, derivatives, provision for loss from discontinued operation and liabilities associated with assets held for sale. The decrease in current liabilities by S$508.3 million (31.9%) from S$1,594.9 million as at 31 August 2020 to S$1,086.6 million as at 31 August 2021 was due to decrease in current borrowings partially offset by liabilities associated with assets held for sale, and provision for loss from discontinued operations.

7.2.14 Borrowings decreased by S$599.3 million (46.6%), from S$1,286 million as at 31 August 2020 to S$686.8 million as at 31 August 2021. The decrease was mainly due to the re-financing of loans of S$559 million that were due within one year as at 31 August 2020 and repayment of S$332.1 million during the year, partially offset by reclassification of S$295 million loans repayable within one year from non-current borrowings.

7.2.15 Liabilities associated with assets held for sale of S$81.4 million relates to liabilities of the Media business which will be transferred to the CLG, and comprised S$49.5 million of trade and other payables and S$31.8 million of lease liabilities (FY2020 : S$50.3 million of trade and other payables and S$35.3 million of lease liabilities).

7.2.16 Provision for loss from discontinued operation of S$17 million as at 31 August 2021 relates mainly to provision made for the excess of the carrying value of assets held for sale over that of associated liabilites due to the transfer of the Media business to the CLG for nominal consideration.

7.2.17 As at 31 August 2021, the Group is in a net current liabilities position of S$47.5 million mainly due to the maturity of loans within the next 12 months. This included term loans of S$140 million and S$155 million taken up by the Company and SPH REIT respectively. The Group has various financing options for these loan amounts, and adequate unutilised credit facilities and marketable securities available for use.

7.3 Statement of Cash Flows

7.3.1 Net cash from operating activities of S$367.1 million was due to cash inflow from operating activities of S$393.3 million, partially offset by income tax paid of S$26.2 million.

7.3.2 Net cash from investing activities of S$52.2 million was due to net proceeds from the disposal and purchase of investments of S$63.5 million, and dividend and interest received of S$29.6 million, partially offset by capital expenditure of S$39.6 million.

7.3.3 Net cash used in financing activities of S$539.9 million was attributed to net payment of borrowings of S$332.1 million, dividends payment of S$106.2 million, interest payment of S$58.6 million, distributions to perpetual securities holders of S$31 million and payment for lease liabilities of S$11.9 million.

8. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Business Segments

The Group is organised into four major operating segments, namely Media, Retail & Commercial, PBSA and Others. The Media segment is involved in the production of content for distribution on print and other media platforms. The Retail & Commercial segment holds, manages and develops properties in the retail and residential sectors. The PBSA segment holds, manages and develops properties in the student accommodation sector. 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, exhibitions, education, New Media Fund, Treasury and other business adjacencies.

The Media segment was classified as a discontinued operation for the financial year ended 31 August 2021

Group Segmental Information

2021

	Retail & Commercial S$'000	PBSA S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
Operating revenue					
External sales	306,501	77,970	65,455	-	449,926
Inter-segmental sales	71	718	1,826	(2,615)	-
Total operating revenue	306,572	78,688	67,281	(2,615)	449,926
Result					
Segment result	214,253	49,671	34,251	2,022	300,197
Finance costs	(30,570)	(12,570)	(14,765)	-	(57,905)
Fair value change on investment properties	21,949	34,657	9,979	-	66,585
Share of results of associates and joint ventures	1,301	-	5,379	-	6,680
Gain on divestment of subsidiaries	-	-	12,762	-	12,762
Impairment of an associate	-	-	(3,304)	-	(3,304)
Profit before taxation	206,933	71,758	44,302	2,022	325,015
Taxation					(47,004)
Profit after taxation					278,011
Loss from discontinued operation					(128,340)
Profit for the year					149,671
Non-controlling interests					(56,729)
Profit attributable to Shareholders					92,942

With effect from FY2021, the Group re-organised its segments to be in line with the Group strategy. In addition, the Media segment was classified as a discontinued operation. The following tables show the revised comparative segment results for 2020.

2020 (Comparative results for new segmental grouping and continuing operations)

	Retail & Commercial S$'000	PBSA S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
Operating revenue					
External sales	267,762	58,430	94,325	-	420,517
Inter-segmental sales	849	378	2,849	(4,076)	-
Total operating revenue	268,611	58,808	97,174	(4,076)	420,517
Result					
Segment result	189,689	18,254	(6,417)	612	202,138
Finance costs	(41,717)	(10,391)	(10,912)	-	(63,020)
Fair value change on investment properties	(196,516)	(31,861)	(3,636)	-	(232,013)
Share of results of associates and joint ventures	(7,704)	-	11,598	-	3,894
Gain on divestment of a property	-	-	25,712	-	25,712
Impairment of an associate	-	-	(10,008)	-	(10,008)
(Loss)/Profit before taxation	(56,248)	(23,998)	6,337	612	(73,297)
Taxation					(27,240)
Loss after taxation					(100,537)
Loss from discontinued operation					(11,965)
Non-controlling interests					28,826
Loss attributable to Shareholders					(83,676)

9. <u>In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments</u>

Group Segmental Review

<u>Retail & Commercial</u>
Revenue for the Retail & Commercial segment rose by S$38.7 million (14.5%), from S$267.8 million in FY2020 to S$306.5 million in FY2021. Westfield Marion, acquired in December 2019, recorded higher revenue of S$15.6 million (41.5%) due to a full year contribution in FY2021. Revenue of the local retail malls improved by S$22.2m (10.4%) due to lower rental relief provided to tenants this year to cushion the impact of Covid-19.

Profit before taxation was S$206.9 million in FY2021 against a loss of S$56.2 million in FY2020. This year included fair valuation gain on investment properties of S$21.9 million while last year recorded loss of S$196.5 million. Segment results improved by S$24.6 million (12.9%) in line with the higher revenue. In addition, finance costs was lower by S$11.1 million (26.7%) mainly due to lower interest rates on bank borrowings.

<u>PBSA</u>
The PBSA portfolio recorded higher revenue of S$19.5 million (33.4%), from S$58.4 million in FY2020 to S$78 million in FY2021. This was due to a full year contribution from the Student Castle portfolio acquired in December 2019, including the Oxford and Brighton properties which opened in September 2020 and November 2020 respectively. This was partially negated by revenue loss across the PBSA portfolio due to lower occupancies and delayed tenancy start dates arising from the continuing effects of Covid-19.

Profit before taxation was S$71.8 million in FY2021 against a loss of S$24 million in FY2020. The results was boosted by the increase in operating profit of S$29.2m (371.8%) which included the receipt of S$9.4 million rental guarantee relating to the Student Castle acquisition. This year also included fair value gain on investment properties of S$34.7 million as compared to a fair value loss of S$31.9 million in FY2020.

<u>Others</u>
Revenue for the Others segment decreased by S$28.9 million (30.6%), from S$94.3 million in FY2020 to S$65.5 million in FY2021. This primarily arose from the absence of S$22.3 million revenue from sale of personal protective equipment of the aged care business. Revenue of the exhibitions business had also decreased by S$7.8 million (86%) due to Covid-19 impact and the divestment of Sphere in February 2021.

Profit before tax increased by S$38 million (599.1%), from S$6.3 million in FY2020 to S$44.3 million in FY2021. The improvement was due primarily to higher dividend income of S$18.8 million (357.5%) from Treasury investments, and the absence of impairment on goodwill and intangibles of $12.1m taken up in FY2020. In addition, fair value change on investment properties was a gain of S$10 million in FY2021 as compared to a loss of S$3.6 million in FY2020. These were partially offset by lower divestment gains of S$13 million (50.4%) this year.

10. Breakdown of Sales

	Group		
	2021	**2020**	**Change**
	S$'000	S$'000	%
Continuing operations		(Restated)	
(a) Operating revenue reported for first half year	224,051	217,580	3.0
(b) Profit after tax before deducting non-controlling interests reported for the first half year	121,814	92,045	32.3
(c) Operating revenue reported for second half year	225,875	202,937	11.3
(d) Profit/(Loss) after tax before deducting non-controlling interests reported for the second half year	156,197	(192,582)	NM

11. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast was made previously.

12. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

12.1 All businesses under Continuing Operations improved in FY2021.

12.2 In the Retail & Commercial segment, the Group will continue to expand this segment while driving growth and diversification into adjacent asset classes with strong recurring income. SPH REIT is also able to leverage on its low gearing ratio and strong sponsor stake to resume growth and diversify its portfolio once the Covid-19 situation stabilises. The recent inclusion in FTSE EPRA Nareit Global Developed Index with effect from 20 September 2021 will also help to raise visibility among global investors, improve trading liquidity and diversify unitholder base. It also enhances SPH REIT's position to seize future growth opportunities and ride on market recovery.

12.3 The Group is committed to be a leading PBSA player in the UK as an owner-operator, capitalising on the defensive nature of the asset class and strong market fundamentals to grow. All UK assets will be managed in-house from 12 October 2021 as part of efforts to build on-ground operational and property management capabilities to enhance performance. Asset enhancement initiatives are planned with Londonderry House in Birmingham closed for planned redevelopment works to increase the yield of the asset. The Group has also acquired two new development sites on 29 September 2021 which will add 645 beds to a portfolio of 8,366 beds. The assets will be held in the Group's maiden fund, PBSA Development Opportunities Fund I. This reflects the Group's fund management capabilities, complementing the main PBSA portfolio with potential for future asset injection. The Group is expected to launch the fund when all assets in the portfolio are finalised.

12.4 Aged Care will focus on building capabilities as asset managers of senior living facilities in developed geographies such as Singapore, Japan, Australia and Canada to capture growth opportunities. Apart from bidding for more government-built nursing homes in Singapore, the Group is focused on overseas acquisitions. An upcoming acquisition in Chikusei, Japan is due for completion in mid-October 2021 which involves an aged care facility and a neighbouring land that provides expansion opportunity. The acquisition contributes to the Group's growth strategy to build up a sizeable portfolio of overseas aged care assets, with a view to list the portfolio eventually.

12.5 On the Digital business, the Group continues to strategically invest into New Economy businesses through venture funds for investment upside.

12.6 Following shareholders' approval for the transfer of Media business to CLG on 10 September 2021, the transition process is underway with the operationalisation of SPH Media from 1 October 2021 and the transfer is expected to be completed in December 2021.

12.7 The final step to the strategic review will be to seek shareholders' approval for the Keppel privatisation offer, announced on 2 August 2021, at an Extraordinary General Meeting and Scheme Meeting to be convened in November 2021.

13. Dividends

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Final Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend Rate	3 cents per share	Nil
Tax Rate	Tax exempt	Tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Final Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend Rate	1 cent per share	Nil
Tax Rate	Tax exempt	Tax exempt

(c) Date payable

The date the dividend is payable: 30 November 2021.

(d) Record Date

The Share Transfer Books and Register of Members of the Company will be closed on 23 November 2021, 5.00 p.m. for preparation of dividend warrants. Duly stamped and completed transfers received by our Share Transfer Office, Tricor Barbinder Share Registration Services, 80 Robinson Road #02-00 Singapore 068898, up to 5.00 p.m. on 23 November 2021 will be registered to determine shareholders' entitlements to the dividend. In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will distribute the dividend to holders of the securities accounts.

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

Not applicable.

15. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Total Net Annual Dividend

	2021	**2020**
	S$'000	S$'000
Ordinary	96,473	40,201
Preference	-	-
Total	96,473	40,201

The amount of S$96,473,000 (Last year: S$40,201,000) included S$982,000 (Last year: S$409,000) relating to management shares.

* This may be increased depending on the number of issued shares existing as at the books closure date on 23 November 2021.

16. If the group has obtained a general mandate from shareholders for Interested Person Transactions, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

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

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

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

The Company confirms that there is no person occupying a managerial position in the Company who is related to a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Ginney Lim May Ling
Khor Siew Kim

Company Secretaries

Singapore,
5 October 2021

SINGAPORE PRESS HOLDINGS LIMITED

Reg. No. 198402868E

(Incorporated in Singapore)

AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS
31 AUGUST 2021

C O N T E N T S

Directors' Statement for the Financial Year Ended 31 August 2021

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 2021 and the statement of financial position of Singapore Press Holdings Limited (the "Company") as at 31 August 2021.

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 14 to 120, 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 2021, and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

1. The Directors of the Company in office at the date of this statement are:

   Lee Boon Yang
   Ng Yat Chung
   Janet Ang Guat Har
   Bahren Shaari
   Andrew Lim Ming-Hui
   Lim Ming Yan
   Quek See Tiat
   Tan Chin Hwee
   Tan Yen Yen
   Tracey Woon
   Yeoh Oon Jin (appointed on 9 July 2021)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

2. Neither during nor at the end of the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the SPH Performance Share Plan 2016 and remuneration shares to Directors of the Company.

DIRECTORS' INTERESTS IN SHARES

3. The Directors holding office as at 31 August 2021 had interests in shares and awards over shares, in the Company and its related corporations, and interests in units in SPH REIT, as recorded in the register of Directors' shareholdings as follows:

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Direct Interests			Deemed Interests		
	1 Sept 2020	**31 Aug 2021**	**21 Sept 2021**	1 Sept 2020	**31 Aug 2021**	**21 Sept 2021**
Singapore Press Holdings Limited						
Management Shares						
Lee Boon Yang	4	**4**	**4**	-	**-**	**-**
Ng Yat Chung	8@	**8**	**8**	-	**-**	**-**
Janet Ang Guat Har	4	**4**	**4**	-	**-**	**-**
Bahren Shaari	4	**4**	**4**	-	**-**	**-**
Andrew Lim Ming-Hui	4	**4**	**4**	-	**-**	**-**
Lim Ming Yan	4	**4**	**4**	-	**-**	**-**
Quek See Tiat	4	**4**	**4**	-	**-**	**-**
Tan Chin Hwee	4	**4**	**4**	-	**-**	**-**
Tan Yen Yen	4	**4**	**4**	-	**-**	**-**
Tracey Woon	4	**4**	**4**	-	**-**	**-**
Yeoh Oon Jin	4@	**4**	**4**	-	**-**	**-**
Ordinary Shares						
Lee Boon Yang	44,000	**88,000**	**88,000**	-	**-**	**-**
Ng Yat Chung	67,900	**301,058**	**301,058**	-	**-**	**-**
Janet Ang Guat Har	23,000	**45,000**	**45,000**	4,250	**4,250**	**4,250**
Bahren Shaari	24,000	**49,000**	**49,000**	-	**-**	**-**
Andrew Lim Ming-Hui	28,000	**56,000**	**56,000**	-	**-**	**-**
Lim Ming Yan	12,000	**33,000**	**33,000**	-	**-**	**-**
Quek See Tiat	30,000	**59,000**	**59,000**	47,000	**57,333**	**57,333**
Tan Chin Hwee	24,000	**47,000**	**47,000**	-	**-**	**-**
Tan Yen Yen	21,000	**42,000**	**42,000**	-	**-**	**-**
Tracey Woon	-	**16,000**	**16,000**	-	**-**	**-**
Conditional Awards of Performance Shares*						
Ng Yat Chung						
31,000# shares to be vested in January 2021	27,570	**-^^**	**N.A.**	-	**-**	**-**
285,600# shares to be vested in January 2021	Up to 428,400##	**-^^**	**N.A.**	-	**-**	**-**
12,600 shares to be vested in January 2021	12,600	**-^^**	**N.A.**	-	**-**	**-**
381,200# shares to be vested in January 2022	Up to 762,400##	**Up to 762,400##**	**Up to 762,400##**	-	**-**	**-**
127,300 shares to be vested in January 2021	127,300	**-^^**	**N.A.**	-	**-**	**-**
127,300 shares to be vested in January 2022	127,300	**127,300**	**127,300**	-	**-**	**-**
334,900# shares to be vested in January 2023	Up to 669,800##	**Up to 669,800##**	**Up to 669,800##**	-	**-**	**-**
258,200 shares to be vested in January 2022	-	**258,200**	**258,200**	-	**-**	**-**
258,100 shares to be vested in January 2023	-	**258,100**	**258,100**	-	**-**	**-**
517,100# shares to be vested in January 2024	-	**Up to 904,925##**	**Up to 904,925##**	-	**-**	**-**

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Direct Interests			Deemed Interests		
	1 Sept 2020	**31 Aug 2021**	**21 Sept 2021**	1 Sept 2020	**31 Aug 2021**	**21 Sept 2021**
Singapore Press Holdings Limited						
3.2% Notes due 2030						
Yeoh Oon Jin	S$250,000@@	**S$250,000**	**$250,000**	-	**-**	**-**
Singapore News and Publications Limited						
Management Shares						
Ng Yat Chung	1 ^	**1^**	**1^**	-	**-**	**-**
The Straits Times Press (1975) Limited						
Management Shares						
Ng Yat Chung	1 ^	**1^**	**1^**	-	**-**	**-**
SPH REIT						
Units						
Lee Boon Yang	300,000	**300,000**	**300,000**	-	**-**	**-**

@ *Mr Ng Yat Chung transferred 4 management shares to Mr Yeoh Oon Jin when he was appointed as a Director on 9 July 2021.*
* *Represents performance shares granted from financial year 2018 to 2021.*
\# *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, 233,158 shares were released to Mr Ng Yat Chung.*
@@ *Mr Yeoh Oon Jin was appointed as a Director on 9 July 2021.*
^ *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.

PERFORMANCE SHARES IN THE COMPANY

5. (a) The SPH Performance Share Plan was approved by shareholders at an Extraordinary General Meeting held on 5 December 2006 ("the Share Plan").

At the annual general meeting of the Company held on 1 December 2016, the Company's shareholders approved the adoption of the SPH Performance Share Plan 2016 ("the 2016 Share Plan" or "SPH PSP"). This replaced the Share Plan, which was terminated.

The SPH PSP is administered by the Remuneration Committee ("the RC").

(b) Persons eligible to participate in the SPH PSP are selected Group Employees of such rank and service period as the RC may determine, and other participants selected by the RC.

(c) Awards initially granted under the SPH PSP are conditional and are principally performance-based with performance conditions set over a multi-year performance period. Performance conditions are based on medium- to longer-term corporate objectives and include both market and non-market conditions.

(d) The SPH PSP contemplates the award of fully-paid shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met and upon expiry of the prescribed vesting periods.

(e) Senior management are required to hold a minimum number of shares under the share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

(f) During the financial year, 3,519,300 performance shares were granted subject to the terms and conditions of the 2016 Share Plan as follows:

Category	No. of Persons	No. of Performance Shares Granted^
Executive Director	1	1,033,400
Employee	33	2,485,900
	34	3,519,300

^ *Granted with non-market conditions.*

The aggregate number of performance shares granted since the commencement of the 2016 Share Plan on 1 December 2016 to 31 August 2021 is 10,810,105 performance shares.

The above figures represent the shares required if participants are awarded at 100% of the grant. However, the shares awarded at the vesting date could range from 0% to 200%, depending on the level of achievement against the pre-set performance conditions.

(g) 937,940 ordinary shares were delivered during the financial year pursuant to the vesting of awards granted under the 2016 Share Plan.

(h) The aggregate number of performance shares comprised in awards granted under the 2016 Share Plan which are outstanding as at 31 August 2021 is 6,104,541 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 1.9.20	Aggregate awards granted since commencement to 31.8.21	Aggregate awards released during the financial year under review	Aggregate awards outstanding as at 31.8.21
Ng Yat Chung	Up to 2,155,370	Up to 3,695,645	233,158#	Up to 2,980,725

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 (other than the Director mentioned above) has received in aggregate 5% or more of (a) the total number of new ordinary shares available under the SPH PSP, and (b) the total number of existing ordinary shares delivered pursuant to awards released under the SPH PSP.

AUDIT COMMITTEE

7. The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50, and the Listing Manual of the Singapore Exchange Securities Trading Limited.

Its functions include reviewing the audit plans and audit reports of the internal and external auditors; reviewing the auditors' evaluation of the internal accounting controls; reviewing the adequacy and effectiveness of the Company's internal controls; reviewing the scope of the internal audit function; reviewing the statement of financial position of the Company and financial statements of the Group before submitting them to the Board for approval; reviewing any interested person transaction; reviewing the independence, objectivity and cost effectiveness of the external auditors and the nature and extent of non-audit services supplied by them; reviewing the assistance given by the Company's Management to the internal and external auditors; and overseeing any internal investigation into cases of fraud and irregularities.

It also recommends to the Board the appointment of external auditors, serves as a channel of communications between the Board and the auditors, and performs such other functions as may be agreed by the Audit Committee and the Board.

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,
5 October 2021

KPMG LLP
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Independent Auditors' Report on the Full Financial Statements

Members of the Company
Singapore Press Holdings Limited

Report on the audit of the financial statements

<u>Opinion</u>

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 2021, 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 14 to 120.

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 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

<u>Basis for opinion</u>

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.

<u>Key audit matters</u>

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 33(e) to the financial statements)

Risk:

The Group owns a portfolio of investment properties in Singapore, United Kingdom, Australia and Japan. Investment properties represent the single largest category of assets on the statement of financial position, at S$6.5 billion as at 31 August 2021.

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.

The outbreak of COVID-19 pandemic and the various containment measures adopted by the countries the Group operates in to delay the spread of the virus have impacted the Group. With the re-imposition of COVID-19 restrictions to combat new waves of localised infections, the Group continues to experience extended disruption in 2021 to its business operations due to economic uncertainty evidenced by continued volatility in currency exchange rates in countries in which the Group operates in and the asset prices. These volatilities and the uncertainties in the recovery trajectories of the world economies in the near term in turn increased the level of subjectivity and judgement involved.

The independent valuation reports have highlighted estimation uncertainty arising from the COVID-19 outbreak, a higher degree of caution should be exercised when relying upon the valuation. The valuations may change significantly and unexpectedly over a short period of time.

Our response:

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

We considered the valuation methodologies used against those applied by other valuers for similar property types. We tested the integrity of inputs of the projected cash flows used in the valuation to supporting leases and other documents. We challenged the key assumptions used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors including the impact of Covid-19.

We also assessed whether the disclosures in the financial statements appropriately described the inherent degree of subjectivity and key assumptions in the valuations and impact of COVID-19 on the valuation of investment properties.

Our findings:

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

The valuation methodologies adopted by the valuers are in line with generally accepted market practices and the key assumptions used are within range of available market data.

The assessments have incorporated the known relevant considerations to the assumptions and estimates used as at the reporting date. If unfavourable changes to these assumptions and estimates occur, this could lead to lower asset values, which might in turn affect the financial position and performance of the Group. The disclosures in the financial statements are appropriate in their description of the inherent subjectivity and estimation involved.

Valuation of goodwill and intangible assets

(Refer to Note 13 to the financial statements)

Risk:

Intangible assets of S$118.9 million as at 31 August 2021 comprise mainly goodwill, trademarks, licences and technology acquired from business combinations.

The estimated recoverable amount of these assets is based on forecasted cash flows of the underlying businesses. There is an increased estimation uncertainty on these forecasted cash flows due to the continued impact of COVID-19. The impairment assessment is thus inherently judgmental. There is therefore a risk that actual cash flows of the underlying businesses fall short of the forecast, resulting in more impairment losses.

Our response:

We challenged the reasonableness of the key assumptions used in the cash flow forecast, including the discount rates and terminal growth rates by comparing to historical records and externally derived data, where available. As part of the challenge, we also considered the accuracy of past projections and the impact of COVID-19. We also considered the adequacy of the disclosures of the key assumptions used in conveying the inherent estimation uncertainties.

Our findings:

In forecasting the cash flows of the underlying businesses, the Group took into account macroeconomic and sector trends and uncertain economic conditions, including the impact of COVID-19. We found the key assumptions used in the cash flow forecast to be within acceptable range, supported by historical performance and available market growth statistics. The disclosures in the financial statements describing the inherent degree of estimation uncertainties and the sensitivity of the assumptions applied are appropriate.

Valuation of unquoted investments
(Refer to Note 12 and 33(e) to the financial statements)

Risk:

The Group's investment portfolio of S$660.2 million as at 31 August 2021 included unquoted investments of S$168.0 million, measured at Level 3 of the fair value hierarchy. The Level 3 investments are measured using non-observable market data (e.g. adjusted equity values derived from recent market transactions and investee companies' financial information, and underlying net asset value of the investee companies) and hence, the valuation of these investments involves significant judgement.

Certain Level 3 investments' underlying businesses were in sectors at risk due to the impact of COVID-19. The determination of the fair value of such investments continued to be challenging given the economic uncertainty faced due to the extended disruptions.

Our response:

We evaluated the appropriateness of the valuation techniques and the key valuation inputs used to determine the fair value of these Level 3 investments, including the impact of COVID-19. We also assessed the adequacy of disclosures on the fair value measurement basis.

Our findings:

The valuation methods applied are in line with generally accepted market practices and the valuations are supported by recent transacted prices or indicative price for equity participation or external net assets valuation reports. The Group has also assessed the impact of COVID-19 on the valuation of these investments. The disclosures in the financial statements are appropriate.

Accounting of disposal group held for sale and discontinued operations
(Refer to Note 18 and 30 to the financial statements)

Risk:

On 6 May 2021, the Group entered into a Media Business Restructuring Deed with its wholly-owned subsidiary, SPH Media Holdings Pte. Ltd. ("SPH Media Holdings"). As part of the restructuring, certain assets in relation to the Media business of the Group, and obligations and certain liabilities in connection with these assets will be transferred to SPH Media Holdings and its newly-incorporated subsidiaries after the end of the financial year. SPH Media Holdings and its subsidiaries will subsequently be transferred to a not for profit company limited by guarantee (the "CLG") for a nominal consideration of S$1.

At an extraordinary general meeting held on 10 September 2021, the shareholders approved the transfer of SPH Media Holdings and its subsidiaries to the CLG. The transfer is expected to take place in December 2021.

Following the completion of the transfer, the Group shall contribute (i) 6,868,132 SPH ordinary shares currently held as treasury shares, (ii) 23,446,659 SPH REIT units, and (iii) a minimum cash balance of S$80 million (the "Contribution") to the CLG via SPH Media Holdings.

The Group assessed the media business (i.e. disposal group) to be transferred to the CLG as held for sale as at 6 May 2021 and has reclassified the assets and corresponding liabilities accordingly. An impairment loss has been recognised for the write-downs of the non-current assets within the measurement scope of SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*. However, after considering the measurement requirement in accordance with SFRS(I) 5, the carrying amount of the net assets of the disposal group exceeds the nominal consideration of S$1, hence the Group has elected to recognise a separate provision in the current financial year for the impairment loss on the carrying value of the net assets.

The Group has also assessed that the contribution of SPH ordinary shares and SPH REIT units to CLG via SPH Media Holdings following completion of the transfer to be share-based payments. As such, the payments of SPH ordinary shares and SPH REIT units, together with the S$80 million cash contribution, will be recognised in profit or loss upon settlement in the next financial year.

The accounting for the disposal group and the Contribution involves significant judgement and have significant impact on the amount of loss recognised in profit or loss and the period in which the losses are recognised.

Our response:

We have reviewed the accounting treatment of the transaction, including the measurement of the held for sale assets and liabilities in accordance with SFRS(I) 5, the recognition of a separate provision for loss pertaining to the carrying value of the net assets of the disposal group, and the assessment of the contribution of SPH ordinary shares and SPH REIT units as share-based payments.

We have also evaluated the adequacy of the disclosure of transaction, the accounting treatment adopted and results of the media business as discontinued operations and assets and liabilities held for sale.

Our findings:

We found the accounting of the transaction to be supportable and the disclosure of the pertinent information to be in accordance with SFRS(I) 5.

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 the Directors' Statement prior to the date of this auditors' report. The other sections of the annual report ("the Reports") are expected to be made available to us after that date.

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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Ang Fung Fung.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
5 October 2021

SINGAPORE PRESS HOLDINGS LIMITED

Reg. No. 198402868E
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

Statements of Financial Position as at 31 August 2021

		Group		Company	
		31 Aug 2021	31 Aug 2020	**31 Aug 2021**	31 Aug 2020
	Note	**S$'000**	S$'000	**S$'000**	S$'000
CAPITAL EMPLOYED					
Share capital	4(a)	**522,809**	522,809	**522,809**	522,809
Treasury shares	4(a)	**(18,802)**	(20,734)	**(18,802)**	(20,734)
Reserves	5	**437,568**	139,779	**4,234**	1,845
Retained profits		**2,687,456**	2,671,666	**1,763,322**	1,693,580
Shareholders' interests		**3,629,031**	3,313,520	**2,271,563**	2,197,500
Perpetual securities	4(b)	**452,493**	452,493	**452,493**	452,493
Non-controlling interests	6	**1,196,071**	1,185,933	**-**	-
Total equity		**5,277,595**	4,951,946	**2,724,056**	2,649,993
EMPLOYMENT OF CAPITAL					
Non-current assets					
Property, plant and equipment	7	**89,667**	225,626	**702**	43,175
Investment properties	8	**6,519,263**	6,420,294	**-**	-
Subsidiaries	9	**-**	-	**428,273**	430,528
Associates	10	**361,423**	358,055	**-**	-
Joint ventures	11	**11,385**	14,933	**-**	195
Investments	12(a)	**516,916**	423,564	**-**	-
Intangible assets	13	**118,908**	131,754	**35,790**	38,550
Trade and other receivables	14(a)	**257,393**	246,250	**3,004,606**	2,311,924
Derivatives	15	**200**	200	**-**	-
		7,875,155	7,820,676	**3,469,371**	2,824,372
Current assets					
Inventories	16	**1,634**	20,063	**-**	18,542
Trade and other receivables	14(b)	**50,721**	144,295	**676,232**	1,308,294
Investments	12(b)	**143,319**	-	**-**	-
Cash and cash equivalents	17	**743,988**	864,693	**495,701**	671,091
Assets held for sale	18	**99,408**	-	**66,489**	-
		1,039,070	1,029,051	**1,238,422**	1,997,927
Total assets		**8,914,225**	8,849,727	**4,707,793**	4,822,299
Non-current liabilities					
Trade and other payables	19(a)	**61,580**	55,736	**-**	515
Deferred tax liabilities	20(a)	**62,696**	42,052	**5,168**	5,930
Borrowings	21	**2,421,045**	2,191,173	**500,493**	648,412
Derivatives	15	**4,690**	13,933	**-**	2,548
		2,550,011	2,302,894	**505,661**	657,405
Current liabilities					
Trade and other payables	19(b)	**276,787**	285,540	**881,146**	798,176
Current tax liabilities		**23,551**	22,622	**190**	2,277
Borrowings	21	**686,758**	1,286,045	**530,127**	714,448
Derivatives	15	**1,175**	680	**124**	-
Provision for loss from discontinued operation	18	**16,953**	-	**13,130**	-
Liabilities associated with assets held for sale	18	**81,395**	-	**53,359**	-
		1,086,619	1,594,887	**1,478,076**	1,514,901
Total liabilities		**3,636,630**	3,897,781	**1,983,737**	2,172,306
Net assets		**5,277,595**	4,951,946	**2,724,056**	2,649,993

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

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

Consolidated Income Statement for the Financial Year Ended 31 August 2021

	Note	Group 2021 S$'000	Group 2020 S$'000 (Restated*)
Continuing operations			
Operating revenue	23	**449,926**	420,517
Other operating income		**25,152**	43,636
Total revenue		**475,078**	464,153
Materials and production costs		**(9,476)**	(35,370)
Staff costs	25	**(61,714)**	(64,105)
Premises costs		**(89,056)**	(101,705)
Depreciation		**(10,385)**	(11,169)
Other operating expenses	26	**(39,800)**	(39,142)
Allowance on trade receivables	14(b)	**(1,998)**	(8,499)
Write-back of allowance/(Allowance) on cash and cash equivalents	17	**1,956**	(1,956)
Impairment of goodwill and intangibles		**-**	(17,451)
Finance costs	27	**(57,905)**	(63,020)
Total costs		**(268,378)**	(342,417)
Operating profit		**206,700**	121,736
Fair value change on investment properties	8	**66,585**	(232,013)
Share of results of associates and joint ventures	10,11	**6,680**	3,894
Net income from investments	28	**35,592**	17,382
Gain on divestment of subsidiaries		**12,762**	-
Gain on divestment of a property		**-**	25,712
Impairment of an associate	10	**(3,304)**	(10,008)
Profit/(Loss) before taxation		**325,015**	(73,297)
Taxation	20(b)	**(47,004)**	(27,240)
Profit/(Loss) after taxation from continuing operations		**278,011**	(100,537)
Discontinued operation			
Loss from discontinued operation	30	**(128,340)**	(11,965)
Profit/(Loss) after taxation		**149,671**	(112,502)
Attributable to:			
Shareholders of the Company		**92,942**	(83,676)
Non-controlling interests	6	**56,729**	(28,826)
		149,671	(112,502)
Earnings/(Loss) per share (S$) of the Group (including discontinued operation)	31		
Basic		**0.04**	(0.07)
Diluted		**0.04**	(0.07)
Earnings/(Loss) per share (S$) of continuing operations	31		
Basic		**0.12**	(0.06)
Diluted		**0.12**	(0.06)

* *The Group undertook a strategic review and announced a media restructuring exercise on 6 May 2021. At an extraordinary general meeting on 10 September 2021, shareholders gave their approval for the transfer of its Media business to a not-for-profit company limited by guarantee ("CLG"). Results of the Media segment were therefore classified under discontinued operation for the financial year ended 31 August 2021 with prior year comparatives restated ("Restated"). Assets and liabilities of the Media business to be transferred to the CLG were classified as assets held for sale and liabilities associated with assets held for sale respectively for the financial year ended 31 August 2021. Continuing operations of the Group comprise businesses of the Retail & Commercial, Purpose-Built Student Accommodation ("PBSA") and Others segments.*

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

Consolidated Statement of Comprehensive Income for the Financial Year Ended 31 August 2021

	Note	Group 2021 S$'000	Group 2020 S$'000
Profit/(Loss) after taxation		**149,671**	(112,502)
Other comprehensive income, net of tax			
Items that may be re-classified subsequently to profit or loss			
Capital reserves			
- share of capital reserves of an associate		**(388)**	-
Cash flow hedges (interest rate swaps)			
- net fair value changes		**6,932**	(10,808)
- transferred to income statement		**1,987**	2,966
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures		**2,728**	57,298
		11,259	49,456
Item that will not be re-classified subsequently to profit or loss			
Net fair value changes on fair value through other comprehensive income ("FVOCI") financial assets		**297,081**	35,696
Total comprehensive income		**458,011**	(27,350)
Attributable to:			
Shareholders of the Company		**403,310**	(10,573)
Non-controlling interests	6	**54,701**	(16,777)
		458,011	(27,350)

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

SINGAPORE PRESS HOLDINGS LIMITED

Reg. No. 198402868E
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

Consolidated Statement of Changes in Total Equity for the Financial Year Ended 31 August 2021

		Attributable to Shareholders of the Company											
	Note	Share Capital	Treasury Shares	Capital Reserve	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Currency Translation Reserve	Retained Profits	Total	Perpetual Securities	Non-controlling Interests	Total Equity
		S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance as at 1 September 2020		522,809	(20,734)	(9,565)	3,960	(11,835)	124,291	32,928	2,671,666	3,313,520	452,493	1,185,933	4,951,946
Total comprehensive income for the year		-	-	(388)	-	7,788	297,081	5,887	92,942	403,310	-	54,701	458,011
Realised profit on disposal of FVOCI financial assets		-	-	-	-	-	(12,879)	-	12,879	-	-	-	-
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners													
Share-based compensation		-	-	-	2,273	-	-	-	-	2,273	-	-	2,273
Treasury shares re-issued	4(a)	-	1,932	-	(1,896)	-	-	-	799	835	-	-	835
Dividends and distribution	29	-	-	-	-	-	-	-	(91,207)	(91,207)		(46,028)	(137,235)
Changes in ownership interest in a subsidiary without a change in control													
Acquisition of additional interest in a subsidiary		-	-	(51)	-	(21)	-	95	(98)	(75)	-	75	-
Dilution of interest in a subsidiary		-	-	1	-	-	-	(2)	(21)	(22)	-	166	144
Changes in ownership interests in subsidiaries													
Disposal of interests in subsidiaries		-	-	-	-	-	-	(99)	496	397	-	148	545
Fair value gain on interest-free loans		-	-	-	-	-	-	-	-	-	-	1,076	1,076
Balance as at 31 August 2021		**522,809**	**(18,802)**	**(10,003)**	**4,337**	**(4,068)**	**408,493**	**38,809**	**2,687,456**	**3,629,031**	**452,493**	**1,196,071**	**5,277,595**

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

Consolidated Statement of Changes in Total Equity
for the Financial Year Ended 31 August 2020

	Note	Share Capital	Treasury Shares	Capital Reserve	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Currency Translation Reserve	Retained Profits	Total	Perpetual Securities	Non-controlling Interests	Total Equity
		← Attributable to Shareholders of the Company →											
		S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance as at 1 September 2019		522,809	(13,226)	(10,278)	4,170	(5,366)	105,259	(11,167)	2,896,255	3,488,456	150,512	1,068,180	4,707,148
Total comprehensive income for the year		-	-	-	-	(6,641)	35,696	44,048	(83,676)	(10,573)	-	(16,777)	(27,350)
Realised profit on disposal of FVOCI financial assets		-	-	-	-	-	(16,664)	-	16,664	-	-	-	-
Transactions with owners, recognised directly in equity													
<u>Contributions by and distributions to owners</u>													
Share-based compensation		-	-	-	2,601	-	-	-	-	2,601	-	-	2,601
Treasury shares re-issued	4(a)	-	1,841	-	(2,811)	-	-	-	1,176	206	-	-	206
Share buy-back - held as treasury shares	4(a)	-	(9,349)	-	-	-	-	-	-	(9,349)	-	-	(9,349)
Issue of perpetual securities	4(b)	-	-	-	-	-	-	-	-	-	298,396	-	298,396
Dividends and distribution	29	-	-	-	-	-	-	-	(153,344)	(153,344)	3,585	(34,716)	(184,475)
<u>Changes in ownership interests in subsidiaries without a change in control</u>													
Acquisition of additional interests in subsidiaries		-	-	(39)	-	(9)	-	(3)	(56)	(107)	-	107	-
Dilution of interest in a subsidiary		-	-	752	-	181	-	50	(5,353)	(4,370)	-	4,577	207
Contribution by non-controlling interests		-	-	-	-	-	-	-	-	-	-	162,823	162,823
<u>Changes in ownership interests in subsidiaries</u>													
Disposal of interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	1,739	1,739
Balance as at 31 August 2020		**522,809**	**(20,734)**	**(9,565)**	**3,960**	**(11,835)**	**124,291**	**32,928**	**2,671,666**	**3,313,520**	**452,493**	**1,185,933**	**4,951,946**

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

Notes to the Financial Statements – 31 August 2021

Consolidated Statement of Cash Flows
for the Financial Year Ended 31 August 2021

		Group	
		2021	2020
	Note	**S$'000**	S$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation			
Continuing operations		**325,015**	(73,297)
Discontinued operation		**(128,340)**	(11,965)
		196,675	(85,262)
Adjustments for:			
Depreciation		**27,654**	40,628
Loss/(Profit) on disposal of property, plant and equipment		**21**	(507)
Fair value change on investment properties		**(66,585)**	232,013
Share of results of associates and joint ventures		**(7,372)**	(3,418)
(Gain)/Loss on divestment of interests in subsidiaries		**(12,762)**	98
Gain on divestment of a property		**-**	(25,712)
Impairment and provision for loss from discontinued operation	30	**115,290**	-
Loss/(Gain) on divestment of interests in associates/ joint venture		**5**	(477)
Net income from investments		**(35,592)**	(17,382)
Amortisation of intangible assets		**4,872**	7,740
Impairment of an associate		**3,304**	10,008
Impairment of goodwill		**-**	11,688
Impairment of intangible assets		**327**	5,763
Impairment of property, plant and equipment		**2,050**	4,458
Allowance on trade receivables		**1,837**	9,844
Finance costs		**58,995**	65,065
Share-based compensation expense		**2,273**	2,601
Other non-cash items		**(4,945)**	2,124
Operating cash flow before working capital changes		**286,047**	259,272
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:			
Inventories		**8,692**	3,409
Trade and other receivables, current		**36,147**	(23,164)
Trade and other payables, current		**58,318**	7,712
Trade and other receivables, non-current		**3,484**	732
Trade and other payables, non-current		**5,881**	(853)
Others		**(5,263)**	6,496
		393,306	253,604
Income tax paid		**(26,220)**	(32,263)
Net cash from operating activities		**367,086**	221,341

Consolidated Statement of Cash Flows for the Financial Year Ended 31 August 2021

		Group	
		2021	2020
	Note	**S$'000**	S$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(10,568)**	(12,236)
Proceeds from disposal of property, plant and equipment		**87**	25,915
Additions to investment properties		**(29,048)**	(780,428)
Acquisition of subsidiaries (net of cash acquired)	32(a)	**-**	(720,429)
Acquisition of interests in associates		**-**	(660)
Distributions received from associates/joint ventures		**12,287**	14,215
(Cash outflow)/Proceeds from divestment of interests in subsidiaries	32(b)	**(1,283)**	3,401
Proceeds from divestment of interest in an associate/joint venture		**257**	-
Increase in amounts owing by associates/joint ventures		**(12,646)**	(813)
(Decrease)/Increase in amounts owing to associates/ joint venture		**(170)**	269
Purchase of investments, non-current		**(7,471)**	(10,819)
Purchase of investments, current		**-**	(150,778)
Proceeds from capital distribution/disposal of investments, non-current		**71,007**	41,202
Proceeds from capital distribution/disposal of investments, current		**-**	190,577
Dividends received		**24,082**	5,264
Interest received		**5,548**	5,017
Other investment income		**76**	1,246
Net cash from/(used in) investing activities		**52,158**	**(1,389,057)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings (net of transaction costs)	21(j)	**197,340**	2,472,754
Repayment of borrowings	21(j)	**(520,487)**	(1,187,968)
Payment for lease liabilities	21(j)	**(11,936)**	(15,432)
Interest paid		**(58,631)**	(58,775)
Share buy-back		**-**	(9,349)
Proceeds from perpetual securities issued (net of transaction costs)		**-**	298,396
Proceeds from capital contribution by non-controlling interests		**-**	162,823
Repayment of loans from non-controlling interest	21(j)	**(9,000)**	-
Dividends paid		**(64,306)**	(128,842)
Dividends paid to non-controlling interest		**(41,880)**	(30,545)
Distributions to perpetual securities holders		**(31,049)**	(25,088)
Net cash (used in)/from financing activities		**(539,949)**	**1,477,974**
Net (decrease)/increase in cash and cash equivalents		**(120,705)**	310,258
Cash and cash equivalents at beginning of financial year		**864,693**	554,435
Cash and cash equivalents at end of financial year	17	**743,988**	864,693

Notes to the Financial Statements – 31 August 2021

These notes form an integral part of and should be read in conjunction with the financial statements.

1. GENERAL INFORMATION

The Company is incorporated and domiciled in Singapore. The address of its registered office is 1000 Toa Payoh North, News Centre, Singapore 318994.

The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Group consist of:

(a) publishing, printing and distributing newspapers,
(b) publishing and distributing magazines,
(c) providing multimedia content and services,
(d) holding investments,
(e) holding, managing and developing properties,
(f) providing outdoor advertising services,
(g) providing radio broadcasting services,
(h) providing online classifieds services,
(i) organising events, exhibitions, conventions and conferences,
(j) publishing and distributing books,
(k) operating nursing homes, and providing ancillary services and supplies, and
(l) operating tuition and enrichment centres, managing and developing curriculum and intellectual property.

The principal activities of the Company consist of:

(a) publishing, printing and distributing newspapers,
(b) distributing magazines and books,
(c) providing multimedia content and services,
(d) holding shares in subsidiaries,
(e) holding investments, and
(f) providing management services to subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention except as disclosed in the accounting policies below.

The Group's financial statements are prepared on a going concern basis. The future development of Covid-19 remains uncertain and there will be impact to the Group's business and customers' demand for its products and services. As at 31 August 2021, the Group is in a net current liabilities position mainly due to the maturity of loans within the next 12 months [Note 21].

In assessing the appropriateness of the going concern basis, management has been monitoring the ability to comply with loan covenants and availability of borrowings. Based on management's analysis, the Group is able to stay in compliance with the covenants in the next 12 months and loans will be re-financed on maturity. In addition, the Group has various financing options for these loan amounts, and adequate unutilised credit facilities and marketable securities available for use.

The accounting policies have been applied consistently by the Group entities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

The changes to significant accounting policies are described in note 2(b).

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(b) Changes in accounting policies

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 September 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I)1- 8)*
- *Covid-19-Related Rent Concessions (Amendment to SFRS(I) 16)*

The Group has early adopted Covid-19-Related Rent Concessions – Amendment to SFRS(I) 16 issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the Covid-19 pandemic are lease modifications. The amendment has no impact on retained earnings at 1 September 2020. The details of accounting policies are set out in Note 2(w).

Except for the adoption of Covid-19-Related Rent Concessions – Amendment to SFRS(I) 16, the Group has not early adopted the new standards, interpretations and amendments to standards (Changes) which are effective for annual periods beginning after 1 September 2020, in preparing these consolidated financial statements. These changes are not expected to have a significant impact on the Group's financial statements.

(c) Group accounting

(i) Subsidiaries

- **Consolidation**

  The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year.

  Subsidiaries are entities controlled by the Group, generally accompanied by a shareholding of more than one half of the voting rights. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

  In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Group accounting (cont'd)

(i) Subsidiaries (cont'd)

- **Consolidation (cont'd)**

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.

- **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.

When the Group sells a controlling interest in a subsidiary to an equity-accounted investee, no elimination of the gain or loss is performed and the fair value of the retained interest is its deemed cost for the purposes of subsequent accounting.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Group accounting (cont'd)

(i) Subsidiaries (cont'd)

- **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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Group accounting (cont'd)

(ii) Associates/Joint ventures (cont'd)

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.

(d) Currency translation

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("presentation currency"), which is also the Company's functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are taken to the income statement.

Currency translation differences on non-monetary items which are equity investments classified as fair value through profit or loss (FVTPL) are reported as part of the fair value gain or loss in the income statement. Currency translation differences on non-monetary items which are equity investments classified as fair value through other comprehensive income (FVOCI) are included in other comprehensive income.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

(iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rates at the reporting date;
- Income and expenses are translated at average exchange rates; and
- All resulting exchange differences are taken to OCI and transferred to the income statement upon the disposal of the foreign operation as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rates at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Impairment of non-financial assets

(i) Goodwill

Goodwill recognised separately as an intangible asset is tested annually for impairment, as well as when there is any indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property, plant and equipment

(i) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the expected useful lives of the assets. The expected useful lives for this purpose are:

Leasehold land and buildings	25 - 50 years
Plant and equipment	1 - 20 years
Furniture and fittings	1 - 10 years
Motor vehicles	3 - 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the income statement when the changes arise.

No depreciation is charged on capital work-in-progress.

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the income statement when incurred.

(iv) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

(g) Investment properties

Investment properties comprise retail, commercial and residential 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Investment properties (cont'd)

Properties that are being constructed or developed for future use as investment properties are classified as investment properties. Where the fair value of the investment property under construction or development cannot be reliably measured, the property is measured at cost until the earlier of the date the construction is completed or the date at which fair value becomes reliably measurable.

On disposal of an investment property, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

(h) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are included in the Company's statement of financial position at cost less accumulated impairment losses. On disposal of these investments, the difference between disposal proceeds and the carrying amount of the investments is recognised in the income statement.

(i) Financial assets

(i) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI – equity investment; or FVTPL.

- **Financial assets at amortised cost**

  A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

  - it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

  - its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Debt investments at FVOCI**

  A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

  - it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

  - its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(i) Classification (cont'd)

- **Financial assets at FVTPL**

  All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

  Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(ii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iii) Initial measurement and recognition

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at FVTPL, which are recognised at fair value. Transaction costs for financial assets at FVTPL are recognised immediately in the income statement.

Purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset.

(iv) Subsequent measurement and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

- **Financial assets at amortised cost**

  These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

- **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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

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

- **Equity investments at FVOCI**

  These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to the income statement.

- **Financial assets at FVTPL**

  These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the income statement.

(v) Impairment

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised costs, debt investments measured at FVOCI and intra-group financial guarantee contracts (FGCs).

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(v) Impairment (cont'd)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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.

Specific policies applicable from 1 September 2019 for hedges directly affected by Interbank Offered Rate ("IBOR") reform

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. The Group has exposure to IBORs on its financial instruments that will be replaced or reformed as part of this market-wide initiative. There is uncertainty as to the timing and the methods of transition for replacing existing benchmark IBORs with alternative rates.

On initial designation of the hedging relationship, the Group formally documents the relationship between the hedging instruments and hedged items, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both on inception of the hedging relationship and on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated. For the purpose of evaluating whether the hedging relationship is expected to be highly effective (i.e. prospective effectiveness assessment), the Group assumes that the benchmark interest rate on which the cash flows are based is not altered as a result of IBOR reform.

The Group will cease to apply the amendments to its prospective effectiveness assessment of the hedging relationship when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, or when the hedging relationship is discontinued.

(i) Cash flow hedge

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of these interest rate swaps are recognised in OCI and accumulated in the hedging reserve, and transferred to the income statement in the periods when the interest expense on the borrowings is recognised in the income statement. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Specific policies applicable from 1 September 2019 for hedges directly affected by Interbank Offered Rate ("IBOR") reform (cont'd)

(ii) Net investment hedges

The Group designates certain derivatives as hedges of foreign exchange risk on its net investment in foreign operations.

When a derivative instrument is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of the change in fair value is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the change in the fair value is recognised immediately in income statement. The amount recognised in OCI is reclassified to the income statement as a reclassification adjustment on disposal of the foreign operation.

(iii) Derivatives that do not qualify for hedge accounting

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised immediately in the income statement.

(l) Intangible assets

(i) Goodwill arising from business combination

Goodwill arising from business combination is the excess of the fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets and contingent liabilities acquired. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Goodwill arising from business combination is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisition of associates and joint ventures is recorded as part of the carrying value of the investments in the consolidated statement of financial position.

The gains and losses on the disposal of subsidiaries, associates and joint ventures include the carrying amount of goodwill relating to the entity sold.

(ii) Technology, trademarks, licences, mastheads and others

Technology, trademarks, licences, mastheads and other intangible assets acquired as part of business combinations are initially recognised at their fair values at the acquisition date and are subsequently carried at cost (i.e. the fair values on initial recognition) less accumulated amortisation and accumulated impairment losses. The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that are expected to be avoided as a result of the patent and trademark being owned, or the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Intangible assets (cont'd)

(ii) Technology, trademarks, licences, mastheads and others (cont'd)

Technology and licenses acquired separately are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

These costs are amortised to the income statement using the straight-line method over 3 to 20 years, which is the shorter of their estimated useful lives and periods of contractual rights.

The amortisation period and amortisation method of these intangible assets other than goodwill are reviewed at least once at each reporting date. The effects of any revision are recognised in the income statement when the changes arise.

(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) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to investment properties, inventories, financial assets, deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

When the fair value less costs to sell of a disposal group is below its carrying amount, but the carrying amount of assets in the measurement scope of SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* is insufficient to absorb the impairment loss, the Group recognises a separate provision on the remaining assets.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of associates and joint ventures ceases once classified as held for sale.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs incurred) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the income statement over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowing costs incurred to finance the acquisition of fixed assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are taken to the income statement over the period of borrowing using the effective interest rate method.

(p) 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.

(q) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Short-term employee benefits

All short-term employee benefits, including accumulated compensated absences, are recognised in the income statement in the period in which the employees rendered their services to the Group.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as Singapore's Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions to defined contribution plans are recognised in the financial year when they are due.

(iii) Share-based compensation

Persons eligible to participate in the SPH Performance Share Plan and the SPH Performance Share Plan 2016 (collectively, "the Plans") are selected Group Employees of such rank and service period as the Remuneration Committee ("the RC") may determine, and other participants selected by the RC.

The Plans contemplates the award of fully-paid ordinary shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met and upon expiry of the prescribed vesting periods.

The fair value of the performance shares granted is recognised as a share-based compensation expense in the income statement with a corresponding increase in the share-based compensation reserve over the vesting period.

The amount is determined by reference to the fair value of the performance shares on grant date.

If the performance condition is a market condition, the probability of the performance condition being met is taken into account in estimating the fair value of the ordinary shares granted at the grant date. The compensation cost shall be charged to the income statement on a basis that fairly reflects the manner in which the benefits will accrue to the employee under the Plans over the prescribed vesting periods from date of grant. No adjustments to the amounts charged to the income statement are made whether or not the market condition is met.

For performance share grants with non-market conditions, the Company revises its estimates of the number of share grants expected to vest and corresponding adjustments are made to the income statement and share-based compensation reserve. The Company assesses this change at the end of each reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) 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.

(t) Income taxes

Current tax for current and prior periods is recognised at the amount expected to be paid to (or recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax is measured:

(i) at the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax liabilities are recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Current and deferred taxes are recognised as income or expense in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against the related goodwill.

Current tax assets and liabilities are offset only if certain criteria are met.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Leases (cont'd)

(i) As a lessee (cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Covid-19-related rent concessions

The Group has applied Covid-19-Related Rent Concessions – Amendment to SFRS(I) 16. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the Covid-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Leases (cont'd)

(ii) As a lessor (cont'd)

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 *Financial Instruments* to the net investment in the lease [Note 2(i)(v)]. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of "revenue". Rental income from sub-leased property is recognised as "other income".

(x) Government grants

Government grants related to co-funding of salaries and wages are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as "other operating income" on a systematic basis in the same periods in which the expenses are recognised.

(y) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held of sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

(z) 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.

(aa) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ab) 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".

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.

The outbreak of Covid-19 pandemic and the various containment measures adopted by the countries the Group operates in to delay the spread of the virus have impacted the Group. With the re-imposition of Covid-19 restrictions to combat new waves of localised infections, the Group continues to experience extended disruption in 2021 to its business operations due to economic uncertainty evidenced by continued volatility in currency exchange rates in countries in which the Group operates in and the asset prices. These volatilities and the uncertainties in the recovery trajectories of the world economies in the near term in turn increased the level of subjectivity and judgement involved.

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

- **Fair value estimation**

  The fair value of investment properties is based on independent professional valuations using valuation techniques and assumptions. The independent valuation reports have highlighted estimation uncertainty of future impact arising from the Covid-19 outbreak and a higher degree of caution should be exercised when relying upon the valuation. In addition, the valuations may change significantly and unexpectedly over a short period of time.

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Methods used include estimating with reference to recent arm's length transactions, discounted cash flow projections and the underlying net asset value of the investee companies. Certain Level 3 investments' underlying businesses were in sectors at risk of Covid-19. The determination of the fair value of such investments would be challenging in such unprecedented circumstances.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONT'D)

- **Recoverable value of goodwill and other intangible assets**

The Group determines whether goodwill and other intangible assets are impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which goodwill or other intangible assets are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose an appropriate discount rate in order to calculate the present value of those cash flows. Forecasts of future cash flows are based on the Group's estimates using sector and industry trends, general market and economic conditions, changes in technology and other available information, taking into consideration the heightened estimation uncertainty on cash flows due to the impact of Covid-19. Information about the assumptions and their risk factors relating to goodwill and other intangible assets impairment are discussed in Note 13(a).

4. SHARE CAPITAL, TREASURY SHARES AND PERPETUAL SECURITIES

(a) Share capital and treasury shares

	Group and Company			
	2021		2020	
	Number of Shares	**Amount**	Number of Shares	Amount
	'000	**S$'000**	'000	S$'000
Issued and fully paid, with no par value				
Management shares	**16,362**	**7,109**	16,362	7,109
Ordinary shares	**1,600,649**	**515,700**	1,600,649	515,700
	1,617,011	**522,809**	1,617,011	522,809
Treasury shares	**(9,137)**	**(18,802)**	(10,075)	(20,734)
	1,607,874	**504,007**	1,606,936	502,075
Movements during the financial year:				
Beginning of financial year	**1,606,936**	**502,075**	1,611,865	509,583
Purchase of treasury shares	**-**	**-**	(5,638)	(9,349)
Treasury shares re-issued	**938**	**1,932**	709	1,841
End of financial year	**1,607,874**	**504,007**	1,606,936	502,075

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.

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

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

(i) Treasury shares

No share purchase was made during the financial year.

In the previous financial year, the Company acquired 5,637,600 of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was S$9.3 million. The shares, held as treasury shares, were included as deduction against shareholders' equity.

The Company re-issued 937,940 (2020: 708,917) treasury shares during the financial year for the fulfilment of share awards vested under the Plans at a total value of S$1.9 million (2020: S$1.8 million).

(ii) Performance shares

At the annual general meeting of the Company held on 1 December 2016, the Company's shareholders approved the adoption of the SPH Performance Share Plan 2016 ("the 2016 Share Plan"). This replaced the SPH Performance Share Plan, which was terminated.

During the financial year, 3,519,300 (2020: 2,155,300) 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:

2021

Grant Date	**Outstanding as at 01.09.20**	**Adjusted***	**Granted^**	**Vested**	**Lapsed**	**Outstanding as at 31.08.21**
	'000	**'000**	**'000**	**'000**	**'000**	**'000**
12.01.18	**1,058**	**(612)**	**-**	**(444)**	**(2)**	**-**
14.01.19	**1,467**	**-**	**-**	**(58)**	**(58)**	**1,351**
13.01.20	**2,080**	**-**	**-**	**(391)**	**(152)**	**1,537**
13.01.21	**-**	**-**	**3,519**	**(45)**	**(257)**	**3,217**

2020

Grant Date	Outstanding as at 01.09.19	Adjusted*	Granted^	Vested	Lapsed	Outstanding as at 31.08.20
	'000	'000	'000	'000	'000	'000
13.01.17	733	(413)	-	(316)	(4)	-
12.01.18	1,329	-	-	(266)	(5)	1,058
14.01.19	1,529	-	-	(58)	(4)	1,467
13.01.20	-	-	2,155	(69)	(6)	2,080

* *Adjusted at end of the performance period based on the level of achievement of pre-set performance conditions.*
^ *Included a special sign-on bonus of SPH shares.*

The shares awarded at the vesting date could range from 0% to 200% of the grant, depending on the level of achievement against the pre-set performance conditions.

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	Fair Value per Share	Expected Volatility* of SPH	Expected Dividend Yield	Risk-free Interest Rate	Share Price at Grant Date
		'000	S$	%	%	%	S$
2021							
13.01.21^	13.01.24	**2,319**	**0.98**	**28.66**	**4.34**	**0.32**	**1.12**
13.01.21^	13.01.22	**587**	**1.05**	**N.A.**	**4.34**	**N.A.**	**1.12**
13.01.21^	13.01.23	**587**	**1.05**	**N.A.**	**4.34**	**N.A.**	**1.12**
2020							
13.01.20^	13.01.23	1,311	1.86	19.82	5.50	1.50	2.18
13.01.20^	13.01.21	387	2.01	N.A.	5.50	N.A.	2.18
13.01.20^	13.01.22	388	2.01	N.A.	5.50	N.A.	2.18

* *Derived based on 36 months of historical volatility prior to grant date.*
^ *Granted with non-market conditions.*
N.A. Not applicable

For non-market conditions, achievement factors have been estimated based on management inputs for the purpose of accrual for the performance shares until the achievement of the performance conditions can be accurately ascertained.

During the financial year, the Group recognised S$2.3 million (2020: S$2.6 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

Issue Date	Principal Amount S$'000	Initial Distribution Rate %	Distribution Rate Reset Dates
07.06.2019	150,000	4.5	First reset on 07.06.2024 and subsequent resets occurring every 5 years thereafter
12.11.2019	300,000	4.0	First reset on 12.05.2025 and subsequent resets occurring every 5 years thereafter

The distributions will be payable semi-annually in arrears on a discretionary basis and will be cumulative and compounding in accordance with the terms and conditions of the securities ("Conditions"). The perpetual securities have no fixed redemption date.

The perpetual securities constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations (as defined in the Conditions) of the Issuer.

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

(b) Perpetual securities (cont'd)

As at 31 August 2021, the perpetual securities of S$452.5 million (2020: S$452.5 million) recognised within equity included accrued distribution for the perpetual securities.

In the previous financial year, the Company issued S$300 million of perpetual securities and recognised S$298.4 million, net of issuance costs.

5. RESERVES

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Capital reserve	**(10,003)**	(9,565)	**-**	-
Share-based compensation reserve	**4,337**	3,960	**4,337**	3,960
Hedging reserve	**(4,068)**	(11,835)	**(103)**	(2,115)
Fair value reserve	**408,493**	124,291	**-**	-
Currency translation reserve	**38,809**	32,928	**-**	-
	437,568	139,779	**4,234**	1,845

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.

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	Other subsidiaries	Total
	S$'000	S$'000	S$'000
2021			
Revenue	277,179		
Profit	152,088		
Other comprehensive income	(4,788)		
Total comprehensive income	147,300		
Attributable to non-controlling interests:			
Profit	52,548	4,181	56,729
Other comprehensive income	(1,891)	(137)	(2,028)
Total comprehensive income	50,657	4,044	54,701
Non-current assets	4,123,568		
Current assets	122,997		
Non-current liabilities	(1,181,744)		
Current liabilities	(216,953)		
Net assets	2,847,868		
Attributable to non-controlling interests	1,178,135	17,936	1,196,071
Cash flows from operating activities	202,545		
Cash flows used in investing activities	(13,078)		
Cash flows used in financing activities*	(158,264)		
Net increase in cash and cash equivalents	31,203		

* *Included S$41.9 million dividends paid to non-controlling interests and S$12.3 million distributions for perpetual securities.*

6. NON-CONTROLLING INTERESTS (CONT'D)

	SPH REIT Group S$'000	Other subsidiaries S$'000	Total S$'000
2020			
Revenue	241,463		
Loss	(64,024)		
Other comprehensive income	34,096		
Total comprehensive income	(29,928)		
Attributable to non-controlling interests:			
Loss	(23,499)	(5,327)	(28,826)
Other comprehensive income	12,297	(248)	12,049
Total comprehensive income	(11,202)	(5,575)	(16,777)
Non-current assets	4,126,036		
Current assets	114,627		
Non-current liabilities	(1,130,442)		
Current liabilities	(295,512)		
Net assets	2,814,709		
Attributable to non-controlling interests	1,173,266	12,667	1,185,933
Cash flows from operating activities	166,309		
Cash flows used in investing activities	(635,032)		
Cash flows from financing activities*	205,992		
Net decrease in cash and cash equivalents	(262,731)		

* *Included S$30.5 million dividends paid to non-controlling interests and S$12.3 million distributions for perpetual securities.*

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 2021, non-controlling interests included perpetual securities of S$297.9 million (2020: S$297.9 million), net of issuance costs.

7. PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Property, plant and equipment owned	**61,005**	160,554	**702**	34,988
Right-of-use assets	**28,662**	65,072	**-**	8,187
	89,667	225,626	**702**	43,175

(a) Property, plant and equipment owned

	Leasehold Land and Buildings	**Plant and Equipment**	**Furniture and Fittings**	**Motor Vehicles**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Group					
2021					
Cost or deemed cost					
Beginning of financial year	**255,256**	**625,696**	**23,434**	**1,140**	**905,526**
Additions	**27**	**2,316**	**141**	**25**	**2,509**
Transfer from capital work-in-progress	**1**	**5,088**	**438**	**-**	**5,527**
Disposals/Write-offs	**-**	**(8,899)**	**(2,475)**	**(304)**	**(11,678)**
Disposal of subsidiaries [Note 32(b)]	**-**	**(608)**	**(80)**	**-**	**(688)**
Reclassification to assets held for sale [Note 18]	**(187,475)**	**(612,471)**	**(20,725)**	**(477)**	**(821,148)**
Currency translation differences	**432**	**52**	**(115)**	**-**	**369**
End of financial year	**68,241**	**11,174**	**618**	**384**	**80,417**
Accumulated depreciation and impairment					
Beginning of financial year	**140,946**	**594,152**	**10,759**	**821**	**746,678**
Depreciation	**8,858**	**9,181**	**1,210**	**145**	**19,394**
Disposals/Write-offs	**-**	**(8,773)**	**(2,346)**	**(304)**	**(11,423)**
Disposal of subsidiaries [Note 32(b)]	**-**	**(426)**	**(30)**	**-**	**(456)**
Reclassification to assets held for sale [Note 18]	**(138,952)**	**(587,533)**	**(9,922)**	**(477)**	**(736,884)**
Impairment	**-**	**1,545**	**505**	**-**	**2,050**
Currency translation differences	**85**	**15**	**(43)**	**-**	**57**
End of financial year	**10,937**	**8,161**	**133**	**185**	**19,416**
Carrying amount					
End of financial year	**57,304**	**3,013**	**485**	**199**	**61,001**
Capital work-in-progress	**-**	**4**	**-**	**-**	**4**
Total	**57,304**	**3,017**	**485**	**199**	**61,005**
Capital work-in-progress					
Beginning of financial year	**1**	**1,424**	**281**	**-**	**1,706**
Additions	**23**	**7,598**	**438**	**-**	**8,059**
Transfer to property, plant and equipment	**(1)**	**(5,088)**	**(438)**	**-**	**(5,527)**
Reclassification to assets held for sale [Note 18]	**(23)**	**(3,930)**	**(281)**	**-**	**(4,234)**
End of financial year	**-**	**4**	**-**	**-**	**4**

During the financial year, the Group recognised impairment charges of S$2.1 million mainly due to the secular decline in the Media business. (2020: Group S$4.5 million and Company S$4.3 million respectively mainly on a press line due to lower utilisation following the cessation of certain products).

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

(a) Property, plant and equipment owned (cont'd)

	Leasehold Land and Buildings	Plant and Equipment	Furniture and Fittings	Motor Vehicles	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Group					
2020					
Cost or deemed cost					
Beginning of financial year	308,281	634,868	29,097	1,273	973,519
Additions	153	3,087	874	53	4,167
Acquisition of subsidiaries [Note 32(a)]	-	125	186	-	311
Transfer from capital work-in-progress	621	9,879	583	-	11,083
Disposals/Write-offs	(53,978)	(20,555)	(5,423)	(185)	(80,141)
Disposal of subsidiaries [Note 32(b)]	-	(1,687)	(1,881)	-	(3,568)
Currency translation differences	179	(21)	(2)	(1)	155
End of financial year	255,256	625,696	23,434	1,140	905,526
Accumulated depreciation and impairment					
Beginning of financial year	176,888	597,080	15,413	835	790,216
Depreciation	11,388	13,962	2,149	172	27,671
Disposals/Write-offs	(47,325)	(19,872)	(5,319)	(185)	(72,701)
Disposal of subsidiaries [Note 32(b)]	-	(1,366)	(1,594)	-	(2,960)
Impairment [Note 26]	-	4,359	99	-	4,458
Currency translation differences	(5)	(11)	11	(1)	(6)
End of financial year	140,946	594,152	10,759	821	746,678
Carrying amount					
End of financial year	114,310	31,544	12,675	319	158,848
Capital work-in-progress	1	1,424	281	-	1,706
Total	114,311	32,968	12,956	319	160,554
Capital work-in-progress					
Beginning of financial year	578	3,762	380	-	4,720
Additions	44	7,541	484	-	8,069
Transfer to property, plant and equipment	(621)	(9,879)	(583)	-	(11,083)
End of financial year	1	1,424	281	-	1,706

Notes to the Financial Statements – 31 August 2021

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

(a) Property, plant and equipment owned (cont'd)

	Plant and Equipment	Furniture and Fittings	Motor Vehicles	Total
	S$'000	S$'000	S$'000	S$'000
Company				
2021				
Cost or deemed cost				
Beginning of financial year	536,141	19,742	729	556,612
Additions	565	53	-	618
Transfer from capital work-in-progress	4,880	435	-	5,315
Disposals/Write-offs	(7,767)	(1,490)	(221)	(9,478)
Reclassification to assets held for sale	(532,213)	(18,579)	(240)	(551,032)
End of financial year	1,606	161	268	2,035
Accumulated depreciation and impairment				
Beginning of financial year	513,572	8,970	612	523,154
Depreciation	7,044	930	53	8,027
Disposals/Write-offs	(7,735)	(1,412)	(221)	(9,368)
Reclassification to assets held for sale	(511,913)	(8,327)	(240)	(520,480)
End of financial year	968	161	204	1,333
Carrying amount				
End of financial year	638	-	64	702
Capital work-in-progress				
Beginning of financial year	1,250	280	-	1,530
Additions	7,483	436	-	7,919
Transfer to property, plant and equipment	(4,880)	(435)	-	(5,315)
Reclassification to assets held for sale	(3,853)	(281)	-	(4,134)
End of financial year	-	-	-	-

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

(a) Property, plant and equipment owned (cont'd)

	Plant and Equipment	Furniture and Fittings	Motor Vehicles	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**
Company				
2020				
Cost or deemed cost				
Beginning of financial year	531,420	21,821	729	553,970
Additions	835	154	-	989
Transfer from capital work-in-progress	8,150	564	-	8,714
Disposals/Write-offs	(4,264)	(2,797)	-	(7,061)
End of financial year	536,141	19,742	729	556,612
Accumulated depreciation and impairment				
Beginning of financial year	502,389	10,392	552	513,333
Depreciation	11,153	1,370	60	12,583
Disposals/Write-offs	(4,256)	(2,792)	-	(7,048)
Impairment	4,286	-	-	4,286
End of financial year	513,572	8,970	612	523,154
Carrying amount				
End of financial year	22,569	10,772	117	33,458
Capital work-in-progress	1,250	280	-	1,530
Total	23,819	11,052	117	34,988
Capital work-in-progress				
Beginning of financial year	2,195	362	-	2,557
Additions	7,205	482	-	7,687
Transfer to property, plant and equipment	(8,150)	(564)	-	(8,714)
End of financial year	1,250	280	-	1,530

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

(b) Right-of-use assets

	Land and Building	Plant and Equipment	Total
	S$'000	S$'000	S$'000
Group			
2021			
Beginning of financial year	**65,066**	**6**	**65,072**
Additions	**4,639**	**-**	**4,639**
Depreciation	**(8,260)**	**-**	**(8,260)**
Derecognition	**(29)**	**(6)**	**(35)**
Disposal of subsidiaries [Note 32(b)]	**(62)**	**-**	**(62)**
Reclassification to assets held for sale [Note 18]	**(32,686)**	**-**	**(32,686)**
Currency translation differences	**(6)**	**-**	**(6)**
End of financial year	**28,662**	**-**	**28,662**
2020			
Beginning of financial year	92,943	130	93,073
Additions	12,508	-	12,508
Depreciation	(12,853)	(104)	(12,957)
Derecognition	(24,992)	(20)	(25,012)
Disposal of subsidiaries [Note 32(b)]	(2,534)	-	(2,534)
Currency translation differences	(6)	-	(6)
End of financial year	65,066	6	65,072
Company			
2021			
Beginning of financial year	**8,187**	**-**	**8,187**
Additions	**1,845**	**-**	**1,845**
Depreciation	**(2,281)**	**-**	**(2,281)**
Reclassification to assets held for sale	**(7,751)**	**-**	**(7,751)**
End of financial year	**-**	**-**	**-**
2020			
Beginning of financial year	5,138	-	5,138
Additions	6,753	-	6,753
Depreciation	(3,534)	-	(3,534)
Derecognition	(170)	-	(170)
End of financial year	8,187	-	8,187

8. INVESTMENT PROPERTIES

	Group	
	2021	2020
	S$'000	S$'000
Investment properties		
Beginning of financial year	**6,101,305**	5,014,896
Additions	**24,489**	744,504
Transfer from investment properties under development	**317,665**	-
Acquisition of subsidiaries [Note 32(a)]	**-**	457,679
Fair value change	**66,585**	(232,013)
Currency translation differences	**9,219**	116,239
End of financial year	**6,519,263**	6,101,305
Investment properties under development		
Beginning of financial year	**318,989**	-
Additions	**4,074**	41,697
Acquisition of subsidiaries [Note 32(a)]	**-**	272,782
Transfer to investment properties	**(317,665)**	-
Currency translation differences	**(5,398)**	4,510
End of financial year	**-**	318,989
Total Carrying Amount	**6,519,263**	6,420,294
Carrying amount of		
- Freehold investment properties	**5,255,260**	4,855,449
- Leasehold investment properties	**1,236,293**	1,220,396
- Freehold and long leasehold properties	**27,710**	25,460
- Freehold property under development	**-**	318,989
	6,519,263	6,420,294

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 33(e).

The Paragon on Orchard Road with a carrying amount of S$2,830 million (2020: S$2,811 million) is mortgaged to banks as security for a S$995 million loan granted to a subsidiary of the Group, SPH REIT [Note 21(a)].

The Figtree Shopping Centre ("Figtree") in Australia with a carrying amount of S$196.7 million (2020: S$190.6 million) is mortgaged to a bank as security for an A$105 million (2021: S$103.3 million; 2020: S$105.3 million) loan granted to a subsidiary of the Group, Figtree Holding Trust ("FHT") [Note 21(a)].

The Westfield Marion Shopping Centre ("Westfield Marion") in Australia with a carrying amount of S$630.1 million (2020: S$648.6 million) is mortgaged to a bank as security for an A$200 million (2021: S$196.7 million; 2020: S$200.6 million) loan granted to a subsidiary of the Group, Marion Sub Trust ("MST") [Note 21(a)].

The Seletar Mall with a carrying amount of S$480.5 million (2020: S$480 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 21(b)].

The Purpose-Built Student Accommodation ("PBSA") portfolio, comprised 28 assets in the United Kingdom and Germany, with a carrying amount of S$1,506.5 million (2020: 28 assets, S$1,431.1 million). A portfolio of 20 assets in the United Kingdom, with a carrying amount of S$656 million (2020: S$622.4 million), is mortgaged to a bank as security for a £205 million (2021: S$379.2 million; 2020: S$372.8 million) loan granted to a subsidiary of the Group, Straits Capitol Trust ("SCT") [Note 21(c)].

8. INVESTMENT PROPERTIES (CONT'D)

The Japan Aged Care portfolio comprised 5 assets with a carrying amount of S$68 million (2020: S$72 million). Of the 5 assets, 3 are owned by Straits Himawari TMK One TMK ("TMK1") and 2 by Straits Himawari TMK Two TMK ("TMK2"). TMK1 and TMK2 have issued bonds secured by the statutory general lien under the Japan law. In addition, the bond issued by TMK1 is also secured by way of property mortgages in respect of the 3 assets owned by TMK1 [Note 21(d)].

The following amounts are recognised in the income statement:

	Group	
	2021	2020
	S$'000	S$'000
Rental income	**389,193**	328,307
Direct operating expenses arising from investment properties that generated rental income	**(106,837)**	(100,807)

9. SUBSIDIARIES

	Company	
	2021	2020
	S$'000	S$'000
Equity investments at cost	**458,501**	460,635
Allowance for impairment	**(30,228)**	(30,107)
	428,273	430,528

During the financial year, an impairment loss of S$0.1 million (2020: S$9.8 million) was recognised on certain subsidiaries following a review of their businesses. In addition, the Company reclassified its investment in a subsidiary of S$2.1 million to assets held for sale following the proposed restructuring of the Media business [Note 18].

The recoverable amounts of the subsidiaries were determined based on higher of fair value less cost to sell and value-in-use. Fair value less cost to sell was represented by the revalued net assets or net monetary assets and liabilities of the subsidiaries as at the reporting date which approximates its fair value.

Details of significant subsidiaries are set out as below:

Name of Subsidiaries	Principal Activities	Country of Incorporation	Effective % of Equity held by the Group	
			2021	2020
			%	%
Orchard 290 Ltd	Holding investments and management of shopping centres and other commercial properties	Singapore	**100**	100
Singapore News and Publications Limited	Holding investments and properties	Singapore	*	100
Singapore Newspaper Services Private Limited	Holding investments and properties	Singapore	*	100
SPH Invest Ltd.	Holding investments	Singapore	**100**	100
SPH Multimedia Private Limited	Holding investments	Singapore	**100**	100
SPH REIT and its subsidiaries	Holding property investments	Singapore	**66**	66

9. SUBSIDIARIES (CONT'D)

Name of Subsidiaries	Principal Activities	Country of Incorporation	Effective % of Equity held by the Group	
			2021 %	2020 %
Straits Capitol Trust and its subsidiaries	Holding property investments	Singapore	**100**	100
Straits Silver Trust and its subsidiaries	Holding property investments	Singapore	**100**	100
Invest Healthcare and its subsidiaries	Holding investments	Singapore	**100**	100
The Seletar Mall Pte. Ltd.	Holding property investments and management of shopping centre	Singapore	**70**	70
Times Properties Private Limited	Letting properties and provision of property management services	Singapore	**100**	100

* *Singapore News and Publications Limited and Singapore Newspaper Services Private Limited ceased to be significant subsidiaries as at 31 August 2021.*

Note: The above companies are audited by KPMG LLP, Singapore.

10. ASSOCIATES

	Group	
	2021 S$'000	2020 S$'000
Investments in associates	**361,423**	358,055

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% (2020: 20%)
KBS US Prime Property Management Pte. Ltd. ("KBS")	Business adjacency	Singapore	20% (2020: 20%)
MindChamps Preschool Limited ("MindChamps")	Business adjacency	Singapore	20% (2020: 20%)
Constellar Holdings Pte Ltd ("Constellar")	Business adjacency	Singapore	40% (2020: Nil)

10. ASSOCIATES (CONT'D)

The summarised financial information of these associates, not adjusted for the proportional ownership interest held by the Group, is as follows:

	Konnectivity	KBS	MindChamps	Constellar
	S$'000	S$'000	S$'000	S$'000
2021				
Revenue	1,063,398	14,789	61,347	10,390
Profit/(Loss) after tax	28,819	7,244	3,215	(8,000)
Other comprehensive income	3,133	460	4,184	(7)
Total comprehensive income	31,952	7,704	7,399	(8,007)
Attributable to:				
- Non-controlling interests	(1,084)	-	543	(11)
- Associate's shareholders	33,036	7,704	6,856	(7,996)
Non-current assets	2,408,397	8,279	126,486	55,621
Current assets	340,678	8,811	28,438	58,679
Non-current liabilities	(367,539)	(391)	(50,177)	(15,640)
Current liabilities	(529,921)	(3,986)	(32,506)	(45,647)
Net assets	1,851,615	12,713	72,241	53,013
Attributable to:				
- Non-controlling interests	357,408	-	591	9
- Associate's shareholders	1,494,207	12,713	71,650	53,004

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	KBS	MindChamps	Constellar	Other associates	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2021						
Beginning of financial year	302,213	20,963	14,499	-	20,380	358,055
Group's share of:						
Profit/(Loss) after tax	5,973	1,449	535	(3,199)	1,128	5,886
Other comprehensive income	634	92	836	-	-	1,562
Total comprehensive income	6,607	1,541	1,371	(3,199)	1,128	7,448
Additions	-	-	-	15,342#	3,850	19,192
Distributions received	(9,980)	-	-	-	(52)	(10,032)
Impairment	-	-	(3,304)	-	-	(3,304)
Divestment of interest in an associate	-	-	-	-	(106)	(106)
Reclassification to assets held for sale [Note 18]	-	-	-	-	(9,830)	(9,830)
End of financial year	298,840	22,504^	12,566*	12,143	15,370	361,423

^ *The carrying amount of KBS comprised the Group's share of net assets of S$2.6 million and goodwill on acquisition of S$19.9 million.*

* *The carrying amount of MindChamps was S$12.6 million following the write-down of the carrying amount (including goodwill on acquisition) to fair value during the financial year due to the challenging market conditions arising from the Covid-19 situation. Market value of the Group's stake in MindChamps based on quoted market price as at 31 August 2021 (Level 1 in the fair value hierarchy) is S$12.6 million.*

On 18 February 2021, the Group divested 100% of its shareholding in Sphere Exhibits Pte Ltd [Note 32(b)] in return for 40% stake in Constellar. The Group's carrying amount of interest in Constellar was based on cash flow projections of the business, pending finalisation of the purchase price allocation exercise.

10. ASSOCIATES (CONT'D)

The summarised financial information of these associates, not adjusted for the proportional ownership interest held by the Group, is as follows:

	Konnectivity	KBS	MindChamps
	S$'000	S$'000	S$'000
2020			
Revenue	1,092,282	12,443	53,013
Profit after tax	55,725	4,098	6,949
Other comprehensive income	8,050	(28)	310
Total comprehensive income	63,775	4,070	7,259
Attributable to:			
- Non-controlling interests	18,273	-	81
- Associate's shareholders	45,502	4,070	7,178
Non-current assets	2,391,246	5,397	126,297
Current assets	481,014	5,430	24,791
Non-current liabilities	(226,432)	-	(51,244)
Current liabilities	(763,833)	(5,085)	(35,359)
Net assets	1,881,995	5,742	64,485
Attributable to:			
- Non-controlling interests	370,924	-	(309)
- Associate's shareholders	1,511,071	5,742	64,794

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	KBS	MindChamps	Other associates	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
2020					
Beginning of financial year	302,568	20,146	23,069	20,229	366,012
Group's share of:					
Profit after tax	11,146	822	1,377	57	13,402
Other comprehensive income	1,609	(5)	61	(13)	1,652
Total comprehensive income	12,755	817	1,438	44	15,054
Distributions received	(13,110)	-	-	(1,105)	(14,215)
Impairment	-	-	(10,008)	-	(10,008)
Gain on divestment of interest in an associate	-	-	-	477	477
Group's contribution	-	-	-	735	735
End of financial year	302,213	20,963^	14,499*	20,380	358,055

^ *The carrying amount of KBS comprised the Group's share of net assets of S$1.1 million and goodwill on acquisition of S$19.9 million.*

* *The carrying amount of MindChamps comprised the Group's share of net assets of S$13 million and goodwill on acquisition of S$1.5 million following the write-down of carrying amount to fair value during the financial year due to the challenging market conditions arising from the Covid-19 situation. Market value of the Group's stake in MindChamps based on quoted market price as at 31 August 2020 (Level 1 in the fair value hierarchy) is S$14.5 million.*

11. JOINT VENTURES

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Investments in joint ventures	**11,385**	14,933	**-**	195

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% (2020: 50%)
The Woodleigh Mall Pte. Ltd. ("Woodleigh Mall")	Related property business	Singapore	50% (2020: 50%)

[#] *WR 3 is the joint venture entity which is the ultimate holding company of The Woodleigh Residences Pte. Ltd. (collectively "WR 3 Group").*

The following summarises the financial information of these joint ventures based on their respective (consolidated) financial statements.

	WR 3 Group	Woodleigh Mall
	S$'000	**S$'000**
2021		
Revenue	**-**	**-**
Profit/(Loss)[1] after tax	**2,993**	**(391)**
Other comprehensive income	**2,741**	**1,827**
Total comprehensive income	**5,734**	**1,436**
[1] Includes:		
- depreciation and amortisation	**-**	**-**
- interest expense	**(17,048)**	**-**
Non-current assets	**9,470**	**630,921**
Current assets[2]	**828,296**	**9,518**
Non-current liabilities[3]	**(823,277)**	**(594,554)**
Current liabilities[4]	**(39,239)**	**(14,676)**
Net (liabilities)/assets	**(24,750)**	**31,209**
[2] Includes cash and cash equivalents	**74,874**	**4,789**
[3] Includes non-current financial liabilities (excluding trade and other payables and provisions)	**(823,277)**	**(594,554)**
[4] Includes current financial liabilities (excluding trade and other payables and provisions)	**(45)**	**(26)**

11. JOINT VENTURES (CONT'D)

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:

	2021			
	WR 3 Group	Woodleigh Mall	Other joint ventures	Total
	S$'000	S$'000	S$'000	S$'000
Beginning of financial year	-	9,584	5,349	14,933
Group's share of:				
Profit/(Loss) after tax	1,497	(196)	186	1,487
Other comprehensive income	1,370	914	4	2,288
Total comprehensive income	2,867	718	190	3,775
Reversal of amortisation on interest-free loans to joint ventures	(3,549)	(1,862)	-	(5,411)
Losses taken against loans to joint ventures	682*	-	-	682
Distributions received	-	-	(2,255)	(2,255)
Divestment of interest in a joint venture	-	-	(156)	(156)
Reclassification to assets held for sale [Note 18]	-	-	(183)	(183)
End of financial year	-	8,440	2,945	11,385

* *During the financial year, the share of losses from WR 3 was taken against the loan to WR 3 [Note 14(a)(iii)].*

The following summarises the financial information of these joint ventures based on their respective (consolidated) financial statements.

	WR 3 Group	Woodleigh Mall
	S$'000	S$'000
2020		
Revenue	-	-
Loss[1] after tax	(15,127)	(282)
Other comprehensive income	(1,340)	(893)
Total comprehensive income	(16,467)	(1,175)
[1] Includes:		
- depreciation and amortisation	-	-
- interest expense	(19,220)	-
Non-current assets	11,442	594,084
Current assets[2]	810,432	7,704
Non-current liabilities[3]	(823,740)	(563,355)
Current liabilities[4]	(28,618)	(8,661)
Net (liabilities)/assets	(30,484)	29,772
[2] Includes cash and cash equivalents	43,267	3,900
[3] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(823,740)	(563,355)
[4] Includes current financial liabilities (excluding trade and other payables and provisions)	(55)	(30)

11. JOINT VENTURES (CONT'D)

The following table summarises the carrying amount and share of profit/(loss) and other comprehensive income of the Group's joint ventures in the consolidated financial statements:

	2020			
	WR 3 Group	**Woodleigh Mall**	**Other joint ventures**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Beginning of financial year	2,364	12,001	7,630	21,995
Group's share of:				
Loss after tax	(7,561)	(142)	(2,281)	(9,984)
Other comprehensive income	(671)	(445)	-	(1,116)
Total comprehensive income	(8,232)	(587)	(2,281)	(11,100)
Reversal of amortisation on interest-free loans to joint ventures	(3,494)	(1,830)	-	(5,324)
Losses taken against loans to joint ventures	9,362*	-	-	9,362
End of financial year	-	9,584	5,349	14,933

* *During the financial year, the share of losses from WR 3 was taken against the loan to WR 3 [Note 14(a)(iii)].*

12. INVESTMENTS

(a) Non-current

	Group	
	2021	2020
	S$'000	S$'000
FVOCI - designated		
- Equity securities	**398,947**	192,638
- Investment funds	**90,419**	197,876
	489,366	390,514
FVTPL		
- Bonds and notes	**27,550**	33,050
	516,916	423,564

On 1 March 2020, the Group reclassified FVTPL (current) investments, held for strategic purposes or with fixed fund life or maturity, to FVOCI-designated (non-current) of S$42.4 million due to cessation of investment trading activities.

(b) Current

	Group	
	2021	2020
	S$'000	S$'000
FVOCI - designated		
- Equity securities	**31,698**	-
- Investment funds	**111,621**	-
	143,319	-

During the financial year, certain investments were reclassified from non-current investments as these investments are expected to be divested within one year.

13. INTANGIBLE ASSETS

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Arising from business combinations				
- Goodwill [Note 13(a)]	**70,771**	77,965	**-**	-
- Technology, trademarks, licences, mastheads and others [Note 13(b)]	**48,137**	53,419	**-**	-
Acquired separately				
- Technology, trademarks, licences, mastheads and others [Note 13(c)]	**-**	370	**35,790**	38,550
	118,908	131,754	**35,790**	38,550

(a) Arising from business combinations - Goodwill

	Group	
	2021	2020
	S$'000	S$'000
Cost		
Beginning of financial year	**188,731**	188,741
Disposals/Write-offs	**(123)**	-
Disposal of subsidiaries [Note 32(b)]	**(10,945)**	-
Reclassification to assets held for sale [Note 18]	**(43,551)**	-
Currency translation differences	**98**	(10)
End of financial year	**134,210**	188,731
Accumulated impairment		
Beginning of financial year	**110,766**	99,177
Impairment	**-**	11,688
Disposals/Write-offs	**(123)**	-
Disposal of subsidiaries [Note 32(b)]	**(3,751)**	-
Reclassification to assets held for sale [Note 18]	**(43,551)**	-
Currency translation differences	**98**	(99)
End of financial year	**63,439**	110,766
Net book value	**70,771**	77,965

In the previous financial year, the Group recognised an impairment charge of S$11.7 million mainly for the aged care business, due to possible slowdown in growth for the next 12 to 18 months in view of manpower curbs from border controls arising from the Covid-19 pandemic.

13. INTANGIBLE ASSETS (CONT'D)

(a) Arising from business combinations - Goodwill (cont'd)

Impairment test for goodwill

The carrying value of the Group's goodwill arising from acquisitions was assessed for impairment during the financial year.

Goodwill is allocated for impairment testing purposes to the individual entity or division, which is also the cash-generating unit ("CGU").

	Group		Pre-tax discount rate[1]		Terminal growth rate[2]	
	2021	2020	**2021**	2020	**2021**	2020
	S$'000	S$'000	**%**	%	**%**	%
Carrying value of goodwill in:						
Singapore						
- Online	**21,282**	21,282	**13.5**	13.5	**1.3**	1.3
- Exhibitions	**-**	7,194	**-**	10.4	**-**	0.7 to 1.3
- Aged Care	**47,385**	47,385	**8.5**	8.5	**1.3**	1.3
United Kingdom						
- Property	**2,104**	2,104	**7.9 to 8.1**	7.9 to 9.2	**5.3 to 5.8**	2.0 to 5.8
	70,771	77,965				

(1) The discount rate used is based on Weighted Average Cost of Capital (WACC) where the cost of a company's debt and equity capital are weighted to reflect its capital structure.
(2) The terminal growth rate has been determined based on long-term expected inflation rate for the respective country or industry in which the entity or division operates.

The recoverable values of CGUs including goodwill are determined based on value-in-use calculations.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets approved by the Board and management forecasts over a period of 5 years. Cash flows beyond the terminal year are extrapolated using the estimated terminal growth rates stated in the table above. Key assumptions used in the calculation of value-in-use are growth rates, operating margins and discount rates.

The management's approach in determining the value assigned to each of the key assumptions includes comparing the key assumptions used to past actual performances (i.e. retrospective reviews) and other external sources of information such as Government statistics on growth, inflation etc.

As the process of evaluating goodwill impairment involves management judgement and prudent estimates of various factors including future cash flows as well as the cost of capital and long-term growth rates, the results can be highly sensitive to the assumptions used.

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount as at the reporting date.

13. INTANGIBLE ASSETS (CONT'D)

(b) Arising from business combinations
- Technology, trademarks, licences, mastheads and others

Group	Technology S$'000	Trademarks, licences, mastheads and others S$'000	Total S$'000
2021			
Cost			
Beginning of financial year	**7,823**	**167,484**	**175,307**
Disposals/Write-offs	**-**	**(1,838)**	**(1,838)**
Disposal of subsidiaries [Note 32(b)]	**-**	**(46,856)**	**(46,856)**
Reclassification to assets held for sale [Note 18]	**-**	**(40,747)**	**(40,747)**
Currency translation differences	**(61)**	**(179)**	**(240)**
End of financial year	**7,762**	**77,864**	**85,626**
Accumulated amortisation and impairment			
Beginning of financial year	**7,264**	**114,624**	**121,888**
Amortisation	**76**	**4,752**	**4,828**
Disposals/Write-offs	**-**	**(1,838)**	**(1,838)**
Disposal of subsidiaries [Note 32(b)]	**-**	**(46,681)**	**(46,681)**
Reclassification to assets held for sale [Note 18]	**-**	**(40,747)**	**(40,747)**
Currency translation differences	**4**	**35**	**39**
End of financial year	**7,344**	**30,145**	**37,489**
Net book value	**418**	**47,719**	**48,137**
2020			
Cost			
Beginning of financial year	7,790	161,311	169,101
Acquisition of subsidiaries [Note 32(a)]	603	14,586	15,189
Disposal of subsidiaries [Note 32(b)]	(577)	(8,801)	(9,378)
Currency translation differences	7	388	395
End of financial year	7,823	167,484	175,307
Accumulated amortisation and impairment			
Beginning of financial year	7,790	110,155	117,945
Amortisation	51	7,581	7,632
Impairment	-	5,763	5,763
Disposal of subsidiaries [Note 32(b)]	(577)	(8,801)	(9,378)
Currency translation differences	-	(74)	(74)
End of financial year	7,264	114,624	121,888
Net book value	559	52,860	53,419

13. INTANGIBLE ASSETS (CONT'D)

(b) Arising from business combinations - Technology, trademarks, licences, mastheads and others

In the previous financial year, the Group recognised an impairment charge of S$5.8 million mainly for the student accommodation business in the United Kingdom due to decrease in the pace of assets to be brought under the brand in view of the on-going Covid-19 situation in the region.

Key assumptions used in cash flow projections to determine the recoverable values are disclosed in Note 13(a).

(c) Acquired separately - Technology, trademarks, licences, mastheads and others

	Group	
	2021	2020
	S$'000	S$'000
Cost		
Beginning of financial year	**910**	1,052
Disposals/Write-offs	**(256)**	-
Disposal of subsidiaries [Note 32(b)]	**-**	(141)
Reclassification to assets held for sale [Note 18]	**(650)**	-
Currency translation differences	**-**	(1)
End of financial year	**4**	910
Accumulated amortisation and impairment		
Beginning of financial year	**540**	575
Amortisation	**43**	108
Impairment	**327**	-
Disposals/Write-offs	**(256)**	-
Disposal of subsidiaries [Note 32(b)]	**-**	(141)
Reclassification to assets held for sale [Note 18]	**(650)**	-
Currency translation differences	**-**	(2)
End of financial year	**4**	540
Net book value	**-**	370

13. INTANGIBLE ASSETS (CONT'D)

(c) Acquired separately
- Technology, trademarks, licences, mastheads and others (cont'd)

	Technology	Trademarks, licences, mastheads and others	Total
	S$'000	S$'000	S$'000
Company			
2021			
Cost			
Beginning and end of financial year	**178**	**55,580**	**55,758**
Accumulated amortisation and impairment			
Beginning of financial year	**178**	**17,030**	**17,208**
Amortisation	**-**	**2,760**	**2,760**
End of financial year	**178**	**19,790**	**19,968**
Net book value	**-**	**35,790**	**35,790**
2020			
Cost			
Beginning and end of financial year	178	55,580	55,758
Accumulated amortisation and impairment			
Beginning of financial year	178	14,269	14,447
Amortisation	-	2,761	2,761
End of financial year	178	17,030	17,208
Net book value	-	38,550	38,550

14. TRADE AND OTHER RECEIVABLES

(a) Non-current

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Amounts owing by subsidiaries [Note 14(a)(i)]	**-**	-	**1,225,273**	1,267,699
Loans to subsidiaries [Note 14(a)(i)]	**-**	-	**1,779,259**	1,041,734
Loan to associate [Note 14(a)(ii)]	**-**	630	**-**	-
Loans to joint ventures [Note 14(a)(iii)]	**256,703**	239,983	**-**	-
Staff loans	**563**	2,310	**74**	2,074
Sundry debtors	**127**	3,327	**-**	417
	257,393	246,250	**3,004,606**	2,311,924

(i) The amounts owing by subsidiaries are non-trade, unsecured, interest-free and repayable on demand. The amounts included an allowance for impairment of S$6.2 million (2020: S$3.7 million).

The loans to subsidiaries are non-trade, unsecured, interest-free and repayable on demand, except for the following:

- S$280 million (2020: S$280 million) with interest rate of 0.92% (2020: 0.86%) per annum and repayable in September 2021; and

- S$300 million (2020: S$300 million) with interest rate of 4% (2020: 4%) per annum and repayable on demand.

The loans included an allowance for impairment of S$181.8 million (2020: S$165.8 million). During the financial year, an allowance for impairment loss of S$16 million (2020: S$14.7 million) was recognised following a review of the subsidiaries' businesses.

The Company does not expect repayment within the next 12 months for both the amounts owing by subsidiaries and loans to subsidiaries.

(ii) The loan to an associate was non-trade, unsecured, with interest rate of 3% per annum and repayable in November 2021.

(iii) The loans to joint ventures of S$267 million (2020: S$255 million) are non-trade, unsecured, interest-free and repayment is subject to the subordination agreement under the bank term loan facilities undertaken by the joint ventures which is due for repayment in March 2023. The share of losses exceeded the investment amount in WR 3 by S$10.1 million (2020: S$9.4 million), and was taken against the loan amount [Note 11]. As at 31 August 2021, the loans stated at amortised cost amounted to S$256.7 million (2020: S$240 million). The unamortised fair value amount as at the reporting date was S$0.2 million (2020: S$5.6 million).

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Current

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables				
- Non-related parties	**30,656**	90,601	**-**	48,127
- Less: Allowance made				
- non-related parties [14(b)(i)]	**(9,539)**	(13,366)	**-**	(2,778)
	21,117	77,235	**-**	45,349
Amounts owing by				
- Subsidiaries [Note 14(b)(ii)]	**-**	-	**618,150**	431,806
- Associates [Note 14(b)(ii)]	**540**	36	**-**	-
- Joint ventures [Note 14(b)(ii)]	**625**	153	**-**	-
	1,165	189	**618,150**	431,806
Loans to				
- Subsidiaries [Note 14(b)(iii)]	**-**	-	**56,890**	813,944
- Associate [Note 14(b)(iv)]	**300**	-	**-**	-
	300	-	**56,890**	813,944
Accrued interest	**474**	1,901	**287**	1,411
Sundry debtors	**24,907**	53,441	**722**	8,159
Prepayments	**2,720**	10,562	**145**	6,687
Staff loans	**38**	967	**38**	938
	50,721	144,295	**676,232**	1,308,294

(i) During the financial year, an allowance for impairment of S$1.9 million (2020: S$8.5 million) was recognised in relation to the retail mall tenants' assistance relief mandated by the Australia authorities.

(ii) The amounts owing by subsidiaries, associates and joint ventures are non-trade, unsecured, interest-free and repayable on demand. The amounts owing by subsidiaries included an allowance for impairment of S$8.3 million (2020: S$5 million).

(iii) The loans to subsidiaries are non-trade, unsecured, interest-free and repayable on demand except for certain loan amounts of S$756.9 million with interest rates ranging from 0.36% to 2.07% per annum as at the end of previous financial year. The loans included an allowance for impairment of S$0.5 million (2020: S$0.5 million).

(iv) The loan to an associate is non-trade, unsecured, with interest rate of 4.85% per annum and repayable on demand.

15. DERIVATIVES

	Contract Notional Amount S$'000	Fair Value Assets S$'000	Fair Value Liabilities S$'000
Group			
2021			
Non-current			
Cash flow hedge			
- Interest rate swaps [Note 21(i)]	**1,008,350**	**-**	**3,392**
- Cross currency interest rate swaps [Note 21(i)]	**39,452**	**-**	**1,243**
- Cross currency swaps	**9,863**	**-**	**55**
Equity option on investment		**200**	**-**
		200	**4,690**
Current			
Cash flow hedge			
- Interest rate swaps [Note 21(i)]	**385,000**	**-**	**926**
- Cross currency interest rate swaps [Note 21(i)]	**39,452**	**-**	**247**
- Cross currency swaps	**9,730**	**-**	**2**
		-	**1,175**
2020			
Non-current			
Cash flow hedge			
- Interest rate swaps [Note 21(i)]	572,190	-	9,127
- Cross currency interest rate swaps [Note 21(i)]	78,904	-	4,402
- Cross currency swaps	19,233	-	404
Equity option on investment		200	-
		200	13,933
Current			
Cash flow hedge			
- Interest rate swaps [Note 21(i)]	45,000	-	680

15. DERIVATIVES (CONT'D)

	Contract Notional Amount S$'000	Fair Value	
		Assets S$'000	Liabilities S$'000
Company			
2021			
Current			
Cash flow hedge			
- Interest rate swaps [Note 21(i)]	**140,000**	**-**	**124**
2020			
Non-current			
Cash flow hedge			
- Interest rate swaps [Note 21(i)]	140,000	-	2,548

16. INVENTORIES

	Group		Company	
	2021 S$'000	2020 S$'000	**2021 S$'000**	2020 S$'000
Raw materials and consumable stores	**1,634**	21,635	**-**	20,114
Allowance for write-down of inventories	**-**	(1,572)	**-**	(1,572)
	1,634	20,063	**-**	18,542

The cost of inventories recognised as an expense and included in materials and production costs in the income statement amounted to S$6.9 million (2020: S$6.3 million).

During the financial year, an allowance for stock obsolescence of S$0.4 million (2020: S$0.2 million) was written back as the stocks were utilised. In addition, inventory amounting to S$10.9 million and its related allowance for stock obsolescence of S$1.2 million were reclassified to assets held for sale following the proposed restructuring of the Media business [Note 18].

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 S$'000	2020 S$'000	**2021 S$'000**	2020 S$'000
Cash held as fixed bank deposits	**304,218**	595,608	**251,107**	551,291
Cash and bank balances	**439,770**	271,041	**244,594**	121,756
	743,988	866,649	**495,701**	673,047
Allowance on cash and cash equivalents	**-**	(1,956)	**-**	(1,956)
	743,988	864,693	**495,701**	671,091

18. DISPOSAL GROUP HELD FOR SALE

On 6 May 2021, the Company entered into a Media Business Restructuring Deed with its wholly-owned subsidiary, SPH Media Holdings Pte. Ltd. ("SPH Media Holdings"). As part of the restructuring, the following will be transferred to SPH Media Holdings and its newly-incorporated subsidiaries after the end of the financial year:

(i) Media assets, employees, and intellectual property rights, and certain obligations and certain liabilities in connection with these assets held by the Company and the following wholly-owned subsidiaries of the Group: (i) SPH Data Services Pte Ltd; (ii) SPH Magazines Pte. Ltd.; (iii) SPH Radio Private Limited; and (iv) Zaobao.com Ltd.;
(ii) Wholly-owned subsidiaries of the Group: (i) New Beginnings Management Consulting (Shanghai) Company Limited; (ii) Singapore Press Holdings (Overseas) Limited; (iii) Straits Digital Innovation Co, Ltd; (iv) SPH (Americas) Pte Ltd; (v) Focus Publishing Ltd; and (vi) Red Anthill Ventures Pte. Ltd.
(iii) Associates, joint venture and investments of the Group: (i) AsiaOne Online Pte. Ltd.; (ii) DC Frontiers Pte. Ltd.; (iii) Target Media Culcreative Pte. Ltd.; and (iv) Singapore Media Exchange Pte. Ltd.; and
(iv) Properties currently held as property, plant and equipment of the Group: News Centre and Print Centre and their related leases.

At an extraordinary general meeting held on 10 September 2021, the shareholders approved the transfer of SPH Media Holdings and its subsidiaries (the "disposal group"), representing the Group's Media business, to a not for profit company limited by guarantee (the "CLG") for a nominal consideration of S$1. The transfer is expected to take place in December 2021.

Following the completion of the transfer, Company shall contribute (i) 6,868,132 SPH ordinary shares currently held as treasury shares, (ii) 23,446,659 SPH REIT units, and (iii) a minimum cash balance of S$80 million (the "Contribution") to the CLG via SPH Media Holdings. Losses of approximately S$115.5 million arising from these additional contributions will be recognised in FY2022 upon completion of the transfer [Note 30].

These financial statements do not reflect the above Contribution, which will be recognised in the income statement upon settlement in the financial year ending 31 August 2022.

Loss on remeasurement of disposal group [Note 30]

Impairment losses of S$98.3 million for write-downs of the disposal group have been included in "loss from discontinued operation" in the income statement. The impairment losses have been applied to reduce the carrying amount of property, plant and equipment, intangible assets, associates, and joint venture, which are within the measurement scope of SFRS(I) 5, to the lower of its carrying amount and its fair value less costs to sell.

Provision for loss on disposal group [Note 30]

A separate provision of S$17 million has been recognised with respect to investments, inventories, cash and cash equivalents, and trade and other receivables, net of trade and other payables, and tax liabilities as these items do not fall within the measurement scope of SFRS(I) 5.

18. DISPOSAL GROUP HELD FOR SALE (CONT'D)

Assets and liabilities of disposal group held for sale

At 31 August 2021, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

		Group		
	Note	Date of Reclassification (6 May 2021)	Write-down of fair value	End of financial year
		S$'000	S$'000	S$'000
Property, plant and equipment#*	7	**121,184**	**(88,324)**	**32,860**
Associates	10	**9,830**	**(9,830)**	**-**
Joint venture	11	**183**	**(183)**	**-**
Intangible assets	13	**-**	**-**	**-**
Investments		**2,540**	**-**	**2,540**
Inventories		**9,736**	**-**	**9,736**
Trade and other receivables		**51,065**	**-**	**51,065**
Cash and cash equivalents		**3,207**	**-**	**3,207**
Assets held for sale		**197,745**	**(98,337)**	**99,408**
Trade and other payables		**49,450**	**-**	**49,450**
Borrowings	21(j)	**31,800**	**-**	**31,800**
Current tax liabilities		**98**	**-**	**98**
Deferred tax liabilities	20(a)	**47**	**-**	**47**
Liabilities associated with the assets held for sale		**81,395**	**-**	**81,395**

Right-of-use assets within property, plant and equipment ceased amortisation at date of reclassification. Lease liabilities within borrowings continued to amortise. A provision of S$0.9 million was made for the excess of carrying amounts of right-of-use assets over the lease liabilities at the end of the financial year.

* *Included an amount of S$1.1 million relating to an overseas office classified as held for sale which does not form part of the assets to be transferred to the CLG.*

Cumulative income or expenses recognised in OCI

There are no cumulative income or expenses included in OCI relating to the disposal group.

19. TRADE AND OTHER PAYABLES

(a) Non-current

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Amount owing to subsidiary [Note 19(a)(i)]	**-**	-	**-**	102
Deposits received	**45,707**	39,451	**-**	-
Deferred income	**15,873**	16,285	**-**	413
	61,580	55,736	**-**	515

(i) As at 31 August 2020, the amount owing to a subsidiary was non-trade, unsecured, interest-free and not repayable within the next 12 months.

(b) Current

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Trade payables – non-related parties	**23,872**	27,555	**2,438**	12,211
Amounts owing to				
- Subsidiaries [Note 19(b)(i)]	**-**	-	**765,519**	694,243
- Associates [Note 19(b)(i)]	**1,340**	1,510	**-**	-
	1,340	1,510	**765,519**	694,243
Accrued expenses	**109,832**	114,058	**49,088**	56,841
Deposits received	**23,209**	39,006	**-**	8,757
Sundry creditors	**74,854**	32,517	**64,101**	4,241
Deferred income	**43,680**	70,894	**-**	21,883
	276,787	285,540	**881,146**	798,176

(i) The amounts owing to subsidiaries and associates are non-trade, unsecured, interest-free and repayable on demand.

20. 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**	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Deferred tax liabilities	**62,696**	42,052	5,168	5,930

Deferred tax taken to equity during the financial year is as follows:

	Group		**Company**	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Hedging reserve	**285**	(247)	**412**	(247)

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 of S$20.7 million (2020: S$18.3 million) and no unrecognised capital allowance (2020: S$33,000) 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.

20. 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	Fair Value Changes	Others	Total
	S$'000	S$'000	S$'000	S$'000
Group				
2021				
Beginning of financial year	**10,379**	**18,778**	**17,417**	**46,574**
Recognised in income statement	**(9,603)**	**28,407**	**818**	**19,622**
Disposal of subsidiaries [Note 32(b)]	**(99)**	**-**	**-**	**(99)**
Reclassified to liabilities associated with assets held for sale [Note 18]	**(57)**	**-**	**-**	**(57)**
Currency translation differences	**(227)**	**129**	**(24)**	**(122)**
End of financial year	**393**	**47,314**	**18,211**	**65,918**
2020				
Beginning of financial year	13,779	4,517	18,773	37,069
Recognised in income statement	(3,391)	13,728	(1,356)	8,981
Currency translation differences	(9)	533	-	524
End of financial year	10,379	18,778	17,417	46,574
Company				
2021				
Beginning of financial year	**8,749**	**-**	**240**	**8,989**
Recognised in income statement	**(2,667)**	**-**	**(191)**	**(2,858)**
End of financial year	**6,082**	**-**	**49**	**6,131**
2020				
Beginning of financial year	9,426	-	16	9,442
Recognised in income statement	(677)	-	224	(453)
End of financial year	8,749	-	240	8,989

Notes to the Financial Statements – 31 August 2021

20. INCOME TAXES (CONT'D)

(a) Deferred taxes (cont'd)

(ii) Deferred tax assets

	Provisions	Fair Value Changes	Total
	S$'000	**S$'000**	**S$'000**
Group			
2021			
Beginning of financial year	**(4,089)**	**(433)**	**(4,522)**
Recognised in income statement	**889**	**2**	**891**
Recognised in equity	**-**	**285**	**285**
Reclassified to liabilities associated with assets held for sale [Note 18]	**10**		**10**
Currency translation differences	**114**	**-**	**114**
End of financial year	**(3,076)**	**(146)**	**(3,222)**
2020			
Beginning of financial year	(2,458)	(180)	(2,638)
Recognised in income statement	(661)	(6)	(667)
Recognised in equity	-	(247)	(247)
Acquisition of subsidiaries [Note 32(a)]	(1,051)	-	(1,051)
Disposal of subsidiaries [Note 32(b)]	79	-	79
Currency translation differences	2	-	2
End of financial year	(4,089)	(433)	(4,522)
Company			
2021			
Beginning of financial year	**(2,626)**	**(433)**	**(3,059)**
Recognised in income statement	**1,684**	**-**	**1,684**
Recognised in equity	**-**	**412**	**412**
End of financial year	**(942)**	**(21)**	**(963)**
2020			
Beginning of financial year	(1,893)	(186)	(2,079)
Recognised in income statement	(733)	-	(733)
Recognised in equity	-	(247)	(247)
End of financial year	(2,626)	(433)	(3,059)

Notes to the Financial Statements – 31 August 2021

20. INCOME TAXES (CONT'D)

(b) Income tax expense

	Group	
	2021	2020
	S$'000	S$'000
		(Restated)
Current year		
- Current tax	**26,860**	18,836
- Deferred tax	**21,490**	8,349
	48,350	27,185
Prior years		
- Current tax	**(369)**	90
- Deferred tax	**(977)**	(35)
	(1,346)	55
	47,004	**27,240**

The income tax expense on profit/(loss) 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	
	2021	2020
	S$'000	S$'000
		(Restated)
Profit/(Loss) before taxation from continuing operations	**325,015**	(73,297)
Tax calculated at corporate tax rate of 17%	**55,253**	(12,460)
Singapore statutory stepped income exemption	**(258)**	(252)
Income taxed at concessionary rate	**(131)**	(123)
Effect of different tax rates in other countries	**8,215**	3,424
Effect of change in tax rate	**18,737**	-
Income not subject to tax	**(31,334)**	(4,891)
Expenses not deductible for tax purposes	**347**	41,274
Others	**(2,479)**	213
(Over)/Under provision in prior years	**(1,346)**	55
Tax charge	**47,004**	27,240

21. BORROWINGS

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Secured				
Term loans [Note 21(a), 21(b) and 21(c)]	**1,970,878**	1,969,721	**-**	-
Bonds [21(d)]	**37,872**	40,452	**-**	-
Unsecured				
Term loan [Note 21(e)]	**140,000**	139,720	**140,000**	139,720
Notes [Note 21(f)]	**498,214**	498,000	**498,214**	498,000
Loans from non-controlling interests [Note 21(g)]	**43,591**	52,839	**-**	-
Other banking facilities [Note 21(h)]	**387,241**	708,839	**387,241**	708,839
Lease liabilities [Note 21(l) and 34]	**30,007**	67,647	**-**	8,342
Intra-group financial guarantee [Note 21(k)]	**-**	-	**5,165**	7,959
	3,107,803	3,477,218	**1,030,620**	1,362,860
Borrowings are repayable:				
Within 1 year	**686,758**	1,286,045	**530,127**	714,448
Between 1 - 5 years	**1,904,760**	1,656,387	**2,279**	150,412
After 5 years	**516,285**	534,786	**498,214**	498,000
	3,107,803	3,477,218	**1,030,620**	1,362,860

(a) As at 31 August 2021, SPH REIT Group had secured term loans of S$995 million (2020: S$995 million) and A$305 million (S$300 million) (2020: A$305 million (S$305.9 million)).

SPH REIT had a secured term loan of S$995 million (2020: S$995 million). As at the reporting date, the loan stated at amortised cost amounted to S$993.7 million (2020: S$993.6 million). The loan has various repayment dates of which S$50 million is repayable in December 2021, S$50 million in March 2022, S$55 million in July 2022, S$50 million in December 2022, S$95 million in July 2023, S$115 million in July 2024, and S$280 million in July 2025, S$215 million is repayable in February 2026, and S$85 million in August 2026.

The term loan taken up by SPH REIT is secured by way of a first legal mortgage on SPH REIT's investment property – Paragon [Note 8], first legal charge over the tenancy account and sales proceeds account for Paragon, and an assignment of certain insurances taken in relation to Paragon.

FHT, a subsidiary of SPH REIT, had a secured term loan of A$105 million (S$103.3 million) (2020: A$105 million (S$105.3 million)). As at the reporting date, the loan stated at amortised cost amounted to S$103.2 million (2020: S$105.1 million). The loan is repayable in December 2022.

The term loan taken by FHT is secured by way of mortgage over the investment property – Figtree [Note 8] and a fixed and floating charge over all assets of FHT and Figtree Trust and the assets of the trustee of each of the Trust.

MST, a subsidiary of SPH REIT, had a secured term loan of A$200 million (S$196.7 million) (2020: A$200 million (S$200.6 million)). As at the reporting date, the loan stated at amortised cost amounted to S$196.2 million (2020: S$199.8 million). The loan has various repayment dates of which A$80 million is repayable in December 2022 and A$120 million in December 2024.

The term loan taken up by MST is secured by way of mortgage over the investment property – Westfield Marion [Note 8], all-asset general security deed over current and future assets of MAAM TT (Marion) Pty Ltd in its own capacity and as trustee for MST and such specified entities constituted to receive income derived from Westfield Marion.

After taking into account fixed interest rates and interest rate swap arrangements totalling S$985.9 million (2020: S$644.5 million), the effective interest rate as at the reporting date on the outstanding term loans of the SPH REIT Group was 1.84% (2020: 2.66%) per annum.

21. BORROWINGS (CONT'D)

(b) TSMPL had a secured term loan of S$300 million (2020: S$300 million). As at the reporting date, the loan stated at amortised cost amounted to S$299.6 million (2020: S$299.9 million). The loan was extended for a further term of 3 years and is repayable in February 2024.

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.

After taking into account interest rate swap arrangement of S$300 million, the effective interest rate on the outstanding term loan was 1.02% (2020: 0.75%) per annum.

(c) SCT had a secured term loan of £205 million (S$379.2 million) (2020: £205 million (S$372.8 million)). As at the reporting date, the loan stated at amortised cost amounted to S$378.2 million (2020: S$371.2 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 21(k)].

After taking into account interest rate swap arrangements totalling £100 million (S$185 million) (2020: £100 million (S$181.9 million)), the effective interest rate as at the reporting date on the outstanding term loan was 1.08% (2020: 1.12%) per annum.

(d) TMK1 and TMK2, subsidiaries of Straits Silver Trust, had issued secured bonds of ¥3.1 billion (S$37.9 million) (2020: ¥3.2 billion (S$41.3 million)). As at the reporting date, the bonds stated at amortised cost amounted to S$37.9 million (2020: S$40.5 million). The bonds have various repayment dates of which ¥2.1 billion is repayable in March 2025 and ¥1.1 billion in August 2025.

The bonds are secured by the statutory general lien under the Japan law. In addition, the bond issued by TMK1 is also secured by way of property mortgages in respect of the 3 properties owned by TMK1 [Note 8].

As at 31 August 2021, the effective interest rates of the bonds issued by TMK1 and TMK2 were 1.6% and 1.58% (2020: 1.6% and 1.55%) per annum respectively.

(e) The Company had an unsecured term loan of S$140 million (2020: S$140 million). As at the reporting date, the loan stated at amortised cost amounted to S$140 million (2020: S$139.7 million). The loan is repayable in September 2021.

After taking into account interest rate swap arrangements totalling S$140 million (2020: S$140 million), the effective interest rate as at the reporting date on the outstanding term loan was 2.63% (2020: 2.63%) per annum.

(f) The Company had issued S$500 million 10-year unsecured Notes ("Notes") due on 22 January 2030. As at the reporting date, the Notes stated at amortised cost amounted to S$498.2 million (2020: S$498 million). Interest at 3.2% per annum is payable semi-annually in arrears. The Notes are listed on the SGX-ST.

21. BORROWINGS (CONT'D)

(g) TSMPL had unsecured loans of S$44.7 million (2020: S$53.7 million) from its non-controlling interest. The loans stated at amortised cost amounted to S$43.6 million (2020: S$52.8 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 21(b)]. The unamortised fair value gain as at the reporting date was S$1.1 million (2020: S$0.9 million).

(h) As at 31 August 2021, the other banking facilities included S$387.2 million (2020: S$708.8 million) [Note 33(b)] of unsecured facilities drawn down by the Company. The amounts drawn have various repayment dates of which S$331.6 million is repayable in November 2021, S$33.4 million in December 2021 and S$22.2 million in February 2022 (2020: S$35.1 million is repayable in September 2020, S$22.7 million in October 2020, S$326 million in February 2021 and S$325 million in April 2021).

(i) In respect of bank borrowings, where appropriate, the Group's policy is to minimise its interest rate risk exposure by entering into interest rate swaps over the duration of its borrowings. Accordingly, the Company, SCT, SPH REIT Group and TSMPL entered into fixed rate loans and/or interest rate swap contracts to swap floating rates for fixed interest rates as part of their interest rate risk management. Under the interest rate swaps, the Company, SCT, SPH REIT Group and TSMPL 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 2021, the fixed interest rates for the Company was 1.84% to 2.05% (2020: 1.84% to 2.05%), SCT was 0.395% to 0.585% (2020: 0.395% to 0.585%), SPH REIT Group was 0.35% to 3.69% (2020: 0.39% to 3.69%), and for TSMPL was 0.47% to 0.49% (2020: nil%) per annum. The floating rates for the Company, SPH REIT Group and TSMPL are referenced to Singapore dollar swap offer rate and repriced every 3 months. The floating rates for SCT are referenced to GBP-LIBOR-BBA ("GBP London Interbank Offered Rate") and are repriced every 3 months.

The notional principal amounts of the outstanding interest rate swap contracts and their corresponding fair values are:

	Group		**Company**	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Notional due:				
Within 1 year	**424,452**	45,000	**140,000**	-
Between 1 - 5 years	**1,047,802**	651,094	**-**	140,000
Fair values	**(5,900)**	(12,919)	**(124)**	(2,548)

21. BORROWINGS (CONT'D)

(j) Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Borrowings	
	2021	2020
	S$'000	S$'000
Group		
Beginning of financial year	**3,477,218**	2,057,009
Financing cash flows		
Proceeds from borrowings	**197,340**	2,472,754
Repayment of borrowings	**(529,487)**	(1,187,968)
Payment of lease liabilities	**(11,936)**	(15,432)
	(344,083)	1,269,354
Non-cash changes		
Amortisation of transaction costs	**2,004**	2,243
Fair value gain on interest-free loans	**(1,076)**	-
Amortisation of fair value gain on interest-free loans	**829**	1,163
Amortisation of lease liabilities	**2,137**	3,145
Recognition of lease liabilities	**4,634**	109,537
Derecognition of lease liabilities	**(690)**	(29,624)
Reclassification to assets held for sale [Note 18]	**(31,800)**	-
Currency translation differences	**(1,370)**	64,391
	(25,332)	150,855
End of financial year	**3,107,803**	3,477,218

(k) Intra-group financial guarantee comprises a guarantee given by the Company to certain banks in respect of a term loan amounting to £205 million (2020: £205 million) [Note 21(c) and 33(b)] granted to a wholly-owned subsidiary, SCT. The guarantee expires on 18 June 2023. The Company does not consider it probable that a claim will be made against the Company under the guarantee. As at 31 August 2021, the carrying amount represented the initial fair value of the differential in interest rates that will be charged by the bank with and without the guarantee, less the cumulative amount of income earned by the Company from SCT for providing the guarantee.

(l) The Group's lease liabilities were discounted at borrowing rates ranging from 1.05% to 5.63% (2020: 2.13% to 5.63%) and of varying maturities between 1 year and 116 years (2020: 1 year and 117 years). In the previous financial year, the Company's lease liabilities were discounted at borrowing rates ranging from 2.13% to 3.13% and of varying maturities between 1 year and 5 years.

22. CAPITAL AND OTHER COMMITMENTS

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Authorised and contracted for				
- Property, plant and equipment	**7,882**	4,830	**7,851**	4,825
- Investment properties	**3,932**	5,912	**-**	-
- Investments	**133,508**	143,209	**-**	-
	145,322	153,951	**7,851**	4,825

Above excluded S$115.5 million of contributions relating to the restructuring of the Media business [Note 30].

23. OPERATING REVENUE

	Group	
	2021	2020
	S$'000	S$'000
		(Restated)
Continuing operations		
Retail & Commercial		
Rental and rental-related services	**306,501**	267,762
PBSA		
Rental and rental-related services	**77,970**	58,430
Others		
Sale of services – Advertisements	**23,392**	19,664
Sale of services – Multimedia, aged care and other services	**34,961**	48,010
Sale of goods – Aged care	**2,380**	24,536
Rental and rental-related services	**4,722**	2,115
	65,455	94,325
	449,926	420,517
Discontinued operation		
Media		
Sale of services – Advertisements	**229,960**	267,586
Sale of goods – Circulation	**122,998**	140,189
Others	**22,815**	37,370
	375,773	445,145

<u>Timing of revenue recognition</u>

Continuing operations		
Products transferred at a point in time		
- Others	**29,120**	60,975
Products and services transferred over time		
- Retail & Commercial	**306,501**	267,762
- PBSA	**77,970**	58,430
- Others	**36,335**	33,350
	420,806	359,542
	449,926	420,517
Discontinued operation		
Products transferred at a point in time		
- Media	**375,773**	445,145

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.

24. GOVERNMENT GRANTS

The Group has been awarded certain government grants and has recognised grant income of S$26.7 million (2020: S$68.5 million), of which S$19 million (2020: S$31.9 million) pertained to the discontinued operation. The grant income relates mainly to the Jobs Support Scheme and property tax rebates. The corresponding expenses are recognised in staff costs and premises costs respectively. As at 31 August 2021, there were no grant receivables recognised in Trade and other receivables (2020: S$20.7 million) and deferred income for grant liabilities in Trade and other payables (2020: S$17.5 million).

25. STAFF COSTS

	Group	
	2021	2020
	S$'000	S$'000 (Restated)
Salaries, bonuses and other costs	**57,289**	58,778
Employers' contribution to defined contribution plans	**4,391**	5,290
Share-based compensation expense	**34**	37
	61,714	64,105

26. OTHER OPERATING EXPENSES

	Group	
	2021	2020
	S$'000	S$'000 (Restated)
Included in other operating expenses are:		
Audit fees#		
- Company's auditors	**1,436**	1,218
- Other auditors	**902**	774
Non-audit fees#		
- Company's auditors	**85**	320
Net foreign exchange differences from operations	**(2,329)**	(2,076)
Bad debts recovery	**(11)**	(1)
Impairment of property, plant and equipment	**199**	83
Loss on disposal of property, plant and equipment	**5**	253
Amortisation of intangible assets	**4,828**	7,675

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. Above excluded audit fees for discontinued operations comprising of S$0.5 million (2020: S$0.5 million) payable to company's auditors and S$0.08 million (2020: S$0.1 million) to other auditors.

27. FINANCE COSTS

	Group	
	2021	2020
	S$'000	S$'000
		(Restated)
Interest expense		
- Bank loans	**37,965**	48,564
- Loans from non-controlling interest	**829**	1,163
- Notes and bonds	**16,417**	9,964
- Lease liabilities	**1,047**	1,100
Cash flow hedges, reclassified from hedging reserve^	**1,647**	2,229
	57,905	63,020

^ *In relation to interest rate swap arrangements in Note 21(i).*

28. NET INCOME FROM INVESTMENTS

	Group	
	2021	2020
	S$'000	S$'000
		(Restated)
Financial assets at FVOCI		
Interest income	**1,933**	687
Dividend income	**24,082**	5,264
Net foreign exchange differences	**99**	(224)
	26,114	5,727
Financial assets at FVTPL		
Net fair value changes on investments	**5,956**	7,406
Deposits with financial institutions		
Interest income	**3,491**	4,320
Net foreign exchange differences	**31**	(71)
	3,522	4,249
	35,592	17,382

29. DIVIDENDS AND DISTRIBUTIONS

(a) Dividends

	Company	
	2021	2020
	S$'000	S$'000
Tax-exempt dividends paid:		
- Final dividend of 1 cent per share in respect of previous financial year (2020: 5.5 cents per share)	**16,069**	88,601
- Special final dividend of Nil cent per share in respect of previous financial year (2020: 1 cent per share)	**-**	16,109
- Interim dividend of 3 cents per share (2020: 1.5 cents per share)	**48,237**	24,132
	64,306	128,842

The Directors have proposed a final dividend of 3 cents per share for the financial year, amounting to a total of S$48.2 million. This dividend is tax-exempt.

These financial statements do not reflect the proposed dividend, which will be accounted for in shareholders' interests as an appropriation of retained profit in the financial year ending 31 August 2022 when they are approved at the next annual general meeting.

(b) Distributions

	Company	
	2021	2020
	S$'000	S$'000
Distributions attributable to perpetual securities holders:		
- 4.5% S$150 million	**6,750**	6,670
- 4.0% S$300 million	**12,000**	9,668
	18,750	16,338

30. DISCONTINUED OPERATION

The Company entered into a Media Business Restructuring Deed on 6 May 2021 and shareholders' approvals have been obtained on 10 September 2021 to transfer the Group's Media business to the CLG [Note 18]. Consequently, the results of the Group's Media business are reported in the current period as a discontinued operation and the comparative income statement has been re-presented to show the discontinued operation separately from continuing operations.

Financial information relating to the discontinued operation for the year is set out below.

	Group	
	2021	2020
	S$'000	S$'000
Results of discontinued operation		
Total Revenue*	**407,673**	494,047
Elimination of inter-segment revenue	**(3,014)**	(3,551)
External revenue	**404,659**	490,496
Total Costs	**(419,394)**	(504,924)
Elimination of costs related to inter-segment sales	**992**	2,939
External costs	**(418,402)**	(501,985)
Share of results from associates and joint ventures	**693**	(476)
Results from operating activities	**(13,050)**	(11,965)
Results from operating activities	**(13,050)**	(11,965)
Loss on remeasurement of disposal group [Note 18]	**(98,337)**	-
Provision for loss on disposal group [Note 18]	**(16,953)**	-
Loss from discontinued operation	**(128,340)**	(11,965)
Basic earnings (loss) per share (dollars)	**(0.08)**	(0.01)
Diluted earnings (loss) per share (dollars)	**(0.08)**	(0.01)

** Total revenue included operating revenue of S$375.8 million (2020: S$445.1 million) [Note 23].*

The loss from discontinued operation of S$128.3 million (2020: loss of S$12 million) is attributable entirely to the owners of the Company (2020: S$10.8 million attributable to the owners of the Company). Of the profit from continuing operations of S$278 million (2020: loss of S$100.5 million), an amount of S$221.3 million is attributable to the owners of the Company (2020: loss of S$72.9 million).

The loss on remeasurement of disposal group and provision for loss on disposal group will be adjusted in the income statement for financial year ending 31 August 2022 ("FY2022") based on the net asset value of the Media business on the completion date of the transfer. Further losses of approximately S$115.5 million arising from the additional contribution of S$80 million cash, SPH REIT units and SPH ordinary shares to assist with the operation and maintenance of the restructured Media business will be recognised in FY2022 upon completion of the transfer.

	Group	
	2021	2020
	S$'000	S$'000
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	**17,043**	25,121
Net cash used in investing activities	**(8,532)**	(7,726)
Net cash used in financing activities	**(6,790)**	(11,052)
Net cash flows for the year	**1,721**	6,343

31. EARNINGS/(LOSS) PER SHARE

	Group			
	2021		2020	
	Basic	**Diluted**	Basic	Diluted
	S$'000	**S$'000**	S$'000 (Restated)	S$'000 (Restated)
Continuing operations				
Profit/(Loss) for the year, attributable to shareholders of the Company	**221,282**	**221,282**	(72,912)	(72,912)
Distribution for perpetual securities	**(26,901)**	**(26,901)**	(24,502)	(24,502)
	194,381	**194,381**	(97,414)	(97,414)
Discontinued operation				
Loss for the year, attributable to shareholders of the Company	**(128,340)**	**(128,340)**	(10,764)	(10,764)
Profit/(Loss) attributable to shareholders of the Company	**66,041**	**66,041**	(108,178)	(108,178)

	Number of Shares		Number of Shares	
	'000	**'000**	'000	'000
Weighted average number of shares	**1,607,559**	**1,607,559**	1,609,414	1,609,414
Adjustment for assumed conversion of performance shares	**-**	**10,202**	-	7,321
Weighted average number of shares used to compute earnings per share	**1,607,559**	**1,617,761**	1,609,414	1,616,735

	Basic	**Diluted**	Basic	Diluted
Earnings/(Loss) per share (S$)				
– Continuing operations	**0.12**	**0.12**	(0.06)	(0.06)
– Discontinued operation	**(0.08)**	**(0.08)**	(0.01)	(0.01)
	0.04	**0.04**	(0.07)	(0.07)

32. ACQUISITION/DISPOSAL OF SUBSIDIARIES/BUSINESSES

(a) Acquisition of subsidiaries

	Group At fair values
	2020 S$'000
Identifiable assets and liabilities	
Property, plant and equipment [Note 7(a)]	311
Investment properties [Note 8]	730,461
Intangible assets (excluding goodwill) [Note 13(b)]	15,189
Current assets (including cash)	41,714
Deferred tax assets [Note 20(a)(ii)]	1,051
Current liabilities	(278,943)
Identifiable net assets acquired	509,783
Repayment of loans of the acquired subsidiaries	233,834
Total purchase consideration	743,617
Less: Cash and cash equivalents in subsidiaries acquired	(23,188)
Net cash outflow on acquisition of subsidiaries	720,429

2020

Student Castle Investments Holdco Limited group of companies ("SCIH group")

On 20 December 2019, the Group acquired all shares in SCIH group in the United Kingdom. SCIH group has a PBSA portfolio that spans 7 cities in the United Kingdom and has a total capacity of 2,383 beds.

The total consideration for the acquisition was S$743.6 million. The Group had recognised intangible assets of S$15.2 million with the completion of the purchase price allocation exercise.

The acquired business contributed revenue of S$17.5 million and recognised a net loss of S$2.7 million, including an impairment charge of S$5.4 million on an intangible asset [Note 13(b)], for the period 20 December 2019 to 31 August 2020. If the acquisition had occurred on 1 September 2019, Group operating revenue and net loss would have increased by an additional S$8.5 million and S$0.4 million respectively.

The acquisition was accounted for as an asset acquisition as the Group has elected to early adopt the Amendments to SFRS(I) 3 *Definition of a Business*. Based on the concentration test, substantially all of the fair values of the gross assets is concentrated in investment properties. As such, the acquisition was accounted for as an acquisition of assets.

Deferred tax liabilities relate to temporary differences recognised on the Group's investment properties. Under SFRS(I) 1-12 *Income taxes*, deferred tax is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit or loss. This acquisition was accounted for as an acquisition of assets and not a business combination, and neither affected accounting or taxable profit at the point of acquisition. Accordingly, the initial recognition exemption in SFRS(I) 1-12 applies. As at 31 August 2020, the Group has not recognised deferred tax liabilities of S$53.5 million (£29.4 million) relating to temporary differences on the initial recognition of assets and liabilities of the subsidiaries acquired.

32. ACQUISITION/DISPOSAL OF SUBSIDIARIES/BUSINESSES (CONT'D)

(b) Disposal of subsidiaries

	Group At fair values	
	2021 S$'000	2020 S$'000
Identifiable assets and liabilities		
Property, plant and equipment [Note 7(a) and 7(b)]	**294**	3,142
Intangible assets (including goodwill) [Note 13]	**7,369**	-
Non-current assets	**6**	2,213
Current assets (including cash)	**11,554**	5,861
Deferred tax (liabilities)/assets [Note 20(a)(i) and 20(a)(ii)]	**(99)**	79
Non-current liabilities	**(7)**	(2,408)
Current liabilities	**(9,551)**	(5,119)
Net assets derecognised	**9,566**	3,768
Non-controlling interests	**148**	1,739
Currency translation reserve	**(99)**	-
Gain/(Loss) on disposal	**12,762**	(98)
Total sale consideration	**22,377**	5,409
Less: Cash and cash equivalents in subsidiaries disposed	**(4,283)**	(2,008)
Less: Consideration satisfied in form of shares received	**(19,377)**	-
Net cash (ouflow)/inflow	**(1,283)**	3,401

2021

Sphere Exhibits Pte Ltd group of companies ("Sphere group")

On 1 February 2021, SPH AlphaOne Pte Ltd ("SPH AlphaOne") entered into an investor subscription agreement (the "ISA") with Constellar Holdings Pte Ltd (formerly known as SingEx-Sphere Holdings Pte Ltd) ("Constellar"). Pursuant to the terms of the ISA, SPH AlphaOne will transfer 100% of its shareholding in Sphere group to Constellar in consideration for the issuance of new shares representing 40% stake in Constellar [Note 10]. The transaction was completed on 18 February 2021.

OctoRocket Pte Ltd ("OctoRocket")

On 29 Jan 2021, SPH Interactive Pte Ltd completed the divestment of its entire 70% stake in OctoRocket and received shares of Qoo10 as consideration.

StreetSine Singapore Pte Ltd ("StreetSine")

On 1 December 2020, the Group's stake in StreetSine was divested.

Fastco Pte Ltd group of companies ("Fastco group")

During the financial year, the Group's 75% interest in Fastco group was diluted to 49.2% arising from a fundraising exercise. Consequently, Fastco group was accounted for as an associate of the Group [Note 10].

32. ACQUISITION/DISPOSAL OF SUBSIDIARIES/BUSINESSES (CONT'D)

(b) Disposal of subsidiaries (cont'd)

2020

Buzz Shop Pte. Ltd. (f.k.a. SPH Buzz Pte. Ltd.) ("Buzz")

On 1 July 2020, the Group completed the divestment of its entire stake in Buzz for a consideration of S$5.2 million.

Blu Inc Media Holdings (Malaysia) Sdn. Bhd. group of companies ("BIMH M'sia group")

On 27 August 2020, the Group completed the divestment of its entire stake in BIMH M'sia group for a consideration of S$0.2 million.

33. 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 in accordance with policies approved by the Board. Treasury department analyses its investment portfolio and works closely with business units to identify, evaluate and hedge financial risks where appropriate. Guidelines for authority levels and exposure limits are in place to prevent unauthorised transactions. The Board is regularly updated on the Group's financial investments and hedging activities.

The policies for managing these risks are summarised below.

(a) Market risk

(i) Currency risk

The Group has investments in foreign subsidiaries, associates and joint ventures, whose net assets are exposed to currency translation risk. The currency risk of the Group also arises from its operational purchases of raw materials, capital expenditure and foreign currency investments. The Group enters into foreign exchange forward contracts and cross currency swaps to hedge against its currency risk, where appropriate.

The Group has GBP and EUR denominated bank loans (S$709.8 million and S$22.2 million) which mitigate its currency risk from the PBSA portfolio in UK and Germany respectively. In addition, the Group has AUD denominated bank loans (S$299.4 million) and AUD cross currency swaps (S$98.1 million) to hedge against the currency risk arising from its Australia assets. The Group also has JPY denominated bank loans (S$33.5 million) and issued JPY denominated bonds (S$37.9 million) to minimise its currency risk from the Japan aged care assets.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

Excluding the GBP, AUD, JPY and EUR denominated borrowings and AUD cross currency swaps, the Group's currency exposure on its monetary financial assets and liabilities based on the information provided to key management is as follows:

	SGD	USD	GBP	AUD	Others	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
2021						
Assets						
Investments	23,000	-	-	-	-	23,000
Trade and other receivables	289,641	1,067	12,207	2,479	-	305,394
Cash and cash equivalents	602,037	18,338	56,356	59,486	7,771	743,988
	914,678	19,405	68,563	61,965	7,771	1,072,382
Liabilities						
Trade and other payables	(239,435)	(699)	(22,997)	(12,805)	(2,878)	(278,814)
Borrowings	(2,004,177)	-	(687)	-	(279)	(2,005,143)
	(2,243,612)	(699)	(23,684)	(12,805)	(3,157)	(2,283,957)
Net (liabilities)/assets	(1,328,934)	18,706	44,879	49,160	4,614	(1,211,575)
Less: Net liabilities/(assets) denominated in the respective entities' functional currencies	1,328,934	(1)	(42,689)	(49,106)	(5,209)	1,231,929
Less: Firm commitments in foreign currencies	-	(771)	-	-	(960)	(1,731)
Currency exposure	-	17,934	2,190	54	(1,555)	18,623

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	SGD	USD	GBP	AUD	Others	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
2020						
Assets						
Investments	25,000	-	-	-	-	25,000
Trade and other receivables	327,483	3,973	16,982	8,019	121	356,578
Cash and cash equivalents	797,540	1,829	26,390	30,039	8,895	864,693
	1,150,023	5,802	43,372	38,058	9,016	1,246,271
Liabilities						
Trade and other payables	(194,615)	(6,698)	(29,438)	(13,702)	(4,509)	(248,962)
Borrowings	(2,375,141)	(78)	(676)	-	(834)	(2,376,729)
	(2,569,756)	(6,776)	(30,114)	(13,702)	(5,343)	(2,625,691)
Net (liabilities)/assets	(1,419,733)	(974)	13,258	24,356	3,673	(1,379,420)
Less: Net liabilities/(assets) denominated in the respective entities' functional currencies	1,419,733	262	(14,054)	(23,581)	(3,191)	1,379,169
Less: Firm commitments in foreign currencies	-	(652)	-	-	-	(652)
Currency exposure	-	(1,364)	(796)	775	482	(903)

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	SGD	USD	GBP	Others	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Company					
2021					
Assets					
Trade and other receivables	**3,109,842**	**1,198**	**513,699**	**55,954**	**3,680,693**
Cash and cash equivalents	**477,463**	**17,983**	**4**	**251**	**495,701**
	3,587,305	**19,181**	**513,703**	**56,205**	**4,176,394**
Liabilities					
Trade and other payables	**(881,146)**	**-**	**-**	**-**	**(881,146)**
Borrowings	**(638,214)**	**-**	**(336,741)**	**(55,665)**	**(1,030,620)**
	(1,519,360)	**-**	**(336,741)**	**(55,665)**	**(1,911,766)**
Net assets	**2,067,945**	**19,181**	**176,962**	**540**	**2,264,628**
Less: Net assets denominated in the Company's functional currency	**(2,067,945)**	**-**	**-**	**-**	**(2,067,945)**
Less: Firm commitments in foreign currencies	**-**	**(771)**	**-**	**(960)**	**(1,731)**
Currency exposure	**-**	**18,410**	**176,962***	**(420)**	**194,952**
2020					
Assets					
Trade and other receivables	3,043,155	1,222	503,472	58,138	3,605,987
Cash and cash equivalents	669,542	1,066	189	294	671,091
	3,712,697	2,288	503,661	58,432	4,277,078
Liabilities					
Trade and other payables	(769,516)	(6,748)	(51)	(80)	(776,395)
Borrowings	(971,061)	-	(333,943)	(57,856)	(1,362,860)
	(1,740,577)	(6,748)	(333,994)	(57,936)	(2,139,255)
Net assets/(liabilities)	1,972,120	(4,460)	169,667	496	2,137,823
Less: Net assets denominated in the Company's functional currency	(1,972,120)	-	-	-	(1,972,120)
Less: Firm commitments in foreign currencies	-	(652)	-	-	(652)
Currency exposure	-	(5,112)	169,667*	496	165,051

* *This amount represents loan to a subsidiary.*

33. 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% (2020: 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.

	2021		2020	
	Profit after tax	**Other comprehensive income**	Profit after tax	Other comprehensive income
	S$'000	**S$'000**	S$'000	S$'000
Group				
USD against SGD				
- strengthened	**744**	**-**	(57)	-
- weakened	**(744)**	**-**	57	-
GBP against SGD				
- strengthened	**91**	**-**	(33)	-
- weakened	**(91)**	**-**	33	-
AUD against SGD				
- strengthened	**2**	**-**	32	-
- weakened	**(2)**	**-**	(32)	-
Company				
USD against SGD				
- strengthened	**764**	**-**	(212)	-
- weakened	**(764)**	**-**	212	-
GBP against SGD				
- strengthened	**7,344**	**-**	7,041	-
- weakened	**(7,344)**	**-**	(7,041)	-

(ii) Price risk

The Group is exposed to securities price risk arising from its investments which are classified either as FVOCI or FVTPL. To manage the price risk arising from its investments, the Group diversifies its portfolio across different markets and industries, where appropriate.

A change of 20% (2020: 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.

	2021		2020	
	Profit after tax	**Other comprehensive income**	Profit after tax	Other comprehensive income
	S$'000	**S$'000**	S$'000	S$'000
Group				
Investments				
- prices increase	**910**	**126,537**	1,610	78,103
- prices decrease	**(910)**	**(126,537)**	(1,610)	(78,103)

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(iii) Interest rate risk

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. The Group anticipates that IBOR reform will impact its risk management and hedge accounting.

The Group monitors and manages the transition to alternative rates. The Group evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

Derivatives

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SOR and LIBOR. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements. ISDA is currently reviewing its standardised contracts in the light of IBOR reform. When ISDA has completed its review, the Group expects to negotiate the inclusion of new fall-back clauses with its derivative counterparties. No derivative instruments have been modified as at 31 August 2021.

Hedge accounting

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at 31 August 2021. The Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rates which are SOR and LIBOR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with its counterparties as usual.

The Group's SOR and LIBOR cash flow hedging relationships extend beyond the anticipated cessation date for IBOR. However, there is uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. Such uncertainty may impact the hedging relationship. The Group applies the amendments to SFRS(I) 9 issued in December 2019 to those hedging relationships directly affected by IBOR reform.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to SGD SOR and GBP LIBOR using available quoted market rates for SOR-based and LIBOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in SOR and LIBOR on a similar basis.

The Group's exposure to SGD SOR and GBP LIBOR designated in hedging relationships is S$1,373.9 million nominal amount at 31 August 2021, representing both the nominal amount of the hedging interest rate swap and the principal amount of the Group's hedged SGD-denominated and GBP-denominated bank loan liabilities maturing in 2022 to 2023.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(iii) Interest rate risk (cont'd)

Managing interest rate benchmark reform and associated risks (cont'd)

The Group is actively engaging with lenders to include appropriate fall-back provisions in its floating-rate liabilities. We expect that the hedging instrument will be modified as outlined under 'Derivatives' above.

Exposure to interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has cash balances placed with reputable banks and financial institutions, and investments in bonds and government-related securities, which generate interest income for the Group. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

The Group's debt comprises mainly bank borrowings taken up by the Company and its subsidiaries to finance the acquisitions of investment properties and investments in joint ventures. Where appropriate, the Group seeks to minimise its cash flow interest rate risk exposure by entering into interest rate swap contract to swap floating interest rate for fixed interest rate over the duration of its borrowings.

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in GBP and SGD.

A change of 0.25% (2020: 0.25%) in interest rate at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2021		2020	
	Profit after tax	**Other comprehensive income**	Profit after tax	Other comprehensive income
	S$'000	**S$'000**	S$'000	S$'000
Group				
Borrowings				
- interest rates increase	**(1,355)**	**-**	(2,845)	-
- interest rates decrease	**1,355**	**-**	2,845	-
Interest rate swaps				
- interest rates increase	**-**	**4,300**	-	3,520
- interest rates decrease	**-**	**(4,353)**	-	(3,569)

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(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, with no allowance made (2020: An allowance of S$2 million was made) on bank deposits. Bank deposits are placed with reputable banks and financial institutions. The Group's bond portfolio included investment grade securities. In addition, the Company is the primary obligor for unsecured composite advance facilities which could be utilised by the Company and its designated subsidiaries. The amounts utilised by the Company as at 31 August 2021 was S$387.2 million (2020: S$708.8 million) [Note 21(h)]. At 31 August 2021, the Company has issued a guarantee to certain banks in respect of a term loan granted to a wholly-owned subsidiary [Note 21(k)]. The Group's policy is to provide financial guarantees only for wholly-owned subsidiaries' liabilities.

For trade receivables, the Group manages its credit risk through the application of credit approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains collateral in the form of deposits, bankers'/insurance guarantees from its customers, and imposes cash terms and/or advance payments from customers of lower credit standing. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. As such, management has determined the credit quality of the customers to be of acceptable risk. Trade receivables that are neither past due nor impaired are substantially due from companies with a good collection track record with the Group.

(i) Trade receivables

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
By types of customers				
Advertisement	**-**	31,332	**-**	30,076
Circulation	**-**	14,101	**-**	14,101
Multimedia	**5,466**	4,848	**-**	-
Rental	**15,651**	24,532	**-**	-
Others	**-**	2,422	**-**	1,172
	21,117	77,235	**-**	45,349

As at 31 August 2021, 67% (2020: 50% – 75%) of the trade receivables were backed by bankers'/insurance guarantees and/or deposits from customers.

The Group and Company have trade receivables of S$14 million (2020: S$67.5 million) and nil balance (2020: S$44.7 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.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

(i) Trade receivables (cont'd)

Loss rates are based on actual credit loss experience over the past 10 years. These rates are multiplied by scalar factors, when material, 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.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	Weighted average loss rate %	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000	Credit Impaired
Group					
2021					
Not past due	**2.37**	**9,728**	**(231)**	**9,497**	**No**
Past due 1 to 30 days	**13.06**	**5,223**	**(682)**	**4,541**	**No**
Past due 31 to 60 days	**1.51**	**3,313**	**(50)**	**3,263**	**No**
Past due 61 to 90 days	**3.36**	**2,440**	**(82)**	**2,358**	**No**
Past due 91 to 120 days	**85.35**	**9,952**	**(8,494)**	**1,458**	**Yes**
	31.12	**30,656**	**(9,539)**	**21,117**	
2020					
Not past due	1.24	47,308	(585)	46,723	No
Past due 1 to 30 days	4.66	15,615	(727)	14,888	No
Past due 31 to 60 days	14.03	3,393	(476)	2,917	No
Past due 61 to 90 days	8.28	8,081	(669)	7,412	No
Past due 91 to 120 days	67.32	16,204	(10,909)	5,295	Yes
	14.75	90,601	(13,366)	77,235	
Company					
2020					
Not past due	1.48	34,347	(509)	33,838	No
Past due 1 to 30 days	5.55	5,240	(291)	4,949	No
Past due 31 to 60 days	6.75	2,118	(143)	1,975	No
Past due 61 to 90 days	10.37	887	(92)	795	No
Past due 91 to 120 days	31.49	5,535	(1,743)	3,792	Yes
	5.77	48,127	(2,778)	45,349	

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

(i) Trade receivables (cont'd)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Company	
	2021	2020	**2021**	2020
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**13,366**	4,468	**2,778**	1,850
Allowance made/ (Write-back) of allowance	**1,837**	9,844	**(25)**	1,340
Allowance utilised	**(3,595)**	(897)	**(797)**	(412)
Disposal of subsidiaries [Note 32(b)]	**(120)**	(451)	**-**	-
Amount derecognised due to discontinued operation	**(2,006)**	-	**(1,956)**	-
Currency translation difference	**57**	402	**-**	-
End of financial year	**9,539**	13,366	**-**	2,778

(ii) Non-trade amounts due from subsidiaries

The Company had non-trade amount owing by subsidiaries of S$1,843.4 million (2020: S$1,699.5 million) and loans to subsidiaries of S$1,836.1 million (2020: S$1,855.7 million). These balances are mainly amounts lent to subsidiaries to satisfy short term funding requirements and investing activities. The Company uses an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. 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$21.8 million (2020: S$19.4 million) [Note 14(a) and 14(b)].

33. 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	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	S$'000	S$'000	S$'000	S$'000
Group				
At 31 August 2021				
Net-settled interest rate swaps	**(5,062)**	**(1,221)**	**(217)**	**-**
Gross-settled cross currency swaps				
- Receipts	**49,353**	**49,439**	**-**	**-**
- Payments	**(50,494)**	**(49,605)**	**-**	**-**
Trade and other payables	**(233,107)**	**(16,736)**	**(27,178)**	**(1,793)**
Borrowings	**(724,131)**	**(742,156)**	**(1,257,869)**	**(554,312)**
	(963,441)	**(760,279)**	**(1,285,264)**	**(556,105)**
At 31 August 2020				
Net-settled interest rate swaps	(5,430)	(3,394)	(1,764)	-
Gross-settled cross currency swaps				
- Receipts	741	49,313	49,430	-
- Payments	(2,794)	(51,510)	(50,596)	-
Trade and other payables	(209,511)	(13,702)	(23,564)	(2,185)
Borrowings	(1,330,972)	(420,835)	(1,329,035)	(570,312)
	(1,547,966)	(440,128)	(1,355,529)	(572,497)

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	S$'000	**S$'000**	**S$'000**	**S$'000**
Company				
At 31 August 2021				
Net-settled interest rate swaps	**(18)**	**-**	**-**	**-**
Trade and other payables	**(881,146)**	**-**	**-**	**-**
Borrowings	**(546,841)**	**(18,279)**	**(48,044)**	**(554,312)**
	(1,428,005)	**(18,279)**	**(48,044)**	**(554,312)**
At 31 August 2020				
Net-settled interest rate swaps	(135)	(22)	-	-
Trade and other payables	(776,293)	(102)	-	-
Borrowings	(735,767)	(159,038)	(50,285)	(570,312)
	(1,512,195)	(159,162)	(50,285)	(570,312)

As at 31 August 2021, the Company has issued a guarantee to certain banks in respect of a £205 million (2020: £205 million) term loan granted to Straits Capitol Trust, and the loan is secured against the PBSA portfolio [Note 21(c)].

(d) Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The total capital of the Group and the Company is represented by the respective "Shareholders' interests" as presented on the statements of financial position.

Management uses the "Return on Shareholders' Funds" as a measure of efficiency in managing capital. The "Return on Shareholders' Funds" is calculated as profit attributable to shareholders less distribution for perpetual securities, divided by shareholders' interests. The "Return on Shareholders' Funds" was 1.8% per annum for the financial year ended 31 August 2021 (2020: -3.3% per annum) and is in line with the Group's objectives. The "Return on Shareholders' Funds" for the last 5 years was between -3.3% and 10%.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) Inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	S$'000	S$'000	S$'000	S$'000
Group				
2021				
Assets				
Investment properties	**-**	**-**	**6,519,263**	**6,519,263**
Financial assets at FVTPL	**-**	**336**	**27,214**	**27,550**
Financial assets at FVOCI	**408,865**	**83,086**	**140,734**	**632,685**
Derivatives	**-**	**-**	**200**	**200**
	408,865	**83,422**	**6,687,411**	**7,179,698**
Liabilities				
Derivatives	**-**	**(5,865)**	**-**	**(5,865)**
2020				
Assets				
Investment properties	-	-	6,420,294	6,420,294
Financial assets at FVTPL	-	24,016	9,034	33,050
Financial assets at FVOCI	176,961	47,445	166,108	390,514
Derivatives	-	-	200	200
	176,961	71,461	6,595,636	6,844,058
Liabilities				
Derivatives	-	(14,613)	-	(14,613)

Except for the above, the fair values of other financial assets and liabilities approximate their carrying amounts.

The assessment of the fair value of unquoted financial instruments is performed on a half-yearly 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.

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

The fair value of investment properties and FVOCI financial assets included in Level 3 is determined as follows:

Description	Valuation technique(s)	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment properties			
Completed - Retail, commercial and residential	Capitalisation approach	- Capitalisation rate: 3.5% to 6.0% (2020: 3.6% to 6.3%)	The estimated fair value varies inversely with the capitalisation rate.
	Discounted cashflow approach	- Discount rate: 3.9% to 10.2% (2020: 3.9% to 9.7%) - Terminal yield rate: 3.7% to 7% (2020: 3.8% to 7%)	The estimated fair value varies inversely with the discount rate and terminal yield rate.
	Comparable sales method	- Comparable sales prices[+]: S$1,200 psf to S$4,291 psf (2020: S$1,146 psf to S$2,624 psf)	The estimated fair value varies with the adjusted comparable sales prices.
Financial assets at FVOCI			
Equities	Net tangible assets	- Net tangible assets[1]	N.A.
	Derived from funding exercise	- Derived from funding exercise[2]	N.A.
Bonds	Net asset value	- Net asset value[3]	N.A.
Investment funds	Net asset value	- Net asset value[3]	N.A.

\+ *Comparable sales prices have been adjusted by the size, tenure, location, age and condition and development of the comparable properties to arrive at the fair value of the investment properties held by the Group.*

1 *Fair value of certain unquoted equities is determined by reference to the underlying net tangible assets of the investee companies.*

2 *Fair value of certain unquoted equities for which the underlying companies are performing to market expectations is estimated to be equivalent to their recent cost of acquisition or value achieved during funding exercises.*

3 *Fair value of unquoted bonds and unquoted investment funds is determined by reference to the underlying asset value of the investee companies, which comprise mainly investment properties at fair value or portfolio investments at fair value.*

N.A. Not applicable

33. 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			
	Investment properties	**Bonds**	**Investment funds**	**Equities**	**Bonds**	**Investment funds**	**Derivatives**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Group							
2021							
Beginning of financial year	**6,420,294**	**9,034**	**-**	**80,225**	**-**	**85,883**	**200**
Additions	**28,563**	**-**	**-**	**783**	**-**	**8,129**	**-**
Disposals	**-**	**(8,786)**	**-**	**(1,203)**	**-**	**(46,841)**	**-**
Gains recognised in income statement	**66,585**	**5,826**	**-**	**-**	**-**	**-**	**-**
Gains recognised in other comprehensive income	**3,821**	**-**	**-**	**1,873**	**-**	**(13,995)**	**-**
Reclassification to assets held for sale [Note 18]	**-**	**(2,540)**	**-**	**-**	**-**	**-**	**-**
Transferred from Level 2	**-**	**23,680**	**-**	**14,307**	**-**	**32,313**	**-**
Transferred to Level 2	**-**	**-**	**-**	**(510)**	**-**	**(20,230)**	**-**
End of financial year	**6,519,263**	**27,214**	**-**	**95,475**	**-**	**45,259**	**200**

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

Movements in Level 3 assets are as follows:

		Financial assets at FVTPL		Financial assets at FVOCI			
	Investment properties	Bonds	Investment funds	Equities	Bonds	Investment funds	Derivatives
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group							
2020							
Beginning of financial year	5,014,896	5,549	9,674	64,040	8,457	92,690	200
Additions	786,201	-	-	-	-	2,608	-
Acquisition of subsidiaries [Note 32(a)]	730,461	-	-	-	-	-	-
Disposals	-	-	(5,367)	-	(8,457)	(30,571)	-
(Losses)/Gains recognised in income statement	(232,013)	985	926	-	-	-	-
Gains/(Losses) recognised in other comprehensive income	120,749	-	-	(17,446)	-	15,923	-
Reclassification from FVTPL to FVOCI	-	-	(5,233)	-	-	5,233	-
Transferred from Level 2	-	2,500	-	36,553	-	-	-
Transferred to Level 2	-	-	-	(2,922)	-	-	-
End of financial year	6,420,294	9,034	-	80,225	-	85,883	200

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33. 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 liabilities	Gross amount of recognised financial assets/ (liabilities) offset in the statement of financial position	Net amount of financial liabilities presented in the statement of financial position	Related amount not offset in the statement of financial position	Net amount
	S$'000	S$'000	S$'000	S$'000	S$'000
Group					
2021					
Liabilities					
Cross currency interest rate swaps	**(1,490)**	**-**	**(1,490)**	**-**	**(1,490)**
Cross currency swaps	**(57)**	**-**	**(57)**	**-**	**(57)**
Interest rate swaps	**(4,318)**	**-**	**(4,318)**	**-**	**(4,318)**
	(5,865)	**-**	**(5,865)**	**-**	**(5,865)**
2020					
Liabilities					
Cross currency interest rate swaps	(4,402)	-	(4,402)	-	(4,402)
Cross currency swaps	(404)	-	(404)	-	(404)
Interest rate swaps	(9,807)	-	(9,807)	-	(9,807)
	(14,613)	-	(14,613)	-	(14,613)
Company					
2021					
Liabilities					
Interest rate swaps	**(124)**	**-**	**(124)**	**-**	**(124)**
2020					
Liabilities					
Interest rate swaps	(2,548)	-	(2,548)	-	(2,548)

33. 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 1 year**	**Maturity within 2 to 5 years**
2021				
Interest rate risk				
Interest rate swaps/Cross currency interest rate swaps				
Net exposure (in S$'000)	**424,452**	**1,047,802**	**140,000**	**-**
Average fixed interest rate (%)	**1.36%**	**0.59%**	**1.95%**	**-**
2020				
Interest rate risk				
Interest rate swaps/Cross currency interest rate swaps				
Net exposure (in S$'000)	45,000	651,094	-	140,000
Average fixed interest rate (%)	2.04%	1.33%	-	1.95%

Designated as hedged items	**Change in value of the hedged item used for calculating hedge ineffectiveness**	**Hedging reserve**	**Balances remaining in hedging reserve from hedging relationships for which hedge accounting is no longer applied**
	S$'000	**S$'000**	**S$'000**
Group			
2021			
Interest rate risk			
Borrowings	**4,648**	**(5,559)**	**-**
2020			
Interest rate risk			
Borrowings	(9,282)	(12,195)	**-**
Company			
2021			
Interest rate risk			
Borrowings			
2020	**3,998**	**(102)**	**-**
Interest rate risk			
Borrowings	(286)	(2,114)	-

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(g) Hedge accounting (cont'd)

Cash flow hedges (cont'd)

		During the period			
Designated as hedged instruments	**Carrying amount assets/ (liabilities)**	**Hedging (gains)/ losses recognised in OCI**	**Hedge ineffectiveness recognised in income statement**	**Line item in income statement that includes hedge ineffectiveness**	**Amount reclassified from hedging reserve to finance costs in income statement**
	S$'000	**S$'000**	**S$'000**		**S$'000**
Group					
2021					
Interest rate swaps/ Cross currency interest rate swap	**(5,900)**	**(4,648)**	**-**	**Not applicable**	**1,647**
2020					
Interest rate swaps/ Cross currency interest rate swap	(12,919)	9,282	-	Not applicable	2,229
Company					
2021	**(124)**	**(3,998)**	**-**	**Not applicable**	**(2,393)**
Interest rate swaps					
2020					
Interest rate swaps	(2,548)	286	-	Not applicable	(1,106)

The hedging instruments are included as Derivatives in the statement of financial position.

Net investment hedge

The Group has foreign currency exposure when its net investments in overseas subsidiaries have a different functional currency. The risk arises from the fluctuation in spot exchange rates between the local functional currency and the SGD, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedges is the risk of a weakening local functional currency against the SGD that will result in a reduction in the carrying amount of the Group's net investment in its overseas subsidiaries.

Part of the Group's net investment is hedged through the use of cross currency swaps, cross currency interest rate swaps and foreign currencies denominated borrowings which mitigate the foreign currency risk from the subsidiaries' net assets.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the hedging instrument that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method).

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(g) Hedge accounting (cont'd)

Net investment hedge (cont'd)

Designated as hedged items	Change in value of the hedged item used for calculating hedge ineffectiveness	Foreign currency translation reserve	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied
	S$'000	**S$'000**	**S$'000**
Group			
2021			
AUD net investment	**7,028**	**(1,729)**	**-**
GBP net investment	**-**	**-**	**771**
JPY net investment	**1,636**	**(1,615)**	**-**
2020			
AUD net investment	(6,732)	5,315	-
GBP net investment	-	-	771
JPY net investment	1,133	(1,131)	-

		During the period			
Designated as hedged instruments	**Carrying amount assets/ (liabilities)**	**Hedging (gains)/ losses recognised in OCI**	**Hedge ineffectiveness recognised in income statement**	**Line item in income statement that includes hedge ineffectiveness**	**Amount reclassified from foreign currency translation reserve to foreign exchange differences in income statement**
	S$'000	**S$'000**	**S$'000**		**S$'000**
Group					
2021					
AUD cross currency swaps/ cross currency interest rate swaps	**35**	**(1,729)**	**-**	**Not applicable**	**-**
JPY denominated borrowings	**(33,466)**	**(1,636)**	**(59)**	Other operating expenses	-
Group					
2020					
AUD cross currency swaps/ cross currency interest rate swaps	(1,694)	5,315	-	Not applicable	-
GBP denominated borrowings	-	771	-	Not applicable	-
JPY denominated borrowings	(35,160)	(1,133)	(290)	Other operating expenses	-

The cross currency swaps and cross currency interest rate swaps are included as Derivatives in the statement of financial position.

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33. FINANCIAL RISK MANAGEMENT (CONT'D)

(h) Financial instruments by category

	Financial assets/ (liabilities) at amortised cost	Financial assets measured at FVOCI	Financial assets measured at FVTPL	Derivatives used for hedging	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Group					
2021					
Assets					
Investments	**-**	**632,685**	**27,550**	**-**	**660,235**
Trade and other receivables excluding non-financial instruments	**305,394**	**-**	**-**	**-**	**305,394**
Derivatives	**-**	**-**	**200**	**-**	**200**
Cash and cash equivalents	**743,988**	**-**	**-**	**-**	**743,988**
	1,049,382	**632,685**	**27,750**	**-**	**1,709,817**
Liabilities					
Trade and other payables excluding non-financial instruments	**(278,814)**	**-**	**-**	**-**	**(278,814)**
Borrowings	**(3,107,803)**	**-**	**-**	**-**	**(3,107,803)**
Derivatives	**-**	**-**	**-**	**(5,865)**	**(5,865)**
	(3,386,617)	**-**	**-**	**(5,865)**	**(3,392,482)**
2020					
Assets					
Investments	-	390,514	33,050	-	423,564
Trade and other receivables excluding non-financial instruments	356,578	-	-	-	356,578
Derivatives	-	-	200	-	200
Cash and cash equivalents	864,693	-	-	-	864,693
	1,221,271	390,514	33,250	-	1,645,035
Liabilities					
Trade and other payables excluding non-financial instruments	(248,962)	-	-	-	(248,962)
Borrowings	(3,477,218)	-	-	-	(3,477,218)
Derivatives	-	-	-	(14,613)	(14,613)
	(3,726,180)	-	-	(14,613)	(3,740,793)

33. FINANCIAL RISK MANAGEMENT (CONT'D)

(h) Financial instruments by category (cont'd)

	Financial assets/ (liabilities) at amortised cost	Derivatives used for hedging	Total
	S$'000	S$'000	S$'000
Company			
2021			
Assets			
Trade and other receivables excluding non-financial instruments	**3,680,693**	**-**	**3,680,693**
Cash and cash equivalents	**495,701**	**-**	**495,701**
	4,176,394	**-**	**4,176,394**
Liabilities			
Trade and other payables excluding non-financial instruments	**(881,146)**	**-**	**(881,146)**
Borrowings	**(1,030,620)**	**-**	**(1,030,620)**
Derivatives	**-**	**(124)**	**(124)**
	(1,911,766)	**(124)**	**(1,911,890)**
2020			
Assets			
Trade and other receivables excluding non-financial instruments	3,605,987	-	3,605,987
Cash and cash equivalents	671,091	-	671,091
	4,277,078	-	4,277,078
Liabilities			
Trade and other payables excluding non-financial instruments	(776,395)	-	(776,395)
Borrowings	(1,362,860)	-	(1,362,860)
Derivatives	-	(2,548)	(2,548)
	(2,139,255)	(2,548)	(2,141,803)

34. LEASES

(a) Leases as lessee

The Group leases commercial and residential spaces, and plant and equipment. Lease payments are renegotiated periodically to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

Certain commercial spaces were entered into many years ago as combined leases of land and buildings.

Information about leases for which the Group is a lessee is presented below.

	Group	
	2021	2020
	S$'000	S$'000
Amounts recognised in profit or loss		
Interest on lease liabilities	**2,137**	3,145
Amounts recognised in statement of cash flows		
Total cash outflow for leases	**11,936**	15,432

(b) Leases as lessor

The Group leases out its investment properties [Note 8] and certain leased properties. All leases are classified as operating leases from a lessor perspective with the exception of sub-leases of the leased properties, which the Group has classified as finance sub-leases. The income from sub-leasing and the lease receivables as at end of the financial year are immaterial.

Operating leases

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 8 sets out information about the operating leases of investment properties.

Rental income from investment properties recognised by the Group during 2021 was S$389.2 million (2020: S$328.3 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2021	2020
	S$'000	S$'000
Less than 1 year	**258,856**	232,523
1 to 2 years	**187,886**	171,904
2 to 3 years	**115,250**	106,758
3 to 4 years	**45,699**	52,403
4 to 5 years	**18,763**	24,091
More than 5 years	**71,597**	98,261
	698,051	685,940

35. RELATED PARTY TRANSACTIONS

Key management personnel compensation and transactions are as follows:

	Group	
	2021	2020
	S$'000	S$'000
Remuneration and other short-term employee benefits	**15,277**	17,604
Employers' contribution to defined contribution plans	**607**	622
Share-based compensation expense	**2,188**	2,704
	18,072	20,930
Staff loans granted to key management personnel	**120**	-

The above includes total emoluments of the Company's directors of S$3.1 million (2020: S$3.2 million).

36. 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 four major operating segments, namely Media, Retail & Commercial, PBSA and Others. The Media segment is involved in the production of content for distribution on print and other media platforms. The Retail & Commercial segment holds, manages and develops properties in the retail and residential sectors. The PBSA segment holds, manages and develops properties in the student accommodation sector. 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, exhibitions, education, New Media Fund, Treasury 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.

The Group underwent a strategic review during the financial year, and has obtained approval from its shareholders on 10 September 2021 to transfer its Media business to a not-for-profit company limited by guarantee. The Media segment was therefore classified as a discontinued operation for the financial year ending 31 August 2021 [Note 18 and 30].

36. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

Information regarding the results of each reportable segment is included in the table below.

2021

	Retail & Commercial S$'000	PBSA S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
Operating revenue					
External sales	306,501	77,970	65,455	-	449,926
Inter-segmental sales	71	718	1,826	(2,615)	-
Total operating revenue	306,572	78,688	67,281	(2,615)	449,926
Result					
Segment result	214,253	49,671	34,251	2,022	300,197
Finance costs	(30,570)	(12,570)	(14,765)	-	(57,905)
Fair value change on investment properties	21,949	34,657	9,979	-	66,585
Share of results of associates and joint ventures	1,301	-	5,379	-	6,680
Gain on divestment of subsidiaries	-	-	12,762	-	12,762
Impairment of an associate	-	-	(3,304)	-	(3,304)
Profit before taxation	206,933	71,758	44,302	2,022	325,015
Taxation					(47,004)
Profit after taxation					278,011
Loss from discontinued operation					(128,340)
Profit for the year					149,671
Non-controlling interests					(56,729)
Profit attributable to Shareholders					92,942
Significant non-cash items					
Depreciation	653	385	9,347	-	10,385
Impairment of property, plant and equipment	-	-	199	-	199
Amortisation of intangible assets	-	562	4,266	-	4,828
Write-back of allowance on cash and cash equivalents	-	-	(1,956)	-	(1,956)

36. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

2021 (cont'd)

	Media S$'000	Retail & Commercial S$'000	PBSA S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
Other information						
Segment assets	-	5,237,752	1,598,406	1,978,659	-	8,814,817
Assets held for sale						99,408
Consolidated total assets						8,914,225
Segment assets includes:						
Associates/Joint ventures	-	8,440	-	364,368	-	372,808
Additions to:						
- property, plant and equipment	11,472	310	741	2,684	-	15,207
- investment properties	-	11,221	17,342	-	-	28,563
Segment liabilities	42,765*	1,896,092	791,788	721,390	-	3,452,035
Liabilities associated with assets held for sale						81,395
Provision for loss from discontinued operation						16,953
Current tax liabilities						23,551
Deferred tax liabilities						62,696
Consolidated total liabilities						3,636,630

* *Segment liabilities of the Media segment pertains to excluded liabilities relating mainly to bonus provision that will not be transferred to the CLG.*

36. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

With effect from FY2021, the Group re-organised its segments to be in line with the Group strategy. The comparative information has also been re-presented due to a discontinued operation. The following tables show the revised comparative segment results and previously reported results for 2020.

2020 (Comparative results for the new segmental grouping and continuing operations)

	Retail & Commercial S$'000	**PBSA** S$'000	**Others** S$'000	**Eliminations** S$'000	**Consolidated** S$'000
Operating revenue					
External sales	267,762	58,430	94,325	-	420,517
Inter-segmental sales	849	378	2,849	(4,076)	-
Total operating revenue	268,611	58,808	97,174	(4,076)	420,517
Result					
Segment result	189,689	18,254	(6,417)	612	202,138
Finance costs	(41,717)	(10,391)	(10,912)	-	(63,020)
Fair value change on investment properties	(196,516)	(31,861)	(3,636)	-	(232,013)
Share of results of associates and joint ventures	(7,704)	-	11,598	-	3,894
Gain on divestment of a property	-	-	25,712	-	25,712
Impairment of an associate	-	-	(10,008)	-	(10,008)
(Loss)/Profit before taxation	(56,248)	(23,998)	6,337	612	(73,297)
Taxation					(27,240)
Loss after taxation					(100,537)
Loss from discontinued operation					(11,965)
Loss for the year					(112,502)
Non-controlling interests					28,826
Loss attributable to Shareholders					(83,676)
Significant non-cash items					
Depreciation	597	202	10,370	-	11,169
Impairment of property, plant and equipment	-	-	83	-	83
Amortisation of intangible assets	-	375	7,300	-	7,675
Impairment of goodwill	-	-	11,688	-	11,688
Impairment of intangible assets	-	5,371	392	-	5,763
Allowance on cash and cash equivalents	-	-	1,956	-	1,956

36. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

2020 (Comparative results for the new segmental grouping and continuing operations) (cont'd)

	Media (Discontinued)* S$'000	Retail & Commercial S$'000	PBSA S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
Other information						
Segment assets	245,672	5,204,727	1,489,873	1,909,455	-	8,849,727
Segment assets includes:						
Associates/Joint ventures	10,135	9,580	-	353,273	-	372,988
Additions to:						
- property, plant and equipment	19,270	514	843	4,428	-	25,055
- investment properties	-	639,965	800,402	76,295	-	1,516,662
- intangible assets	-	-	15,189	-	-	15,189
Segment liabilities	157,502	1,926,106	773,531	975,968	-	3,833,107
Current tax liabilities						22,622
Deferred tax liabilities						42,052
Consolidated total liabilities						3,897,781

36. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

2020 (Previously reported results)

	Media S$'000	Property S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
Operating revenue					
External sales	445,145	327,174	93,343	-	865,662
Inter-segmental sales	3,442	2,967	1,109	(7,518)	-
Total operating revenue	448,587	330,141	94,452	(7,518)	865,662
Result					
Segment result	(9,403)	212,292	(10,195)	-	192,694
Finance costs	(2,030)	(52,623)	(10,412)	-	(65,065)
Fair value change on investment properties	-	(228,592)	(3,421)	-	(232,013)
Share of results of associates and joint ventures	69	(6,840)	10,189	-	3,418
Gain on divestment of a property	-	-	25,712	-	25,712
Impairment of an associate	-	-	(10,008)	-	(10,008)
(Loss)/Profit before taxation	(11,364)	(75,763)	1,865	-	(85,262)
Taxation					(27,240)
Loss after taxation					(112,502)
Non-controlling interests					28,826
Loss attributable to Shareholders					(83,676)
Significant non-cash items					
Depreciation	29,458	829	10,341	-	40,628
Impairment of property, plant and equipment	4,375	-	83	-	4,458
Amortisation of intangible assets	65	375	7,300	-	7,740
Impairment of goodwill	-	-	11,688	-	11,688
Impairment of intangible assets	-	5,371	392	-	5,763
Allowance on cash and cash equivalents	-	-	1,956	-	1,956
Other information					
Segment assets	236,302	6,932,310	1,681,115	-	8,849,727
Segment assets includes:					
Associates/Joint ventures	1,410	30,637	340,941	-	372,988
Additions to:					
- property, plant and equipment	19,270	1,369	4,416	-	25,055
- investment properties	-	1,440,367	76,295	-	1,516,662
- intangible assets	-	15,189	-	-	15,189
Segment liabilities	157,375	2,700,825	974,907	-	3,833,107
Current tax liabilities					22,622
Deferred tax liabilities					42,052
Consolidated total liabilities					3,897,781

36. SEGMENTAL INFORMATION (CONT'D)

(b) Geographical segments

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

	Operating revenue		**Non-current assets**		**Total assets**	
	2021 S$'000	2020 S$'000 (Restated)	**2021 S$'000**	2020 S$'000	**2021 S$'000**	2020 S$'000
Continuing operations						
Singapore	**297,898**	307,390	**5,447,729**	5,445,270	**6,375,421**	6,387,767
United Kingdom	**75,744**	57,207	**1,489,755**	1,417,096	**1,553,379**	1,455,218
Australia	**70,009**	53,383	**826,800**	839,247	**861,083**	876,834
Other countries	**6,275**	2,537	**110,871**	119,063	**124,342**	129,908
	449,926	420,517	**7,875,155**	7,820,676	**8,914,225**	8,849,727
Discontinued operation						
Singapore	**374,406**	438,858				
Other countries	**1,367**	6,287				
	375,773	445,145				

37. NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED

A number of new standards and amendments to standards are effective for annual periods beginning after 1 September 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following new SFRS(I)s, amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 and SFRS(I) 1-28)*
- *Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: Interest Rate Benchmark Reform – Phase 2*

38. CONTINGENCIES

The Group has considered the claims and liabilities at year end pertaining to ongoing disputes related to its businesses. The Group does not expect the outcome of such disputes to have a material effect on its financial position.

39. SUBSEQUENT EVENTS

(a) Extraordinary General Meeting ("EGM") held on 10 September 2021

On 10 September 2021, SPH shareholders voted in favour of the proposed restructuring of the Media business [Note 18] as well as the conversion of management shares to ordinary shares and adoption of a new Constitution.

Upon the completion of the proposed restructuring of the Media business, the relevant restrictions under the Newspaper and Printing Presses Act ("NPPA") imposed on SPH (which is currently regulated as a "newspaper company" under the NPPA) will be lifted. Each management share will be converted into one ordinary share, and new Constitution will be adopted which will consist of the Existing Constitution with amendments to remove the special features of a "newspaper company".

(b) Proposed acquisition by Keppel Pegasus Pte Ltd ("Keppel") of all the issued ordinary shares in the capital of SPH by way of a scheme of arrangement ("Scheme")

On 2 August 2021, SPH announced that Keppel has proposed to acquire all the shares of SPH post restructuring of the media business through a Scheme. Pursuant to the Scheme, a shareholder will receive S$0.668 in cash, 0.596 Keppel REIT units and 0.782 SPH REIT for each share in SPH.

The Scheme entails the distribution of SPH REIT units to SPH's shareholders, and SPH's stake in SPH REIT will be diluted from 66% (Subsidiary) to 20% stake (Associate) if shareholders' approval for the Scheme is obtained at the EGM tentatively scheduled in November 2021.

(c) Acquisition of PBSA forward funding development projects

The Group's wholly-owned subsidiary, WG (Propco) Limited, has entered into land purchase agreements and development funding agreements with third parties to acquire two PBSA assets in Edinburgh, United Kingdom for a consideration of approximately £66.5 million (approximately S$123 million). The transaction was completed on 29 September 2021.

(d) Acquisition of Aged Care assets

On 28 September 2021, the Group's wholly-owned subsidiary, GK Straits Himawari GK Two, entered into a purchase and sale agreement ("PSA") to acquire an aged care facility and a neighbouring land ("GK Two Assets") in Japan from a third party for a cash consideration of JPY1,050 million (approximately S$12.8 million). Subject to satisfaction of the conditions precedent in the PSA, completion of the acquisition of the GK Two Assets will take place on 15 October 2021, or such other date as agreed in writing between the relevant parties.

40. AUTHORISATION OF FINANCIAL STATEMENTS

On 5 October 2021, the Board of Directors of Singapore Press Holdings Limited authorised these financial statements for issue.