



SINGAPORE PRESS HOLDINGS LIMITED

Reg. No. 198402868E

(Incorporated in Singapore)

ANNOUNCEMENT

UNAUDITED RESULTS* FOR THE PERIOD ENDED 28 FEBRUARY 2019

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

Results for the Second Quarter ended 28 February 2019

	Group		
	2Q 2019	2Q 2018	Change
	S\$'000	S\$'000	%
Operating revenue	223,326	233,699	(4.4)
Other operating income	4,498	6,578	(31.6)
Total revenue	<u>227,824</u>	<u>240,277</u>	(5.2)
Materials, production and distribution costs	(30,209)	(33,194)	(9.0)
Staff costs	(79,856)	(91,656)	(12.9)
Premises costs	(20,184)	(17,278)	16.8
Depreciation	(6,593)	(6,644)	(0.8)
Other operating expenses	(32,230)	(31,428)	2.6
Finance costs	(12,290)	(9,068)	35.5
Total costs	<u>(181,362)</u>	<u>(189,268)</u>	(4.2)
Operating profit [#]	46,462	51,009	(8.9)
Fair value change on investment properties	(12,864)	-	NM
Share of results of associates and joint ventures	11,814	(993)	NM
Net income from investments	<u>(749)</u>	<u>9,279</u>	NM
Profit before taxation	44,663	59,295	(24.7)
Taxation	<u>(10,908)</u>	<u>(9,633)</u>	13.2
Profit after taxation	<u>33,755</u>	<u>49,662</u>	(32.0)
Attributable to:			
Shareholders of the Company	29,685	39,929	(25.7)
Non-controlling interests	<u>4,070</u>	<u>9,733</u>	(58.2)
	<u>33,755</u>	<u>49,662</u>	(32.0)

* Please refer to the attached auditors' review report.

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

NM Not Meaningful

1(a)(ii) Notes:**Profit after taxation is arrived at after accounting for:**

	Group		
	2Q 2019	2Q 2018	Change
	S\$'000	S\$'000	%
(Allowance)/Write-back of allowance for stock obsolescence	(158)	12	NM
Share-based compensation expense	(1,181)	(1,332)	(11.3)
Impairment of trade receivables	(374)	(316)	18.4
Bad debts recovery	2	7	(71.4)
Profit on disposal of property, plant and equipment	9	123	(92.7)
Amortisation of intangible assets	(1,941)	(2,609)	(25.6)
(Loss)/Gain on divestment of interests in associates	(426)	20	NM
Interest income from treasury and operations	2,054	4,032	(49.1)
Net profit on disposal of investments	-	5,421	NM
Net fair value changes on			
- Investments at fair value through profit or loss ("FVTPL")	(1,389)	(574)	142.0
- Derivatives (foreign exchange forwards)	1,058	2,449	(56.8)
Net foreign exchange differences	(2,179)	(560)	289.1
Net (under)/over-provision of prior years' taxation	(16)	468	NM

1(a)(iii) Statement of Comprehensive Income

	Group		
	2Q 2019	2Q 2018	Change
	S\$'000	S\$'000	%
Profit after taxation	33,755	49,662	(32.0)
Other comprehensive income, net of tax			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Capital reserves			
- share of capital reserves of an associate	20	-	NM
Cash flow hedges (interest rate swaps)			
- net fair value changes	(1,557)	1,778	NM
- transferred to income statement	341	1,046	(67.4)
Net fair value changes on available-for-sale financial assets			
- net fair value changes	-	(9,427)	NM
- transferred to income statement	-	(4,875)	NM
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	1,369	706	93.9
	173	(10,772)	NM
<u>Item that will not be re-classified subsequently to profit or loss</u>			
Net fair value changes on fair value through other comprehensive income ("FVOCI") financial assets	(8,207)	-	NM
Total comprehensive income	<u>25,721</u>	<u>38,890</u>	(33.9)
Attributable to:			
Shareholders of the Company	22,154	28,246	(21.6)
Non-controlling interests	3,567	10,644	(66.5)
	<u>25,721</u>	<u>38,890</u>	(33.9)

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 28 February 2019

	Group			Company		
	28 Feb 2019 S\$'000	31 Aug 2018 S\$'000	1 Sep 2017 S\$'000	28 Feb 2019 S\$'000	31 Aug 2018 S\$'000	1 Sep 2017 S\$'000
CAPITAL EMPLOYED						
Share capital	522,809	522,809	522,809	522,809	522,809	522,809
Treasury shares	(7,594)	(7,101)	(7,384)	(7,594)	(7,101)	(7,384)
Reserves	78,207	264,723	329,264	2,583	7,783	32,907
Retained profits	2,858,430	2,649,848	2,609,786	1,434,736	1,489,926	1,243,374
Shareholders' interests	3,451,852	3,430,279	3,454,475	1,952,534	2,013,417	1,791,706
Non-controlling interests	761,449	761,152	734,926	-	-	-
Total equity	4,213,301	4,191,431	4,189,401	1,952,534	2,013,417	1,791,706
EMPLOYMENT OF CAPITAL						
Non-current assets						
Property, plant and equipment	191,684	190,649	194,171	42,109	36,462	37,173
Investment properties	4,681,533	4,155,122	4,034,771	-	-	-
Subsidiaries	-	-	-	439,940	439,940	438,077
Associates	380,072	95,825	68,792	-	-	-
Joint ventures	29,638	39,174	8,696	600	600	-
Investments	252,758	453,951	513,728	-	-	27,173
Intangible assets	166,780	176,028	204,443	42,691	44,071	46,832
Trade and other receivables	248,076	246,562	8,935	283,111	283,809	4,650
Derivatives	1,263	200	200	-	-	-
	5,951,804	5,357,511	5,033,736	808,451	804,882	553,905
Current assets						
Inventories	28,816	22,636	21,892	25,978	20,281	19,557
Trade and other receivables	184,153	292,862	314,421	2,425,634	2,383,725	2,391,965
Investments	95,067	121,663	363,370	29,977	-	-
Asset held for sale	-	-	18,000	-	-	18,000
Derivatives	1,810	39	1,473	1,664	-	-
Cash and cash equivalents	343,403	359,498	312,647	185,283	161,886	150,467
	653,249	796,698	1,031,803	2,668,536	2,565,892	2,579,989
Total assets	6,605,053	6,154,209	6,065,539	3,476,987	3,370,774	3,133,894
Non-current liabilities						
Trade and other payables	33,962	39,362	37,556	470	1,121	2,876
Deferred tax liabilities	30,646	33,093	42,242	6,877	6,438	6,616
Borrowings	1,514,189	1,312,507	528,044	279,300	279,160	-
Derivatives	2,091	2,814	7,365	197	-	-
	1,580,888	1,387,776	615,207	286,844	286,719	9,492
Current liabilities						
Trade and other payables	230,002	230,527	241,352	898,616	973,237	1,020,196
Current tax liabilities	45,390	47,682	46,591	13,527	12,401	16,500
Borrowings	535,423	294,853	971,695	325,466	85,000	296,000
Derivatives	49	1,940	1,293	-	-	-
	810,864	575,002	1,260,931	1,237,609	1,070,638	1,332,696
Total liabilities	2,391,752	1,962,778	1,876,138	1,524,453	1,357,357	1,342,188
Net assets	4,213,301	4,191,431	4,189,401	1,952,534	2,013,417	1,791,706

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

Group Borrowings

Amount repayable in one year

As at 28 February 2019		As at 31 August 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
209,917	325,506	209,813	85,040

Amount repayable after one year

As at 28 February 2019		As at 31 August 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,183,826	330,363	982,849	329,658

Details of collateral

As at 28 February 2019, the secured term loans comprised S\$995 million, S\$300 million and A\$105 million undertaken by the subsidiaries, SPH REIT, The Seletar Mall Pte Ltd ("TSMPL") and Figtree Holding Trust ("FHT") respectively (31 August 2018: S\$895 million for SPH REIT and S\$300 million for TSMPL).

The total secured borrowings of S\$1,393.7 million as at 28 February 2019 (31 August 2018: S\$1,192.7 million) represented the secured borrowings stated at amortised cost.

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 FHT is secured by way of mortgage over the Figtree Grove Shopping Centre 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.

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 Second Quarter ended 28 February 2019

	2Q 2019	2Q 2018
	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	44,663	59,295
Adjustments for:		
Depreciation	6,593	6,644
Profit on disposal of property, plant and equipment	(9)	(123)
Fair value change on investment properties	12,864	-
Share of results of associates and joint ventures	(11,814)	993
Loss/(Gain) on divestment of interests in associates	426	(20)
Net income from investments	749	(9,279)
Amortisation of intangible assets	1,941	2,609
Finance costs	12,290	9,068
Share-based compensation expense	1,181	1,332
Other non-cash items	(352)	(2,369)
Operating cash flow before working capital changes	<u>68,532</u>	<u>68,150</u>
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	(1,272)	(1,105)
Trade and other receivables, current	19,734	7,525
Trade and other payables, current	(6,593)	(9,903)
Trade and other receivables, non-current	1,738	285
Trade and other payables, non-current	(8,807)	926
Others	(1,119)	735
	<u>72,213</u>	<u>66,613</u>
Income tax paid	(24,831)	(25,824)
Dividends paid	(112,934)	(145,348)
Dividends paid (net) by subsidiaries to non-controlling interests	(10,678)	(10,483)
Net cash used in operating activities	<u>(76,230)</u>	<u>(115,042)</u>

**Consolidated Statement of Cash Flows for the Second Quarter ended 28 February 2019
(cont'd)**

	2Q 2019	2Q 2018
	S\$'000	S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(7,238)	(5,867)
Proceeds from disposal of property, plant and equipment	15	17
Additions to investment properties	(233,717)	(1,818)
Acquisition of interests in associates	(12,566)	(2,106)
Proceeds from divestment of interest in an associate	6	17
Decrease/(Increase) in amounts owing by associates/ joint ventures	81	(72)
Increase/(Decrease) in amounts owing to associates/ joint ventures	64	(104)
Purchase of investments, non-current	(5,180)	(10,432)
Purchase of investments, current	(108,870)	(40,331)
Proceeds from disposal of investments, non-current	4,654	21,283
Proceeds from disposal of investments, current	196,594	2,908
Dividends received	-	935
Interest received	665	1,424
Other investment income	(977)	1,715
Net cash used in investing activities	(166,469)	(32,431)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans (net of transaction costs)	200,115	-
Repayment of a bank loan	-	(15,304)
Interest paid	(10,915)	(8,795)
Proceeds from partial divestment of interests in subsidiaries	-	2,553
Proceeds from capital contribution by non-controlling interest	16,961	-
Net cash from/(used in) financing activities	206,161	(21,546)
Net decrease in cash and cash equivalents	(36,538)	(169,019)
Cash and cash equivalents at beginning of period	379,941	397,652
Cash and cash equivalents at end of period	343,403	228,633

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

Statements of Changes in Total Equity for the Second Quarter ended 28 February 2019

(a) Group

	← Attributable to Shareholders of the Company →								Non-controlling Interests	Total Equity	
	Share Capital	Treasury Shares	Capital Reserve	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Currency Translation Reserve	Retained Profits			Total
	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 30 November 2018	522,809	(10,694)	(10,284)	8,516	(1,743)	316,772	(2,149)	2,727,009	3,550,236	751,566	4,301,802
Adoption of SFRS(I)	-	-	-	-	-	-	-	(8,779)	(8,779)	-	(8,779)
Balance as at 1 December 2018	522,809	(10,694)	(10,284)	8,516	(1,743)	316,772	(2,149)	2,718,230	3,541,457	751,566	4,293,023
Total comprehensive income for the quarter	-	-	20	-	(921)	(8,207)	1,577	29,685	22,154	3,567	25,721
Realised profit on disposal of FVOCI financial assets	-	-	-	-	-	(219,601)	-	219,601	-	-	-
Transactions with owners, recognised directly in equity											
<u>Contributions by and distributions to owners</u>											
Share-based compensation	-	-	-	1,181	-	-	-	-	1,181	-	1,181
Treasury shares re-issued	-	3,100	-	(6,949)	-	-	-	3,818	(31)	-	(31)
Dividends	-	-	-	-	-	-	-	(112,934)	(112,934)	(10,678)	(123,612)
<u>Changes in ownership interest in a subsidiary without a change in control</u>											
Acquisition of additional interest in a subsidiary	-	-	(4)	-	(1)	-	-	33	28	(28)	-
Dilution of interest in a subsidiary	-	-	-	-	-	-	-	(3)	(3)	61	58
<u>Changes in ownership interest in a subsidiary</u>											
Contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	16,961	16,961
Balance as at 28 February 2019	522,809	(7,594)	(10,268)	2,748	(2,665)	88,964	(572)	2,858,430	3,451,852	761,449	4,213,301

Statements of Changes in Total Equity for the Second Quarter ended 28 February 2019 (cont'd)

(a) Group (cont'd)

	← Attributable to Shareholders of the Company →								Non-controlling Interests	Total Equity	
	Share Capital	Treasury Shares	Capital Reserve	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Currency Translation Reserve	Retained Profits			Total
	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 30 November 2017	522,809	(7,384)	(10,261)	8,679	(4,465)	352,462	644	2,672,101	3,534,585	755,915	4,290,500
Adoption of SFRS(I)	-	-	-	-	-	-	-	(1,336)	(1,336)	-	(1,336)
Balance as at 1 December 2017	522,809	(7,384)	(10,261)	8,679	(4,465)	352,462	644	2,670,765	3,533,249	755,915	4,289,164
Total comprehensive income for the quarter	-	-	-	-	1,963	(14,302)	656	39,929	28,246	10,644	38,890
Transactions with owners, recognised directly in equity											
<u>Contributions by and distributions to owners</u>											
Share-based compensation	-	-	-	1,332	-	-	-	-	1,332	-	1,332
Treasury share re-issued	-	3,781	-	(3,514)	-	-	-	(221)	46	-	46
Dividends	-	-	-	-	-	-	-	(145,348)	(145,348)	(10,483)	(155,831)
<u>Changes in ownership interest in subsidiaries without a change in control</u>											
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	(55)	(55)	55	-
Dilution of interests in subsidiaries	-	-	-	-	-	-	-	2,204	2,204	349	2,553
Balance as at 28 February 2018	522,809	(3,603)	(10,261)	6,497	(2,502)	338,160	1,300	2,567,274	3,419,674	756,480	4,176,154

Statements of Changes in Total Equity for the Second Quarter ended 28 February 2019 (cont'd)

(b) Company

	Share Capital	Treasury Shares	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Retained Profits	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 December 2018	522,809	(10,694)	8,516	(106)	(1)	1,532,857	2,053,381
Total comprehensive income for the quarter	-	-	-	(58)	-	10,995	10,937
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Share-based compensation	-	-	1,181	-	-	-	1,181
Treasury shares re-issued	-	3,100	(6,949)	-	-	3,818	(31)
Dividends	-	-	-	-	-	(112,934)	(112,934)
Balance as at 28 February 2019	522,809	(7,594)	2,748	(164)	(1)	1,434,736	1,952,534
Balance as at 1 December 2017	522,809	(7,384)	8,679	-	27,717	1,264,605	1,816,426
Total comprehensive income for the quarter	-	-	-	-	(3,644)	18,979	15,335
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Share-based compensation	-	-	1,332	-	-	-	1,332
Treasury shares re-issued	-	3,781	(3,514)	-	-	(221)	46
Dividends	-	-	-	-	-	(145,348)	(145,348)
Balance as at 28 February 2018	522,809	(3,603)	6,497	-	24,073	1,138,015	1,687,791

- 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 ("the Share Plan") which was terminated, except that awards granted prior to such termination and are outstanding continue to be valid till January 2019.
- (b) As at 28 February 2019, the number of shares granted and outstanding (being contingent award) under the 2016 Share Plan was 3,594,631 (28 February 2018: 4,544,165 (including shares granted and outstanding under the Share Plan)). Movements in the number of performance shares during the current quarter are summarised below:

<u>Outstanding as at 01.12.18</u> (‘000)	<u>Adjusted#</u> (‘000)	<u>Granted*</u> (‘000)	<u>Vested</u> (‘000)	<u>Lapsed</u> (‘000)	<u>Outstanding as at 28.02.19</u> (‘000)
4,401	(1,259)	1,565	(1,097)	(15)	3,595

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

* This included a special sign-on bonus of SPH shares

Share Buy Back

No shares were bought back by the Company during the current quarter under the Share Buy Back Mandate (first approved by the Shareholders on 16 July 1999 and last renewed at the Annual General Meeting on 3 December 2018).

Share Capital and Treasury Shares

As at 28 February 2019, the Company had 1,598,079,180 ordinary shares, 16,361,769 management shares and 2,569,941 treasury shares (28 February 2018: 1,599,653,733 ordinary shares, 16,361,769 management shares and 995,388 treasury shares).

The treasury shares held represent 0.2% (28 February 2018: 0.1%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 28 February 2019 and 28 February 2018.

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 28 February 2019, the Company had 1,598,079,180 ordinary shares and 16,361,769 management shares (31 August 2018: 1,598,353,733 ordinary shares and 16,361,769 management shares).

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

Between 1 December 2018 and 28 February 2019, the Company transferred 1,096,747 treasury shares for the fulfilment of share awards vested under the 2016 Share Plan and the Share Plan. The total value of the treasury shares transferred was S\$3.1 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 28 February 2019.

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

The financial information as set out in paragraphs 1, 4, 5, 6, 7, 8, 9, 10 and 11 of this announcement has been extracted from the condensed interim financial information that has been reviewed by our auditors, KPMG LLP, in accordance with Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

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' review 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

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards. The Group's financial statements for the financial year ending 31 August 2019 will be prepared in accordance with SFRS(I).

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 2018, except for the adoption of the SFRS(I) framework as described above and the new/revised SFRS(I) applicable for the financial period beginning 1 September 2018 as follows:

- SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*
- SFRS(I) 15 *Revenue from Contracts with Customers*
- SFRS(I) 9 *Financial Instruments*

SFRS(I) 1

In adopting the new framework, the Group is required to apply the specific transition requirements in SFRS(I). The Group has applied SFRS(I) with 1 September 2017 as the date of transition for the Group and the Company, on a retrospective basis, as if such accounting policies had always been applied. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application. Except as set out below, the Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the financial statements:

- Reset of cumulative currency translation reserve to nil at the date of transition; and
- Use of fair value of certain printing presses as their deemed cost.

SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group adopted SFRS(I) 15 using the retrospective approach with practical expedients.

Following clarification from the International Financial Reporting Interpretations Committee (IFRIC) on the capitalisation of borrowing cost for development property units for which revenue is recognised over time, a joint venture of the Group has expensed all borrowing costs which was previously capitalised

SFRS(I) 9

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

The Group has elected to apply the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2019 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained profits and reserves as at 1 September 2018.

The adoption of SFRS(I) 9 has resulted in the reclassification of non-current available-for-sale (AFS) equities securities, debt securities and investment funds as financial assets measured at fair value through other comprehensive income (FVOCI) while the non-current debt securities measured at fair value through profit or loss (FVTPL) will continue to be measured at FVTPL.

In addition, current AFS financial assets are reclassified as FVTPL financial assets, resulting in an increase in retained profits as at 1 September 2018.

SFRS(I) 9 requires the Group to record expected credit losses (ECL) on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group adopts the simplified approach and records lifetime ECL on all trade receivables. As a result, receivables and retained profits as at 1 September 2018 were adjusted.

Impact on the comparatives for the Second Quarter and Half Year ended 28 February 2019

Income Statement

	2Q 2018 S\$'000	1H 2018 S\$'000
Decrease in depreciation	(1,651)	(3,302)
Increase in taxation	281	561
Decrease in share of results of associates and joint ventures	(1,630)	(2,966)

Statements of Financial Position

	1 Sep 2018 S\$'000	31 Aug 2018 S\$'000	1 Sep 2017 S\$'000
Decrease in currency translation reserve	-	4,867	4,867
Decrease in fair value reserve	(12,426)	-	-
Increase/(Decrease) in retained profits	12,247	(41,521)	(38,790)
Decrease in non-controlling interests	(12)	-	-
Decrease in property, plant and equipment	-	(34,269)	(40,871)
Decrease in joint ventures	-	(8,211)	-
Decrease in trade and other receivables, current	(191)	-	-
Decrease in deferred tax liabilities	(2,546)	(5,826)	(6,948)
Increase in current tax liabilities	2,546	-	-

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

Earnings Per Share for the Second Quarter ended 28 February 2019

	Group	
	2Q 2019	2Q 2018
(a) Based on the weighted average number of shares on issue (S\$)	0.02	0.02
(b) On fully diluted basis (S\$)	0.02	0.02

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	
	28 Feb 2019	31 Aug 2018	28 Feb 2019	31 Aug 2018
Net asset value per share based on total number of issued shares at the end of period/year (S\$)	2.14	2.12	1.21	1.25

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

Review of Results for the Second Quarter ended 28 February 2019 ("2Q 2019") compared with the Second Quarter ended 28 February 2018 ("2Q 2018")

7.1 **Income Statement**

- 7.1.1 Group operating revenue comprised mainly advertisement and circulation revenue (print and digital), rental income from retail malls and student accommodation, and income from other businesses (including aged care, events and exhibitions and education). The decrease in group operating revenue of S\$10.4 million (4.4%), from S\$233.7 million in 2Q 2018 to S\$223.3 million in 2Q 2019, was mainly due to lower print advertisement revenue of S\$14.1 million (16%) and lower circulation revenue of S\$3.2 million (8.8%), cushioned by rental revenue of S\$6.2 million from the UK student accommodation portfolio and S\$3.2 million from Figtree Grove Shopping Centre ("Figtree") in Australia.

Other operating income included sales of production waste and other scrap materials, distribution service fees for third party periodicals, and income from branding events. Other operating income fell S\$2.1 million (31.6%), from S\$6.6 million in 2Q 2018 to S\$4.5 million in 2Q 2019, mainly due to interest income on shareholders' loans for The Woodleigh Residences and The Woodleigh Mall (collectively "Woodleigh development") in 2Q 2018.

Total revenue of S\$227.8 million in 2Q 2019 was lower by S\$12.5 million (5.2%) compared to S\$240.3 million in 2Q 2018.

- 7.1.2 Materials, production and distribution costs included newsprint and other material costs, factory overheads and distribution costs for the media business, and production costs and supplies for the events and exhibitions and aged care businesses. The reduction in materials, production and distribution costs by S\$3 million (9%), from S\$33.2 million in 2Q 2018 to S\$30.2 million in 2Q 2019, was in line with lower revenue of the media business.

Staff costs comprised salaries, bonuses, allowances, employers' contribution to defined contribution plans and share-based compensation expense. Staff costs was lower by S\$11.8 million (12.9%), from S\$91.7 million in 2Q 2018 to S\$79.9 million in 2Q 2019. This was due to lower headcount and bonus provision.

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, media and aged care businesses. The increase in premises costs of S\$2.9 million (16.8%), from S\$17.3 million in 2Q 2018 to S\$20.2 million in 2Q 2019, was attributed mainly to the UK student accommodation portfolio and Figtree.

Other operating expenses included business promotion expenses, articles and news agencies' fees, 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 was stable at S\$32.2 million.

Finance costs increased by S\$3.2 million (35.5%), from S\$9.1 million in 2Q 2018 to S\$12.3 million in 2Q 2019, mainly due to interest costs on loan facilities taken up to fund the acquisition of the UK student accommodation portfolio and Figtree.

Overall, total costs fell by S\$7.9 million (4.2%) from S\$189.3 million in 2Q 2018 to S\$181.4 million in 2Q 2019.

- 7.1.3 As a result of the foregoing, operating profit of S\$46.5 million in 2Q 2019 was S\$4.5 million (8.9%) lower compared to S\$51 million in 2Q 2018.
- 7.1.4 Fair value change on investment properties of S\$12.9 million relates mainly to expensing of stamp duty for the recently acquired Figtree.
- 7.1.5 The share of results of associates and joint ventures was a gain of S\$11.8 million this quarter against a loss of S\$1 million in 2Q 2018. This was mainly due to fair value gain on the investment property of S\$13.9 million arising from an associate, Perennial Chinatown Point LLP ("Chinatown Point").
- 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 fell by S\$10 million, from an income of S\$9.3 million in 2Q 2018 to a loss of S\$0.7 million in 2Q 2019. This was attributed to gain on disposal of investments of S\$5.4 million in 2Q 2018 which was absent in 2Q 2019. In addition, foreign exchange losses of S\$1.1 million was recorded in 2Q 2019 against gains of S\$2.1 million recognised in 2Q 2018.
- 7.1.7 Taxation charge of S\$10.9 million in 2Q 2019 was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. There was no material adjustment for over- or under- provision of taxation in respect of prior years.
- 7.1.8 Consequently, net profit attributable to shareholders of S\$29.7 million in 2Q 2019 was S\$10.2 million (25.7%) lower compared to S\$39.9 million in 2Q 2018.

7.2 Statements of Financial Position

Non-current assets

- 7.2.1 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\$594.3 million (11.1%) from S\$5,357.5 million as at 31 August 2018 to S\$5,951.8 million as at 28 February 2019 was mainly due to additions to investment properties and associates, partially offset by reduction in non-current investments, joint ventures and intangible assets.
- 7.2.2 Investment properties comprised mainly retail malls and student accommodation assets. The increase in investment properties by S\$526.4 million (12.7%), from S\$4,155.1 million as at 31 August 2018 to S\$4,681.5 million as at 28 February 2019, arose from acquisition of the UK student accommodation portfolio (S\$328.2 million) and Figtree (S\$196.9 million net of S\$12.9 million acquisition costs which was subsequently expensed).
- 7.2.3 Associates increased by S\$284.2 million (296.6%) from S\$95.8 million as at 31 August 2018 to S\$380.1 million as at 28 February 2019. The increase was substantially attributed to the injection of the Group's existing 13.43% stake in M1 Limited ("M1") into a special purpose vehicle, Konnectivity Pte. Ltd. ("Konnectivity"), in conjunction with the Group's collaboration with Keppel Corporation for a voluntary general offer for M1 shares. This included the fair value of S\$256.4 million for the existing 13.43% stake in M1, and cash consideration of S\$11.8 million as at 28 February 2019. In addition, Chinatown Point recorded a fair value gain on the investment property of S\$13.9 million which was recognised in the share of results of associates of the Group.
- 7.2.4 Joint ventures decreased by S\$9.5 million (24.3%) from S\$39.2 million as at 31 August 2018 to S\$29.6 million as at 28 February 2019, mainly due to finance and marketing costs of The Woodleigh Residences.
- 7.2.5 Non-current investments refer to equities securities, debt securities and investment funds. Non-current investments decreased by S\$201.2 million (44.3%) from S\$454 million as at 31 August 2018 to S\$252.8 million as at 28 February 2019. As at 28 February 2019, the Group's stake in M1 was re-classified as interest in associate. This gave rise to a decline in the value of non-current investments by S\$197.9 million which represented the fair value of M1 shares as at 31 August 2018.
- 7.2.6 Intangible assets included goodwill, technology, trademarks, licences and mastheads that are acquired mainly through business acquisitions. Intangible assets decrease of S\$9.2 million (5.3%) from S\$176 million as at 31 August 2018 to S\$166.8 million as at 28 February 2019 was due to divestment of Shareinvestor.com Holdings and amortisation of intangibles mainly from events and exhibitions, online classifieds and aged care businesses.
- 7.2.7 Derivatives (foreign exchange forwards) of S\$1.3 million as at 28 February 2019 represents the fair value changes on contracts that the Group entered into to minimise its foreign currency exposure, mainly relating to Figtree.

Current assets

- 7.2.8 Current assets comprised inventories, trade and other receivables, investments, derivatives, and cash and cash equivalents. The decrease in current assets of S\$143.4 million (18%) from S\$796.7 million as at 31 August 2018 to S\$653.2 million as at 28 February 2019 was mainly due to lower trade and other receivables and current investments.
- 7.2.9 Inventories comprised newsprint and other materials for the media business, supplies for the aged care business and inventories for the book publishing business. The increase of S\$6.2 million (27.3%) from S\$22.6 million as at 31 August 2018 to S\$28.8 million as at 28 February 2019, was attributed to higher newsprint inventory holdings.
- 7.2.10 Trade and other receivables decreased by S\$108.7 million (37.1%), from S\$292.9 million as at 31 August 2018 to S\$184.2 million as at 28 February 2019. This was mainly due to receipt of proceeds from the disposal of investments due after 31 August 2018.
- 7.2.11 Current investments refer to equities securities, debt securities and investment funds. Current investments decreased by S\$26.6 million (21.9%), from S\$121.7 million as at 31 August 2018 to S\$95.1 million as at 28 February 2019, due to disposal of investments.
- 7.2.12 Derivatives (foreign exchange forwards) of S\$1.8 million as at 28 February 2019 represents the fair value changes on contracts that the Group entered into to minimise its foreign currency exposure, mainly relating to the UK student accommodation portfolio.
- 7.2.13 Cash and cash equivalents decreased by S\$16.1 million (4.5%) from S\$359.5 million as at 31 August 2018 to S\$343.4 million as at 28 February 2019. Details of the movements are set out in the Consolidated Statement of Cash Flows in paragraph 8(b).

Non-current liabilities

- 7.2.14 Non-current liabilities comprised trade and other payables, deferred tax liabilities, borrowings, and derivatives. The increase in non-current liabilities by S\$193.1 million (13.9%) from S\$1,387.8 million as at 31 August 2018 to S\$1,580.9 million as at 28 February 2019 was attributed mainly to increase in non-current borrowings.
- 7.2.15 Trade and other payables decreased by S\$5.4 million (13.7%), from S\$39.4 million as at 31 August 2018 to S\$34 million as at 28 February 2019, due to lower rental deposits.
- 7.2.16 Non-current borrowings increased by S\$201.7 million (15.4%), from S\$1,312.5 million as at 31 August 2018 to S\$1,514.2 million as at 28 February 2019. The increase arose from S\$200.1 million of long-term facilities taken up in relation to the acquisition of Figtree.
- 7.2.17 Derivatives (interest rate swaps) of S\$2.1 million as at 28 February 2019 and S\$2.8 million as at 31 August 2018 resulted from fair value changes on contracts that the Group entered into to hedge against its interest rate risk exposure.

Current liabilities

- 7.2.18 Current liabilities comprised trade and other payables, current tax liabilities, borrowings and derivatives. The increase in current liabilities by S\$235.9 million (41%) from S\$575 million as at 31 August 2018 to S\$810.9 million as at 28 February 2019 was due to increase in current borrowings.
- 7.2.19 Current borrowings increased by S\$240.6 million (81.6%), from S\$294.9 million as at 31 August 2018 to S\$535.4 million as at 28 February 2019, due to draw-down of S\$324.9 million of short-term credit facilities primarily to fund the acquisition of the UK student accommodation portfolio. A repayment of S\$85 million of short-term banking facilities was made during the period.
- 7.2.20 Derivatives (foreign exchange forwards) of S\$0.01 million as at 28 February 2019 and S\$1.9 million as at 31 August 2018 represent the fair value changes on contracts that the Group entered into to minimise its foreign currency exposure.
- 7.2.21 As at 28 February 2019, the Group is in a net current liabilities position of S\$157.6 million due to draw-down of S\$324.9 million of short-term credit facilities pending long-term financing arrangements.

7.3 Statement of Cash Flows

2Q 2019

- 7.3.1 Net cash used in operating activities of S\$76.2 million was due to payment of dividends of S\$123.6 million and income tax of S\$24.8 million, partially offset by cash inflow from operating activities of S\$72.2 million.
- 7.3.2 Net cash used in investing activities of S\$166.5 million was due to additions to investment properties of S\$233.7 million (mainly the acquisition of Figtree and UK student accommodation portfolio); cash injection into Konnectivity of S\$11.8 million; and additions to property, plant and equipment of S\$7.2 million. This was partially offset by net proceeds from the disposal and purchase of treasury investments of S\$87.2 million.
- 7.3.3 Net cash from financing activities of S\$206.2 million was attributed to S\$200.1 million of loan facilities and S\$17 million of capital contribution by the non-controlling interest for the acquisition of Figtree, partially offset by interest payment of S\$10.9 million.

8(a)(i) Performance for the Half-Year ended 28 February 2019

Results for the Half-Year ended 28 February 2019

	Group		
	1H 2019	1H 2018	Change
	S\$'000	S\$'000	%
Operating revenue	477,643	492,457	(3.0)
Other operating income	8,936	15,123	(40.9)
Total revenue	<u>486,579</u>	<u>507,580</u>	(4.1)
Materials, production and distribution costs	(66,853)	(71,127)	(6.0)
Staff costs	(166,345)	(177,450)	(6.3)
Premises costs	(39,837)	(35,009)	13.8
Depreciation	(13,189)	(13,147)	0.3
Other operating expenses	(56,121)	(72,404)	(22.5)
Finance costs	(22,931)	(17,878)	28.3
Total costs	<u>(365,276)</u>	<u>(387,015)</u>	(5.6)
Operating profit [#]	121,303	120,565	0.6
Fair value change on investment properties	(12,864)	-	NM
Share of results of associates and joint ventures	9,379	(2,102)	NM
Net income from investments	2,433	21,666	(88.8)
Profit before taxation	120,251	140,129	(14.2)
Taxation	(20,653)	(19,537)	5.7
Profit after taxation	<u>99,598</u>	<u>120,592</u>	(17.4)
Attributable to:			
Shareholders of the Company	85,614	100,397	(14.7)
Non-controlling interests	13,984	20,195	(30.8)
	<u>99,598</u>	<u>120,592</u>	(17.4)

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

NM Not Meaningful

8(a)(ii) Notes:
Profit after taxation is arrived at after accounting for:

	Group		
	1H 2019	1H 2018	Change
	S\$'000	S\$'000	%
(Allowance)/Write-back of allowance for stock obsolescence	(347)	119	NM
Share-based compensation expense	(1,914)	(2,323)	(17.6)
Retrenchment and outplacement costs	-	(11,612)	NM
Impairment of trade receivables	(147)	(406)	(63.8)
Bad debts recovery	5	13	(61.5)
Profit on disposal of property, plant and equipment	118	155	(23.9)
Amortisation of intangible assets	(4,068)	(5,284)	(23.0)
Gain on divestment of interests in subsidiaries	396	-	NM
(Loss)/Gain on divestment of interests in associates	(426)	5,966	(92.9)
Interest income from treasury and operations	3,783	5,789	(34.7)
Net profit on disposal of investments	-	14,485	NM
Net fair value changes on			
- Investments at fair value through profit or loss ("FVTPL")	(647)	(1,218)	(46.9)
- Derivatives (foreign exchange forwards)	786	3,432	(77.1)
Net foreign exchange differences	(474)	(1,019)	(53.5)
Impairment of investments	-	(197)	NM
Net (under)/over-provision of prior years' taxation	(184)	1,194	NM

8(a)(iii) Statement of Comprehensive Income

	Group		
	1H 2019	1H 2018	Change
	S\$'000	S\$'000	%
Profit after taxation	99,598	120,592	(17.4)
Other comprehensive income, net of tax			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Capital reserves			
- share of capital reserves of an associate	20	-	NM
Cash flow hedges (interest rate swaps)			
- net fair value changes	(1,691)	2,677	NM
- transferred to income statement	913	2,233	(59.1)
Net fair value changes on available-for-sale financial assets			
- net fair value changes	-	12,774	NM
- transferred to income statement	-	(12,569)	NM
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	(2,070)	1,414	NM
	(2,828)	6,529	NM
<u>Item that will not be re-classified subsequently to profit or loss</u>			
Net fair value changes on fair value through other comprehensive income ("FVOCI") financial assets	53,146	-	NM
Total comprehensive income	<u>149,916</u>	<u>127,121</u>	17.9
Attributable to:			
Shareholders of the Company	136,240	105,315	29.4
Non-controlling interests	13,676	21,806	(37.3)
	<u>149,916</u>	<u>127,121</u>	17.9

8(b) **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 Half Year ended 28 February 2019

	1H 2019	1H 2018
	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	120,251	140,129
Adjustments for:		
Depreciation	13,189	13,147
Profit on disposal of property, plant and equipment	(118)	(155)
Fair value change on investment properties	12,864	-
Share of results of associates and joint ventures	(9,379)	2,102
Gain on divestment of interests in subsidiaries	(396)	-
Loss/(Gain) on divestment of interests in associates	426	(5,966)
Net income from investments	(2,433)	(21,666)
Amortisation of intangible assets	4,068	5,284
Finance costs	22,931	17,878
Share-based compensation expense	1,914	2,323
Other non-cash items	(340)	(1,577)
Operating cash flow before working capital changes	162,977	151,499
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	(6,180)	3,609
Trade and other receivables, current	(8,482)	1,557
Trade and other payables, current	4,996	(19,737)
Trade and other receivables, non-current	983	601
Trade and other payables, non-current	(5,400)	2,097
Others	(4,365)	1,424
	144,529	141,050
Income tax paid	(25,565)	(27,163)
Dividends paid	(112,934)	(145,348)
Dividends paid (net) by subsidiaries to non-controlling interests	(30,866)	(21,308)
Net cash used in operating activities	(24,836)	(52,769)

**Consolidated Statement of Cash Flows for the Half Year ended 28 February 2019
(cont'd)**

	1H 2019	1H 2018
	S\$'000	S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(14,596)	(14,525)
Proceeds from disposal of property, plant and equipment	170	227
Additions to investment properties	(538,003)	(1,909)
Acquisition of business by a subsidiary	-	(2,840)
Acquisition of interests in associates	(13,753)	(11,205)
Acquisition of interests in joint ventures	-	(25,600)
Dividends received from associates	1,577	1,019
Proceeds from divestment of interests in subsidiaries	815	-
Proceeds from divestment of interest in associates	6	17
Decrease/(Increase) in amounts owing by associates/ joint ventures	72	(86,590)
Decrease in amounts owing to associates/ joint ventures	(960)	(2,110)
Purchase of investments, non-current	(12,105)	(23,959)
Purchase of investments, current	(174,754)	(56,657)
Proceeds from capital distribution/disposal of investments, non-current	10,816	21,329
Proceeds from disposal of investments, current	316,770	47,468
Dividends received	1,158	2,699
Interest received	1,966	2,801
Other investment income	(3,165)	3,373
Net cash used in investing activities	(423,986)	(146,462)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans (net of transaction costs)	524,996	322,880
Repayment of bank loans	(85,000)	(213,395)
Interest paid	(20,637)	(16,575)
Share buy-back	(3,593)	-
Proceeds from partial divestment of interests in subsidiaries	-	22,307
Proceeds from capital contribution by non-controlling interest	16,961	-
Net cash from financing activities	432,727	115,217
Net decrease in cash and cash equivalents	(16,095)	(84,014)
Cash and cash equivalents at beginning of period	359,498	312,647
Cash and cash equivalents at end of period	343,403	228,633

9. Earnings Per Share for the Half Year ended 28 February 2019

	Group	
	1H 2019	1H 2018
(a) Based on the weighted average number of shares on issue (S\$)	0.05	0.06
(b) On fully diluted basis (S\$)	0.05	0.06

10. Review of Results for the Half Year ended 28 February 2019 (“1H 2019”) compared with the Half Year ended 28 February 2018 (“1H 2018”)

10.1 Income Statement

10.1.1 Group operating revenue comprised mainly advertisement and circulation revenue (print and digital), rental income from retail malls and student accommodation, and income from other businesses (including aged care, events and exhibitions and education). The decrease in group operating revenue of S\$14.8 million (3%), from S\$492.5 million in 1H 2018 to S\$477.6 million in 1H 2019, was due to lower print advertisement revenue of S\$24 million (12.3%) and lower circulation revenue of S\$7.4 million (9.7%), cushioned by rental revenue from the UK student accommodation portfolio of S\$12.5 million, Figtree of S\$3.2 million and Rail Mall of \$2.5 million.

Other operating income included sales of production waste and other scrap materials, distribution service fees for third party periodicals, and income from branding events. Other operating income was lower by S\$6.2 million (40.9%), from S\$15.1 million in 1H 2018 to S\$8.9 million in 1H 2019, mainly due to the absence of a S\$5.9 million gain arising from the dilution of interest on the IPO listing of Mindchamps Preschool in 1H 2018.

Total revenue of S\$486.6 million in 1H 2019 was lower by S\$21 million (4.1%) compared to S\$507.6 million in 1H 2018.

10.1.2 Materials, production and distribution costs included newsprint and other material costs, factory overheads and distribution costs for the media business, and production costs and supplies for the events and exhibitions and aged care businesses. The reduction in materials, production and distribution costs by S\$4.3 million (6%), from S\$71.1 million in 1H 2018 to S\$66.9 million in 1H 2019, was in line with lower revenue of the media business.

Staff costs comprised salaries, bonuses, allowances, employers' contribution to defined contribution plans and share-based compensation expense. Staff costs was lower by S\$11.1 million (6.3%), from S\$177.5 million in 1H 2018 to S\$166.3 million in 1H 2019. This was due to lower headcount and bonus provision.

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, media and aged care businesses. The increase in premises costs of S\$4.8 million (13.8%), from S\$35 million in 1H 2018 to S\$39.8 million in 1H 2019, was attributed mainly to the UK student accommodation portfolio and Figtree.

Other operating expenses included business promotion expenses, articles and news agencies' fees, 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 decreased S\$16.3 million (22.5%), from S\$72.4 million in 1H 2018 to S\$56.1 million in 1H 2019. This was due to the absence of retrenchment costs of S\$11.6 million that was incurred in 1H 2018, unrealised foreign exchange gains, reduced business promotion expense and lower amortisation charge on reduced value of intangible assets.

Finance costs increased by S\$5.1 million (28.3%), from S\$17.9 million in 1H 2018 to S\$22.9 million in 1H 2019, due to interest costs on loan facilities taken up to fund the acquisition of the UK student accommodation portfolio and Figtree, and to provide equity funding for the Woodleigh development.

Overall, total costs fell by S\$21.7 million (5.6%) from S\$387 million in 1H 2018 to S\$365.3 million in 1H 2019.

- 10.1.3 As a result of the foregoing, operating profit of S\$121.3 million in 1H 2019 was S\$0.7 million (0.6%) higher compared to S\$120.6 million in 1H 2018.
- 10.1.4 Fair value change on investment properties of S\$12.9 million relates mainly to expensing of stamp duty for the recently acquired Figtree.
- 10.1.5 The share of results of associates and joint ventures was a gain of S\$9.4 million in 1H 2019 against a loss of S\$2.1 million in 1H 2018. This was mainly due to fair value gain on the investment property of S\$13.9 million arising from an associate, Chinatown Point.
- 10.1.6 Investment income comprised fair value changes on investments and derivatives, foreign exchange differences, and dividend and interest income from the investment portfolio. Investment income fell by S\$19.2 million (88.8%), from S\$21.7 million in 1H 2018 to S\$2.4 million in 1H 2019. This was due to gain on disposal of investments of S\$14.5 million in 1H 2018 which was absent in 1H 2019. In addition, foreign exchange losses of S\$1.2 million was recorded in 1H 2019 against gains of S\$3.1 million recognised in 1H 2018.
- 10.1.7 Taxation charge of S\$20.7 million in 1H 2019 was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. There was no material adjustment for over- or under- provision of taxation in respect of prior years.
- 10.1.8 Consequently, net profit attributable to shareholders of S\$85.6 million in 1H 2019 was S\$14.8 million (14.7%) lower compared to S\$100.4 million in 1H 2018.

10.2 Statement of Cash Flows

- 10.2.1 Net cash from operating activities of S\$24.8 million was due to payment of dividends of S\$143.8 million and income tax of S\$25.6 million, partially offset by cash inflow from operating activities of S\$144.5 million.
- 10.2.2 Net cash used in investing activities of S\$424 million was due to additions to investment properties of S\$538 million (mainly the acquisition of UK student accommodation portfolio and Figtree); cash injection into Konnectivity of S\$11.8 million; and additions to property, plant and equipment of S\$14.6 million. This was partially offset by net proceeds from the disposal and purchase of treasury investments of S\$140.7 million.
- 10.2.3 Net cash from financing activities of S\$432.7 million was attributed to S\$525 million of loan facilities related to the acquisition of UK student accommodation portfolio and Figtree. In addition, the non-controlling interest of Figtree contributed capital of S\$17 million for its share of the investment. This was partially offset by repayment of S\$85 million of short-term banking facilities and interest payment of S\$20.6 million.

11. **Segmental information (of the group) for the Year-To-Date ended 28 February 2019**

Business Segments

The Group is organised into three major operating segments, namely Media, Property, and Treasury and Investment. The Media segment is involved in the production of content for distribution on print and other media platforms. The Property segment holds, manages and develops properties in the retail, student accommodation and residential sectors. The Treasury and Investment segment manages the investment activities of the Group. Other operations under the Group, which are currently not significant to be reported separately, are included under "Others". These include the Group's businesses and investments in online classifieds, aged care, events and exhibitions, education and the New Media Fund.

Group Segmental Information

1H 2019

	Media S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue						
External sales	296,162	140,331	-	41,150	-	477,643
Inter-segmental sales	1,816	1,074	-	683	(3,573)	-
Total operating revenue	297,978	141,405	-	41,833	(3,573)	477,643
Result						
Segment result	42,397	106,074	2,060	(3,864)	-	146,667
Finance costs	-	(22,830)	(101)	-	-	(22,931)
Fair value change on investment properties	-	(12,864)	-	-	-	(12,864)
Share of results of associates and joint ventures	(325)	9,401	-	303	-	9,379
Profit/(Loss) before taxation	42,072	79,781	1,959	(3,561)	-	120,251

1H 2018

	Media S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue						
External sales	329,531	121,676	-	41,250	-	492,457
Inter-segmental sales	1,692	1,166	-	1,006	(3,864)	-
Total operating revenue	331,223	122,842	-	42,256	(3,864)	492,457
Result						
Segment result	43,796	95,261	17,107	3,945	-	160,109
Finance costs	-	(16,930)	(940)	(8)	-	(17,878)
Share of results of associates and joint ventures	(46)	(314)	-	(1,742)	-	(2,102)
Profit before taxation	43,750	78,017	16,167	2,195	-	140,129

Group Segmental Review

Media

Revenue for the Media business declined S\$33.4 million (10.1%) from S\$329.5 million in 1H 2018 to S\$296.2 million in 1H 2019. Print advertisement revenue declined S\$24 million (12.3%) with the Newspaper business accounting for S\$18.6 million (10.5%) of the reduction, partly due to shorter festive advertising window between Christmas and Chinese New Year this year. On the digital front, Newspaper digital advertisement revenue showed encouraging growth of S\$1.7 million (15.1%) year-on-year. Circulation revenue fell S\$7.4 million (9.7%) as daily average newspaper print sales decreased by 71,129 copies (12.4%), while daily average newspaper digital sales increased by 23,081 copies (11.8%) excluding copies relating to a barter agreement which has ended.

Profit before tax was S\$1.7 million (3.8%) lower year-on-year, from S\$43.8 million in 1H 2018 to S\$42.1 million in 1H 2019. The decline in revenue of S\$33.4 million (10.1%) was cushioned by reduction in staff costs and bonus provision of S\$13.1 million (8.6%), materials, production and distribution cost of S\$3.3 million (4.8%) and business promotion expense of S\$3 million (23.1%), together with absence of retrenchment costs of S\$11.6 million taken up in 1H 2018.

Property

Revenue for the Property segment grew by S\$18.7 million (15.3%), from S\$121.7 million in 1H 2018 to S\$140.3 million in 1H 2019, mainly through asset acquisitions. The increase comprised revenue contribution of S\$12.5 million from the UK student accommodation portfolio, S\$3.2 million from Figtree and S\$2.5 million from The Rail Mall.

Profit before tax grew S\$1.8 million (2.3%), from S\$78 million in 1H 2018 to S\$79.8 million in 1H 2019. The UK student accommodation portfolio recorded net operating income of S\$6.2 million and the share of profits from Chinatown Point included a S\$13.9 million fair value gain on the investment property. However, these were largely offset as the Group recognised a fair value change on investment properties of S\$12.9 million mainly relating to the stamp duty expense for Figtree, and also accounted for its share of The Woodleigh Residences' financing and marketing costs.

Treasury and Investment

Profit before tax was S\$14.2 million (87.9%) lower year-on-year, from S\$16.2 million in 1H 2018 to S\$2 million in 1H 2019, with the Treasury and Investment portfolio largely divested by August 2018.

Others

Revenue for the Others segment was flat at S\$41.2 million for 1H 2019 compared to S\$41.3 million for 1H 2018.

The segment posted a pre-tax loss of S\$3.6 million in 1H 2019 against a pre-tax profit of S\$2.2 million in 1H 2018. This was due to the absence of a one-off gain of S\$5.9 million from dilution of interest on the IPO listing of MindChamps Preschool in 1H 2018.

12. 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.

13. 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

- 13.1 The Group continues to make progress with its digital transformation strategy. Although the Media business continues to experience headwinds, revenue from the digital side of the business is showing growth.
- 13.2 The Group sees improved recurring income from the Property segment which has expanded its portfolio following recent acquisitions. SPH REIT made its first overseas foray in December with the acquisition of Figtree Grove Shopping Centre in Australia. The UK student accommodation portfolio expanded its capacity by over 10% with the addition of 380 beds across the two cities of Lincoln and Glasgow in February and post 1H 2019, in March. The Woodleigh Residences is expected to be officially launched for sale by May 2019.
- 13.3 With the completion of the M1 transaction, the Group looks forward to the next step of being part of M1's transformational journey, and will closely collaborate with Keppel Corporation and M1 to leverage on the synergies among the parties.
- 13.4 The Aged Care business remains on the lookout for expansion opportunities as it seeks to build operational capabilities in Singapore and enhance the range of services on offer.

14. Dividends

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Rate	5.5 cents per share
Tax rate	Tax exempt (One-tier)

(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	Interim Dividend
Dividend Type	Cash
Dividend Rate	6 cents per share
Tax rate	Tax exempt (One-tier)

(c) Date payable

The date the dividend is payable: 24 May 2019.

(d) Record Date

The Share Transfer Books and Register of Members of the Company will be closed on 3 May 2019, 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 3 May 2019 will be registered to determine shareholders' entitlements to the interim 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 dividends to holders of the securities accounts.

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

Not applicable.

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. Subsequent Event

Acquisition of U.K. Student Accommodation Portfolio

On 25 March 2019, the Group's wholly-owned subsidiary, Straits One (Jersey) Limited, entered into a sale and purchase agreement to acquire a portfolio of Purpose-Built Student Accommodation in U.K. from Lysander Student Properties Operation Limited, a related company of Kier Group PLC for a cash consideration of £22.8 million (approximately S\$40.4 million), with an independent valuation of £23 million by CBRE Limited, in accordance with RICS Valuation. The portfolio comprises 2 buildings in Glasgow, U.K. and has a total capacity of 264 beds for student accommodation. The properties consist of two assets of heritable title, which is Scottish equivalent of freehold, and are situated within walking distance from three established universities, including one in Russel Group, University of Glasgow.

This transaction will be accounted for in the third quarter of FY2019.

BY ORDER OF THE BOARD

Ginney Lim May Ling
Khor Siew Kim

Company Secretaries

Singapore,
9 April 2019



CONFIRMATION BY THE BOARD
Pursuant to Rule 705(5) of the Listing Manual

We, Lee Boon Yang and Ng Yat Chung, being two directors of Singapore Press Holdings Limited (“the Company”), do hereby confirm on behalf of the directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the second quarter ended 28 February 2019 to be false or misleading in any material respect.

On behalf of the Directors

LEE BOON YANG
Chairman

NG YAT CHUNG
Director

Singapore,
9 April 2019



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Report on review of Condensed Interim Financial Information

The Board of Directors
Singapore Press Holdings Limited

Introduction

We have reviewed the accompanying financial statements of Singapore Press Holdings Limited (the “Company”) and its Subsidiaries (the “Group”), which comprised the statements of financial position of the Group and the Company as at 28 February 2019, and the consolidated statements of income, comprehensive income, changes in total equity and cash flows of the Group for the three-month and six-month periods then ended, and certain explanatory notes (the “Condensed Interim Financial Information”). Management is responsible for the preparation and presentation of this Condensed Interim Financial Information in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Information is not prepared, in all material respects, in accordance with SFRS(I) 1-34 *Interim Financial Reporting*.



Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Condensed Interim Financial Information for the purpose of assisting the Company to meet the requirements of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Company's announcement of its interim financial information for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.

A handwritten signature in black ink that reads 'KPMG LLP'.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
9 April 2019