CREATING THE

future

CREATING

value

ANNUAL REPORT 2018

sph

CONTENTS

CORPORATE PROFILE

ABOUT SINGAPORE PRESS HOLDINGS LTD

Incorporated in 1984, main board-listed Singapore Press Holdings Ltd (SPH) is Asia's leading media organisation, engaging minds and enriching lives across multiple languages and platforms.

SPH's core business is publishing of newspapers, magazines and books in both print and digital editions. It also owns other digital products, online classifieds, radio stations and outdoor media.

On the property front, SPH owns 70% in a real estate investment trust called SPH REIT which comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road, The Clementi Mall, a mid-market suburban mall and The Rail Mall, a stretch of shopping and dining outlets along Upper Bukit Timah Road. SPH also owns and operates The Seletar Mall. It is developing a new commercial cum residential site at Woodleigh. It also has a stake in Chinatown Point and acquired a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom in September 2018.

It is in the aged care sector and owns Orange Valley, Singapore's largest private nursing home operator.

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

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

SHAPING THE future OF NEWS

As a leading industry player, SPH is constantly evolving its business strategies and operations to keep up with changing times. We recognise the value of transformation and how it propels growth. This year, we augmented our print segment by launching premium subscription packages to cater to the reading needs of different subscribers. It was an effective move that resulted in over 10,000 new subscriptions, with most new subscribers opting for high-value packages.

CREATING VALUE THROUGH transformation

Total Daily Average Newspapers Circulation:
964,400 copies

over 80 titles
SPH Magazines is the leader in magazine publishing in Asia

OPTIMISING

future GROWTH

To stay ahead is to innovate. Navigating challenges and disruptions in the media industry has led us to intensify the digitalisation of our media business. We continue to invest in our digital media initiatives as well as in training and development of our staff to enhance their digital skills. This includes the use of data and analytics to enhance our media operations and create greater value for all stakeholders.

CREATING VALUE THROUGH innovation

Daily Average Digital Circulation:
391,200 copies

A robust growth of
37% year-on-year

SEIZING THE

future

As part of our strategic growth roadmap, SPH Radio sought to gain a greater share of the market by growing its stable from three to five stations. Besides Kiss92, UFM 100.3 and ONE FM 91.3, the addition of 96.3 Hao FM and MONEY FM 89.3 will enable us to reach out to a wider audience spectrum and secure a stronger foothold in the competitive market.

CREATING VALUE THROUGH strategy

Kiss92 – **Longest time spent** listening by audience among all English radio stations

Based on the Nielsen Radio Diary Survey 2018 Wave 1

Total listenership: **579,000**

BUILDING future GOALS

Property remains a key growth driver for SPH. Building on the solid track record we have established in the property sector, we will continue to enhance growth by forging stronger synergies with valued partners who will take our brand further. This includes the launch of The Woodleigh Residences, which is part of a commercial-cum-residential site jointly developed with Kajima Development. Through this partnership, we are poised to strengthen our experience and expertise, which will put us in good stead to secure future projects.

CREATING VALUE THROUGH

partnership

Paragon:
99.6% occupancy

The Clementi Mall:
100% occupancy

The Seletar Mall:
99.5% occupancy

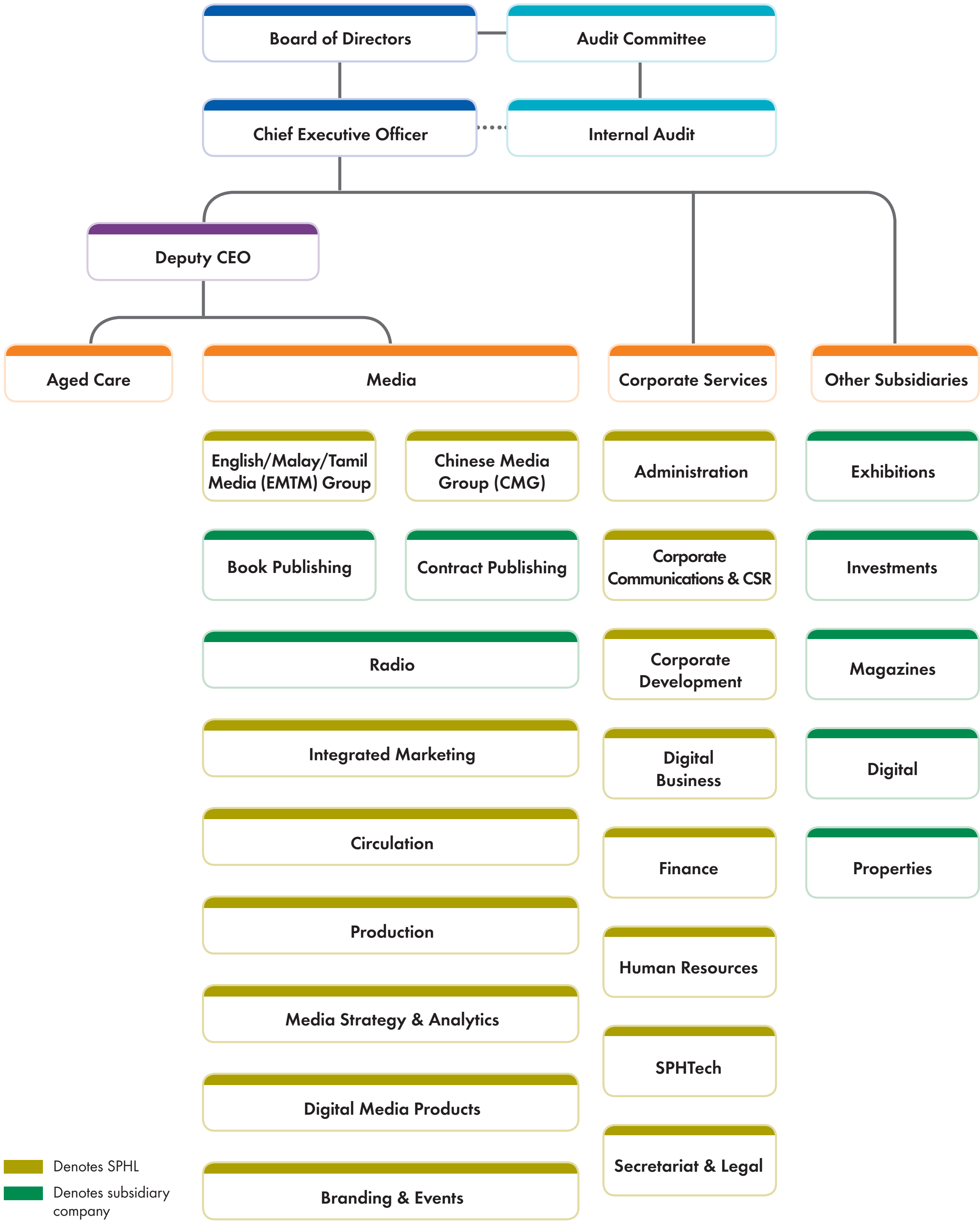
NURTURING A BRIGHTER future

SPH is committed to developing new growth to diversify and maximise shareholder returns. This includes our foray into aged care and student accommodation businesses. The Group owns Orange Valley Nursing Homes and is Singapore's largest private sector player in aged care, which will enable us to hone our capabilities to ride the growing potential of the Asia Pacific aged care markets. Beyond Singapore, SPH also acquired a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom, which will establish SPH as an overseas owner of PBSA and provide a platform for the Group to pursue new growth opportunities and unlock greater value for the future.

Sphere Exhibits organised **>30 events and exhibitions** in Singapore, Malaysia and Thailand

CREATING VALUE THROUGH diversity

ORGANISATION STRUCTURE



GROUP FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED
31 AUGUST 2018

	2018 S$'000	2017 S$'000	Change %
Operating revenue	**982,555**	1,032,515	(4.8)
Operating profit#	**206,346**	205,448	0.4
Profit before taxation	**370,505**	431,492	(14.1)
Profit after taxation	**323,997**	395,216	(18.0)
Non-controlling interests	**(42,887)**	(45,131)	(5.0)
Profit attributable to shareholders	**281,110**	350,085	(19.7)
Shareholders' interests	**3,466,932**	3,488,398	(0.6)
Total assets	**6,196,688**	6,106,410	1.5
Total liabilities	**1,968,604**	1,883,086	4.5
Non-controlling interests	**761,152**	734,926	3.6
Dividends declared for the financial year	**209,991**	242,276	(13.3)
Profitability ratios	%	%	% points
Operating margin^	**21.0**	19.9	1.1
Return on operating revenue	**28.6**	33.9	(5.3)
Return on shareholders' funds	**8.1**	10.0	(1.9)
Per share data			%
Net assets attributable to shareholders (S$)	**2.15**	2.16	(0.5)
Profit attributable to shareholders (S$)	**0.17**	0.22	(22.7)
Dividends declared for the financial year (cents)##	**13**	15	(13.3)
Dividend cover for the financial year (times)	**1.3**	1.5	(13.3)
Value added	S$	S$	%
Per employee	**163,219**	162,996	0.1
Per $ employment costs	**1.91**	2.01	(5.0)
Per $ investment in property, plant and equipment (before depreciation)	**0.68**	0.70	(2.9)
Per $ operating revenue	**0.70**	0.71	(1.4)

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

^ *Computed based on recurring earnings.*

\## *These dividends are tax-exempt. The proposed final dividend of 7 cents per share, comprising a normal dividend of 3 cents per share and a special dividend of 4 cents per share, is subject to approval by shareholders at the Annual General Meeting on 3 December 2018.*

The past financial year witnessed many major events that battered the world's economy. The trade war, tariff hikes, geopolitical tensions, cybersecurity threats, and United Kingdom's withdrawal from the European Union were just some of the destabilising factors that impacted the financial market.

Against this challenging backdrop, SPH reported operating profit held firm at $206.3 million for the year ended 31 August 2018 (FY2018) cushioned by cost savings even as operating revenue declined $50 million or 4.8 per cent to $982.6 million. Net profit attributable to shareholders fell $69 million or 19.7 per cent to $281.1 million, partly due to the absence of the one-off gain on divestment of a joint venture seen in FY2017. Other information on the Group is set out in this report.

The Board has proposed a dividend of 7 cents per share, comprising a Normal Dividend of 3 cents per share and a Special Dividend of 4 cents per share in respect of the financial year ended 31 August 2018. We had earlier declared and paid an interim dividend of 6 cents per share.

SEEKING NEW PILLARS OF GROWTH

In the face of challenges and disruptions in the media industry, we intensified our digitalisation of our media business. We continue to invest in our digital media initiatives as well as in training and development of our staff to enhance their digital skills.

At the same time, we are growing our property portfolio and developing new growth pillars in digital and aged care businesses to diversify and maximise shareholder returns.

As part of our transformation, we initiated major changes to our management bench. Mr Ng Yat Chung was named Chief Executive Officer on 1 September 2017. In April 2018, we brought in Mr Chua Hwee Song as our new Chief Financial Officer.

We also appointed Mr Glen Francis as Chief Technology Officer to oversee SPH's suite of digital products, and Mr Gaurav Sachdeva as Chief Product Officer to work with the Media Group on vision, design, development and monetisation of our digital media content and products. Mr Ignatius Low was made Chief Marketing Officer and put in charge of advertisement solutions across print, digital, radio and outdoor platforms as well as content marketing. Mr Julian Tan is now Chief of Digital Business and his focus is to grow SPH's portfolio of investments in digital businesses.

They will work with the Board, management team and staff to enhance our existing businesses and seek new pillars of growth.

PROPERTIES AND REAL ESTATE ASSETS

Property remains the biggest profit driver for SPH.

Under SPH REIT, we acquired The Rail Mall this year. The acquisition has the potential to create a differentiated positioning which complements our existing portfolio of quality income-producing retail properties, comprising Paragon and The Clementi Mall. SPH also owns The Seletar Mall and Buzz convenience stores. We also increased our stake in Chinatown Point to 30.68 per cent.

We will soon be launching The Woodleigh Residences, which is part of a commercial-cum-residential site we are jointly developing with Kajima Development. We are also building The Woodleigh Mall, a community club as well as a police post as part of the integrated development.

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

– Lee Boon Yang

The Woodleigh Residences marks SPH's second residential project after Sky@eleven in Thomson Lane, which was sold out not long after launch and completed in 2010. We aim to build an oasis for homeowners to live close to park-land surroundings yet enjoy the convenience of a well provisioned and vibrant mall.

The Bidadari estate where the Woodleigh development sits is widely referred to as the "future Bishan" due to its central location. Connectivity will be another key attraction, with multiple transport links such as Woodleigh MRT station and direct access to Singapore's first air-conditioned basement bus interchange. It is also within the 1-2km catchment area of popular primary, secondary and international schools.

Beyond Singapore, we recently acquired the portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom at an acquisition cost of £180.5 million (approximately S$321 million). This acquisition will establish SPH as an overseas owner of PBSA and will provide a platform for us to pursue other growth opportunities in the market. It is part of our ongoing strategy to expand the Group's asset management business to acquire cash-yielding assets in multiple defensive sectors. We will build upon our initial PBSA acquisition to develop a sizeable platform with strong domain expertise and on-ground capabilities and may also enter other sectors in time. The assets will further strengthen our robust base of recurring income from our property portfolio, which currently represents more than 50 per cent of our Group's profitability.

MEDIA AND DIGITAL

We are already seeing a tapering decline from traditional print media business towards a new level. We are committing resources to sharpen our digital capabilities through strategic joint ventures and partnerships, investments and restructuring efforts. We are also boosting our data analytics capability for improved ad targeting to better serve our consumers.

Our digital-first strategy is gaining traction with improvements in digital circulation, advertisement revenue and overall outreach, as evidenced by comScore's report. Total newspaper circulation for print and digital editions ended FY2018 with 964,400 daily average copies, an increase of 4 per cent year-on-year. The total digital circulation copies was 391,200, a strong growth of 37 per cent vis-à-vis FY2017.

The Straits Times premium subscription packages were launched in February 2018 to cater to the reading needs of different subscribers. The results have been very encouraging, with over 10,000 new subscriptions since the launch and most new subscribers opting for the higher-value packages.

In April this year, we worked with Google to allow owners of Google Home devices to listen to the news and podcasts of The Straits Times and The Business Times as well as radio station MONEY FM 89.3. At the same time, subscribers who sign up for The Straits Times All-Digital package or All-Digital + Print package received a free Google Home Mini. There were 5,091 subscribers for the Google Home promotion.

We will spearhead the growth of digital readership and digital revenue by offering different entry price points and promotions. This will expand to other digital publications over time. We are also making use of data and analytics to enhance our media operations.

We carried out advanced analytics projects focusing on customer life cycle management. These projects include Customer-Life-Time value estimation for various cohorts from different campaigns, customer churn models using both online and offline features, customer profiling centered around reading behaviour and supplemented with other contact points such as rewards programme participation and free trial sign-up. Findings from these analyses will be used to enhance customer engagement and increase customer values.

The past FY was also a significant year for SPH Radio, as we grew our stable from three to five stations. Besides Kiss92, UFM 100.3 and ONE FM 91.3, we added 96.3 Hao FM and MONEY FM 89.3 to cover a much wider spectrum of audience.

We aim to grow our digital portfolio and build synergies with existing media businesses. At the same time, divestments of our digital assets will provide consistent contribution to our revenue.

Back in 2015, SPH invested in Qoo10, a leading e-commerce site in Singapore. Since then, Qoo10 has built its business across Asia, including Japan. On 27 February 2018, Qoo10 divested its Japanese business to eBay Inc. As part of the transaction, eBay relinquished its stake in Qoo10's non-Japanese businesses.

SPH recorded a profit of $9.4m from Qoo10's divestment of the Japanese business. The divestment enables Qoo10 to focus on its core market in Singapore, as well as its other marketplaces in Indonesia, Malaysia, Hong Kong and China.

AGED CARE

SPH is Singapore's largest private sector player in aged care following our acquisition of Orange Valley (OV) Nursing Homes in 2017, with over 950 beds in five nursing homes in Singapore. OV is a subsidiary of Invest Healthcare Pte Ltd (formerly known as Orange Valley Healthcare Pte Ltd).

In May this year, the Balestier branch was officially opened. It is equipped with comprehensive amenities for short-term convalescent and respite care, step-down care, as well as long-term stay for the elderly, and rehabilitation.

OV started The Living Laboratory concept to trial-test the latest aged care technology and determine their suitability for use in our nursing homes. These innovations will enhance delivery of clinical care to the residents and improve staff productivity through streamlining work processes in a 'live' nursing home setting. The Living Laboratory has collaborated with partners such as ST Engineering and StarHub to test-bed some of the solutions applicable to a nursing home.

With OV, we are focused on developing efficient capabilities and rationalising operating costs. We also intend to venture overseas as part of our internationalisation strategy. We believe there are many growth opportunities even as we see the aged market expanding locally and regionally.

FORGING KEY PARTNERSHIPS

SPH forged strategic partnerships to boost our various business offerings. For example, we are working with local machine learning start-up, DC Frontiers, to develop a content recommendation engine driven by artificial intelligence. The engine will use analysis and algorithms to curate articles for SPH's readers based on individual news consumption habits and other attributes. The project is part of SPH's ongoing efforts to deepen audience engagement using the latest technologies.

In March 2018, we teamed up with neuroscience technology company NeuroTrend – the Singapore-based entity of JSC NeuroTrend (Russia) – to launch a neuromarketing consumer insights lab in Singapore. Advertisers are seeking better ways to increase the effectiveness of their advertising spends and campaigns. The partnership allows us to offer our advertisers a pre-campaign concept testing facility that measures the neurological response of the audience to advertisements.

We renewed our strategic partnership with StarHub in January 2018 for a second two-year term, following the success of our collaboration in 2016. Under the partnership, StarHub customers can use SPH apps – including ST, BT, ZB and SPH Radio – without incurring data charges, for a two-year period starting August 2018. The two companies also agreed to work closely in advertising sales, content creation and distribution, data analytics and marketing, and to explore tie-ups in healthcare, retail and education.

At the same time, we inked a partnership with Samsung to work on innovative technologies and marketing campaigns that combine our rich content with Samsung's cutting-edge devices for the benefit of consumers.

Meanwhile, SPH and Google embarked on several collaborations to enhance the use of technology and data in media. In April 2018, we launched four news audio feeds in conjunction with the launch of the voice-enabled Google Home devices in Singapore. Having adopted the G Suite enterprise software in 2017, we also migrated to Google Analytics 360 in 2018. SPH and Google are also working closely under the Google News Initiative, which seeks to support media publishers.

We signed an agreement with A*STAR's Institute of High Performance Computing (IHPC) to create a system that can optimise news headlines for higher virality, so as to improve audience engagement and media literacy. Building on IHPC's proprietary technology for sentiment and emotion analysis, the collaboration will first identify elements of news headlines that are correlated with article popularity. SPH and IHPC will then develop a system that conducts affective analysis to predict the virality of an article based on its headline. This system will enable SPH journalists to test different headlines for their articles, before choosing the one that would be most effective in capturing a reader's interest and attention.

In September 2018, we entered into a partnership with Norway-based firm Cxense ASA to deploy Cxense Conversion Engine, a new machine-learning powered solution for dynamic paywalls and personalised customer journeys, across our media platforms to increase subscriptions. The Conversion Engine uses real-time behavioural, contextual and sociodemographic data to enable publishers to create personalised customer experiences. Through data analytics, a static paywall can be replaced by one that is more flexible, so that content is opened up or locked down automatically and in real-time according to a reader's likelihood to subscribe. This partnership is in line with our continued focus on increasing reader revenues, especially for our digital products, as a sustainable recurring stream. SPH will also become a strategic partner of Cxense and a member of the Cxense Product Council for Conversion Engine.

STAFF DEVELOPMENT AND TRAINING

Our staff are our key asset. We will continue to invest in their training and development to secure our long term growth and success. In the next 3 to 5 years, we will be rolling out future-ready core skills training such as digital awareness and customer-centricity to help our staff stay relevant and competent. Our training programmes also include on-boarding and induction, on-the-job training, soft skills training, functional skills training, managerial and leadership development. Functional skills are designed to address the critical skills needed to drive SPH's business forward. We also encourage our staff to take up E-Learning courses for their continual education and self-development.

We held our first-ever group-wide SPH Innovation Day on 4 July 2018, the culmination of a 100-day intensive innovation project that marked a renewed drive to foster corporate innovation. Aided by Australian consultancy Venturetec, the project aimed to spur a more entrepreneurial culture across the organisation and encourage innovative and improved ways of working.

SUSTAINABILITY

For the seventh consecutive year, we have included a sustainability section in this annual report. This year is the first time we have embarked on full sustainability reporting that aligns with the Singapore Exchange's requirements, and with reference to the Global Reporting Initiative Standards. We will continue to identify and monitor key material factors that impact our business operations, and improve on our reporting with time.

We continue to champion corporate citizenry, with our active corporate social responsibility efforts garnering awards like the Corporate Platinum Award by the Community Chest, Patron of the Arts Award by the National Arts Council, and Champion of Good Award by the National Volunteer & Philanthropy Centre.

TRIBUTE AND THANKS

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

Lee Boon Yang
Chairman

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

TOP ROW FROM LEFT

Lee Boon Yang
Chairman
Non-Executive and
Independent Director

Ng Yat Chung
Chief Executive Officer
Executive and
Non-Independent Director

Janet Ang Guat Har
Non-Executive and
Independent Director

Bahren Shaari
Non-Executive and
Independent Director

Chong Siak Ching
Non-Executive and
Independent Director

BOTTOM ROW FROM LEFT

Andrew Lim Ming-Hui
Non-Executive and
Independent Director

Quek See Tiat
Non-Executive and
Independent Director

Tan Chin Hwee
Non-Executive and
Independent Director

Tan Yen Yen
Non-Executive and
Independent Director

LEE BOON YANG

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

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

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

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

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

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

NG YAT CHUNG

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

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

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

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

JANET ANG GUAT HAR

Janet was appointed a Director on 17 October 2014.

She is Vice-President, IBM Asia Pacific. In her current role, she is responsible for leading IBM's industry value creation for Asia Pacific clients across key industries by bringing together IBM's portfolio of Cognitive, Blockchain and Cloud Industry Platforms. She also leads the charge for helping cities in Asia become smarter, cognitive cities. She assumed different management roles including as Managing Director of IBM Singapore and has been on four international assignments in Tokyo and Beijing including four years with the Lenovo Group.

Janet is a board member of the Public Utilities Board (PUB), the Info-communications Media Development Authority (IMDA), and is Chair of Caritas Singapore, Chair of the NUS Institute of Systems Science (ISS), and a Council Member of the Singapore Business Federation (SBF). She also chairs the SBF Digitalisation Committee. Janet represents Singapore on the B20 Digitalization Task Force, is a member of Singapore Diversity Action Committee, and is the Immediate Past President of the International Women's Forum (Singapore).

Janet graduated with a Business Administration (Honours) degree from the National University of Singapore. In 2014, Janet was awarded the NUS Business School Eminent Alumni Award and in 2015, she received the NUS Distinguished Alumni Service Award. On 9 March 2018, Janet was conferred the Singapore Computer Society IT Leaders Award 2018 – Hall of Fame award.

BAHREN SHAARI

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

Bahren was appointed Chief Executive Officer of Bank of Singapore on 1 February 2015. He was previously the Senior Managing Director and Global Market Head of South East Asia. He has more than 30 years of banking experience and is an executive committee member of Singapore's Private Banking Industry Group which shapes the private banking competency standards of the wealth management sector. In 2016, he was conferred the Singapore Institute of Banking and Finance Distinguished Fellow award, in recognition of his significant contribution to the financial industry and outstanding leadership capabilities.

Prior to joining Bank of Singapore, Bahren served as the Managing Director at UBS Wealth Management, responsible for the South East Asian and Australian Markets.

From 2000 to 2012, Bahren served on the board of the Maritime and Port Authority of Singapore. He was conferred the Public Service Medal in 2008 by the President of Singapore.

He is an alternate member of the Council of Presidential Advisers.

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

CHONG SIAK CHING

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

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

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

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

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

ANDREW LIM MING-HUI

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

He is a Partner of Allen & Gledhill LLP and is Co-Head of its Corporate Mergers & Acquisitions Department. He has extensive experience in domestic and cross-border mergers and is recognised as a leading lawyer in his area of expertise.

Andrew serves as a Trustee on the Board of Trustees of the National University of Singapore. He is a Director of Jurong Engineering Limited and Singex Holdings Pte Ltd, and a Fellow of the Singapore Institute of Directors.

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

Andrew holds Bachelor of Law (Honours) and Masters of Law degrees from the National University of Singapore and was called to the Singapore Bar in 1986.

QUEK SEE TIAT

See Tiat joined the SPH Board on 1 September 2013.

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

See Tiat serves on the boards of Singapore Technologies Engineering Ltd, the Monetary Authority of Singapore and Temasek Foundation Connects CLG Limited. He is also the President of the Council of Estate Agencies. He was the Chairman of the Building and Construction Authority and a Director of Neptune Orient Lines Ltd and a board member of the Energy Market Authority.

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

TAN CHIN HWEE

Chin Hwee was appointed a Director on 1 March 2014.

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

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

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

Chin Hwee was honoured as a World Economic Forum Young Global Leader in 2010 and is the winner of the Singapore 2013 Distinguished Financial Industry Certified Professional (FICP) Award. He was also voted by the Hedge Fund Journal as among the emerging top 40 absolute return investors globally and was also named as Best Asia Credit Hedge Fund Manager by Hong Kong-based publication, The Asset.

TAN YEN YEN

Yen Yen joined the Board on 1 April 2012.

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

She is the Chairman of the Singapore Science Centre and Director of Cap Vista Pte Ltd and Gemalto NV and ams AG. Additionally, she sits on the Board of Advisors of the Singapore Institute of Directors. She is a member of the National University of Singapore's School of Computing.

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

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

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

LEE BOON YANG
Chairman
Non-Executive and Independent Director

Date of first appointment as a director
1 October 2011

Date of last re-election as a director
1 December 2016

Board Committee(s) served on
- Executive Committee
  (Chairman)
- Remuneration Committee
  (Chairman)
- Nominating Committee

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

Directorships over the past 3 years (1/9/15 - 31/8/18)
Nil

* *Public-listed company*

NG YAT CHUNG
Chief Executive Officer
Executive and Non-Independent Director

Date of first appointment as a director
1 August 2016

Date of last re-election as a director
1 December 2016

Board Committee(s) served on
- Executive Committee
- Board Risk Committee

Current Directorships/Principal Commitments
- Singapore Institute of Technology
  (Chairman, Board of Trustees)

Directorships over the past 3 years (1/9/15 - 31/8/18)
- Neptune Orient Lines Ltd*
  (Director)

* *Public-listed company*

JANET ANG GUAT HAR
Non-Executive and Independent Director

Date of first appointment as a director
17 October 2014

Date of last re-election as a director
1 December 2016

Board Committee(s) served on
- Audit Committee
- Board Risk Committee

Current Directorships/Principal Commitments
- Caritas Singapore
  (Chairman)
- Info-communications Media Development Authority of Singapore
  (Board Member)
- Public Utilities Board
  (Board Member)
- NUS Institute of Systems Science (ISS)
  (Chairman)
- Singapore Business Federation
  (Council Member)
  – Digitalisation Committee
  (Chairman)
- Business China
  (Member)
- Diversity Action Committee (DAC)
  (Member)

Directorships over the past 3 years (1/9/15 - 31/8/18)
- IBM Singapore Pte. Ltd.
  (Director)
- International Women's Forum Singapore
  (President)
- National Volunteer & Philanthropy Centre
  (Board Member)

BAHREN SHAARI
Non-Executive and Independent Director

Date of first appointment as a director
1 April 2012

Date of last re-election as a director
1 December 2017

Board Committee(s) served on
- Executive Committee
- Nominating Committee
  (Chairman)

Current Directorships/Principal Commitments
- Bank of Singapore Ltd.
  (Director)
- Council of Presidential Advisers
  (Alternate Member)

Directorships over the past 3 years (1/9/15 - 31/8/18)
Nil

CHONG SIAK CHING
Non-Executive and Independent Director

Date of first appointment as a director
22 October 2010

Date of last re-election as a director
1 December 2016

Board Committee(s) served on
- Nominating Committee
- Remuneration Committee

Current Directorships/Principal Commitments
- Singapore-India Partnership Foundation
  (Director)
- Nanyang Business School Advisory Board
  (Director)
- Yale-NUS College Governing Board
  (Director)
- 3Fleur Pte. Ltd.
  (Director)
- National Gallery Singapore
  (Director)
- Singapore Tyler Print Institute
  (Director)
- Singapore Art Museum
  (Director)
- National Arts Council
  (Council Member)
- Ministry of Foreign Affairs
  (Non-Resident Ambassador to Chile)
- Singapore Note and Coin Advisory Committee (SNCAC)
  (Chairperson)
- Mandai Park Holdings Pte. Ltd.
  (Director)
- Economic Development Innovations Singapore Pte Ltd
  (Director)

Directorships over the past 3 years (1/9/15 - 31/8/18)
- National University of Singapore Board of Trustees
  (Trustee)
- Jurong Health Services Pte. Ltd.
  (Director)
- Institute of South Asian Studies (ISAS), National University of Singapore (NUS)
  (Member)

ANDREW LIM MING-HUI
Non-Executive and Independent Director

Date of first appointment as a director
1 January 2017

Date of last re-election as a director
1 December 2017

Board Committee(s) served on
- Audit Committee
- Nominating Committee
- Board Risk Committee
  (Chairman)

Current Directorships/Principal Commitments
- National University of Singapore, Board of Trustees
  (Trustee)
- Singex Holdings Pte. Ltd.
  (Director)
- Jurong Engineering Limited
  (Director)
- Allen & Gledhill LLP
  (Partner)

Directorships over the past 3 years (1/9/15 - 31/8/18)
- Committee for Private Education (a Committee of the SkillsFuture Singapore Board)
  (Member)
- Board of Governors of St Andrew's Junior College
  (Member)
- Community Chest of Singapore
  (Committee Member)
- Monetary Authority of Singapore Financial Centre Advisory Panel
  (Member)

QUEK SEE TIAT

Non-Executive and
Independent Director

Date of first appointment as a director
1 September 2013

Date of last re-election as a director
1 December 2017

Board Committee(s) served on
- Executive Committee
- Audit Committee
  (Chairman)

Current Directorships/Principal Commitments
- Singapore Technologies Engineering Ltd*
  (Director)
- Monetary Authority of Singapore
  (Board Member)
- Temasek Foundation Connects CLG Limited
  (Director)
- Council of Estate Agencies
  (President)

Directorships over the past 3 years (1/9/15 - 31/8/18)
- Building and Construction Authority
  (Chairman)
- Neptune Orient Lines Ltd*
  (Director)
- Energy Market Authority
  (Board Member)

* *Public-listed company*

TAN CHIN HWEE

Non-Executive and
Independent Director

Date of first appointment as a director
1 March 2014

Date of last re-election as a director
1 December 2016

Board Committee(s) served on
- Audit Committee
- Board Risk Committee@
- Remuneration Committee#

Current Directorships/Principal Commitments
- Trafigura Holdings Pte Ltd
  (Director)
- Trafigura Pte Ltd.
  (Director)
- Nayara Energy Ltd (India)
  (Director)
- Grab Inc
  (Advisory Board member)
- Nanyang Technological University
  (Trustee)
- SingHealth Fund Limited
  (Institution Fund Committee Member & Audit Committee Member)
- Maritime and Port Authority of Singapore's International Maritime Centre (IMC) 2030 Advisory
  (Committee Member)
- International Olympic Council
  (Independent Advisor)

Directorships over the past 3 years (1/9/15 - 31/8/18)
- Keppel REIT Management Limited (as manager of Keppel REIT*)
  (Director)
- Lighthouse (Mauritius) Ltd
  (Director)
- Apollo Management Singapore Pte. Ltd.
  (Director)
- CFA Singapore
  (President & Director)
- Panel for Government Parliamentary Committee for Finance and Trade and Industry
  (Member)
- Volunteer Youth Corp, Ministry of Culture, Community and Youth
  (Advisory Panel Member)
- Lien Aid Limited
  (Director)

@ *Stepped down on 1 December 2017*
\# *Appointed on 1 December 2017*
* *Public-listed company*

TAN YEN YEN

Non-Executive and
Independent Director

Date of first appointment as a director
1 April 2012

Date of last re-election as a director
1 December 2017

Board Committee(s) served on
- Remuneration Committee
- Board Risk Committee

Current Directorships/Principal Commitments
- Singapore Science Centre
  (Chairman)
- Cap Vista Pte Ltd
  (Director)
- Gemalto NV*+
  (Director)
- ams AG*^
  (Director)
- National University of Singapore's School of Computing
  (Member)
- TNF Ventures
  (Advisor Mentor)
- Singapore Institute of Directors
  (Director)
- Asia Pacific, Vodafone Global Enterprise Singapore Pte Ltd
  (President)

Directorships over the past 3 years (1/9/15 - 31/8/18)
- Ministry of Communications & Information – Infocomm Media Masterplan's Talent and Manpower Working Committee
  (Member)
- Ministry of Culture, Community and Youth – ASEAN Para Games Steering Committee
  (Member)
- Ministry of Culture, Community and Youth High Performance Sports, Performance & Selection Committee
  (Member)
- Singapore Committee on the Future Economy – Sub-committee for Corporate Capabilities and Innovation
  (Member)

* *Public-listed company*
\+ *Listed on Euronext Amsterdam, and Euronext Paris*
^ *Listed on SIX Swiss Stock Exchange*

SENIOR MANAGEMENT

FIRST ROW FROM LEFT

Anthony Tan
Chua Hwee Song
Glen Francis
Ginney Lim

SECOND ROW FROM LEFT

Mable Chan
Ignatius Low
Janice Wu
Chua Wee Phong
Julian Tan
Warren Fernandez

THRID ROW FROM LEFT

Lee Huay Leng
Goh Sin Teck
Lim Swee Yeow
Gaurav Sachdeva
Sim Say Nee

ANTHONY TAN

Deputy Chief Executive Officer

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

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

Anthony also manages the Group's Silver Care business.

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

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

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

CHUA HWEE SONG

Chief Financial Officer

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

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

Prior to Tembusu, he was with the Singapore Economic Development Board, where he led the promotion of technology entrepreneurship and development of the enterprise financing infrastructure in Singapore, with a specific focus on the industry development of the venture capital and private equity industry.

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

GLEN FRANCIS

Chief Technology Officer

Glen is the Chief Technology Officer of SPH. He serves on a number of executive boards and forums. Glen is digital, connected and enjoys creativity and innovation. He is also well-respected by his peers in the industry.

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

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

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

Glen co-chairs Infocomm Media Development Authority's Immersive Media & Advance Interface Technology workgroup, and is the ICT Programme Advisory Chairman for the Singapore University of Social Sciences. He also serves as a member of Republic Polytechnic's Institutional Review Board.

Glen has an MBA degree from the University of Adelaide.

GINNEY LIM

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

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

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

Ginney is a director of Times Development Pte Ltd, Orchard 290 Ltd and SPH REIT Management Pte Ltd, all of which are wholly-owned property subsidiaries of SPH. She is also a member of the NUS Law Advisory Council and Temasek Junior College Advisory Committee.

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

MABLE CHAN

Executive Vice-President
Human Resources, Administration and Times Properties

Mable has been with SPH since 1997. Before taking over as Head of Human Resources Division in June 2006, she was Senior Vice-President, Customer Service Department, Marketing Division. The Administration Division and Times Properties were added to her portfolio in 2014 and 2015 respectively.

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

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

IGNATIUS LOW

Chief Marketing Officer
Integrated Marketing Division

As Chief Marketing Officer, Ignatius leads the team that sells and executes advertising and marketing solutions across SPH's print, digital, radio and outdoor media platforms. He also oversees Sweet, SPH's content marketing and creative services agency.

Ignatius joined The Straits Times in 1999 as a correspondent for the Money section, covering banking, economics and telecoms. He later rose to the position of Money Editor and moved on to several roles within the newsroom, including Sunday Times Editor and News Editor. In 2014, he was appointed Managing Editor of the newspaper, responsible for newsroom operations including staff recruitment and deployment, budget and project management, strategic commercial partnerships and business development. He was also part of the core management team that planned and executed the newsroom's digital transformation.

In 2016, Ignatius was appointed Head of Media Solutions in SPH's Integrated Marketing Division, where he was put in charge of the newly-merged print, digital and radio ad sales teams.

Ignatius graduated from Oxford University in 1994 with a degree in Philosophy, Politics and Economics. During his time there, he was President of the Oxford University Malaysian and Singapore Students' Association. He obtained his university education on an Overseas Merit Scholarship from the Public Service Commission.

After graduation, Ignatius spent four years in the Singapore Administrative Service. He served in the Ministry of Finance and the Monetary Authority of Singapore, and was mostly involved in policy work relating to a major review of Singapore's financial sector in 1998.

JANICE WU

Executive Vice-President
Corporate Development

Janice heads the Corporate Development Division. She oversees mergers and acquisitions, property tenders/acquisitions, corporate planning and risk management.

Janice has held various positions across functions in SPH, with active involvement in legal advisory work, M&A transactions, joint ventures, property tenders/ acquisitions, corporate planning and analytics.

She sits on the board of several companies, including SGX listed MindChamps Preschool Limited and iFast Corporation Ltd. She is also a director of SPH Radio Pte Ltd, The Seletar Mall Pte Ltd and SPH's joint venture companies for the mixed development at Bidadari estate.

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

CHUA WEE PHONG

Executive Vice-President
Circulation

Wee Phong has been with SPH for 24 years. He joined Circulation in May 1994 and was appointed Division Head in May 2005. He is currently the Executive Chairman of Sphere Exhibits Pte Ltd.

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

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

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

JULIAN TAN

Chief of Digital Business

Julian is the Chief of Digital Business for SPH. In this role, he oversees SPH's digital businesses and investments, leading the initiative to transform SPH's digital businesses and expand regionally.

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

Julian is a Director on the Board of the Singapore Media Exchange (SMX), a premium advertising exchange joint venture between SPH and MediaCorp, which he played a key role in setting up. He also sits on the boards of various e-commerce and online classifieds companies like Qoo10, SgCarmart, Streetsine and Silver Indonesia. He is also the Chairman of FastCo Pte Ltd, where he drives a team of 30 to grow FastJobs – a non-executive recruitment platform – across the region.

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

WARREN FERNANDEZ

Editor-in-Chief
English/Malay/Tamil Media group
and Editor, The Straits Times

Warren is Editor-in-Chief of the English/Malay/Tamil Media group in SPH. He is also Editor of The Straits Times, Singapore's biggest selling English daily newspaper. He joined the paper in 1990 as a political reporter and rose to become News Editor. He later also served as Foreign Editor and Deputy Editor.

He left to join Royal Dutch Shell in 2008 as a Global Manager for its Future Energy project, before returning to The Straits Times in February 2012 as its editor.

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

Currently he is a board member of the National Parks Board (NParks), National Heritage Board (NHB), SPH (Overseas) Ltd, Straits Times Press Pte Ltd, The Straits Times Press (1975) Limited, World Editors Forum (WEF), Asia News Network (ANN), Singapore Symphony Group and Chairman of The Straits Times School Pocket Money Fund.

LEE HUAY LENG

Head
Chinese Media Group

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

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

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

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

GOH SIN TECK

Editor
Lianhe Zaobao & Lianhe Wanbao

Sin Teck joined SPH's Chinese flagship paper, Lianhe Zaobao, in 1987 upon graduating from the National University of Singapore with a Bachelor of Arts in Sociology.

He worked his way up as a crime reporter to become the Editor of Lianhe Zaobao and Lianhe Wanbao.

Sin Teck presently serves on the Nanyang Technological University Board of Trustees and is a member of the National Translation Council.

LIM SWEE YEOW

Senior Vice-President
Production

Swee Yeow has been with SPH for 18 years. He joined Production in January 2000 as Production Manager. Throughout his career with SPH, he helmed various sections in operations, engineering, materials and newsprint purchases. He was appointed Division Head in September 2011.

He was involved in major projects with the company's printing presses and print processes such as the GOSS Colorliner upgrades (2011), manroland Uniset (2008) and KBA Commander (2002). He was also responsible for building the state-of-art printing presses and mailroom systems.

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

GAURAV SACHDEVA

Chief Product Officer

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

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

Prior to joining SPH, Gaurav was the Head of Product for Growth team at Grab. Before that, he was Product Leader at Autodesk & Adobe driving their respective products portfolios, whilst defining the next generation strategy and steering core thinking for these products through business model transformation. He has 15 years of experience in technology, business strategy and product management.

Gaurav has a MBA from Indian School of Business (India), and a background in computer science and engineering from Cambridge University (UK) and Delhi College of Engineering (India). Outside of work, he dwells in photography and music, and is the lead singer of two Indian rock bands, which he co-founded.

SIM SAY NEE

Head
Internal Audit

Say Nee was appointed as the Acting Head of Internal Audit in October 2014. She subsequently took over as Division Head in April 2015.

Say Nee has been with the division for 13 years, having joined in October 2005. Say Nee's 18 years of experience in the profession spanned across both public and commercial sectors.

She began her career in the Auditor-General's Office in 2000, where she was involved in the financial audit and system controls review at the Ministry of Manpower and Central Provident Fund Board, after graduating from Nanyang Technological University with a Bachelor of Accountancy degree.

She was an Internal Auditor with United Engineers Ltd before joining SPH. She is a member of the Institute of Singapore Chartered Accountants and Institute of Internal Auditors.

The last financial year (FY2018) was faced with many challenging circumstances, not least being the digital disruption to our media business. We continue to embark on our digital transformation plans and seek alternative pillars of growth.

Our operating profit held firm at $206.3 million for the year ended 31 August 2018 (FY 2018) cushioned by cost savings even as operating revenue declined $50 million or 4.8 per cent to $982.6 million. Higher investment income of $115.2 million boosted the performance across all reporting segments by 24 per cent to $321.5 million. Net profit attributable to shareholders fell $69 million or 19.7 per cent to $281.1 million, partly due to the absence of the one-off gain on divestment of a joint venture seen in FY2017. Excluding one-offs, net profit attributable to shareholders improved by 2.4 per cent.

Our strategy to digitise our media business saw an increase in digital subscriptions and e-paper readership. We will accelerate our digital and innovative capabilities to capture new opportunities in the evolving media landscape and to stay at the forefront of emerging trends.

We are also growing our digital portfolio to complement and synergise with our media business. By leveraging our strengths in the media sector, we aim to be a key player in the local online markets.


PBSA: en-suite room in Snow Island, Huddersfield

Our efforts to diversify our revenue stream also produced commendable results, particularly in our property portfolio.

We will soon be launching our integrated development – The Woodleigh Residences and The Woodleigh Mall – following the successful tender for the mixed development site at Bidadari estate with Kajima Development in June 2017.

We are also acquiring cash-yielding assets in defensive sectors. The recent acquisition of a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom (UK) is one example. We will expand our real estate asset management portfolio beyond SPH REIT and actively seek other growth areas.


PBSA: external facade of Central Quay, Sheffield

SPH ventured into the aged care sector with the acquisition of the Orange Valley Nursing Homes in 2017. We will sharpen our Singapore brand and operating capabilities to ride the fast growing potential of the Asia Pacific aged care markets.


PBSA: common room in Saw Mill, Huddersfield

In September, SPH announced that it will join Keppel Corporation in making a pre-conditional general offer for M1. As part of this, SPH will roll-over its existing 13.45 per cent stake in M1 into the offeror, Konnectivity Pte Ltd which is majority-held by Keppel. There is potential for long term value creation in M1 from the growth and business transformation initiatives to be undertaken post close of the offer.

THE YEAR IN REVIEW

Growing Property and Real Estate Assets

Following the successful tender for the mixed development site at Bidadari estate with Kajima Development in June 2017, the groundbreaking of the site was held in March 2018.

The project consists of The Woodleigh Residences, a 667 unit condominium and The Woodleigh Mall, a 28,000 square metre retail/commercial mall. The collaboration with Kajima brings together Japanese craftsmanship and Singaporean retail expertise into the homes and shopping mall.


Artist's impression of The Woodleigh Residences and The Woodleigh Mall

The Woodleigh Residences, in particular, will be a showcase of thoughtful Japanese architecture with modern conveniences. It will boast clean-cut designs and meticulous attention to details, as well as space-maximising functions. The development will include community spaces such as a Japanese-inspired sunken courtyard, a Japanese onsen and a rooftop farm to keep the "kampung spirit" alive.

With the residential units overlooking Alkaff Lake and Bidadari Heritage Walk, coupled with the retail/commercial component, the development will provide a much sought-after lifestyle for families to live, shop and explore the natural environment surrounding it.

It will have direct access to Woodleigh MRT Station and Singapore's first air-conditioned basement bus interchange. As part of community building, we will work with the People's Association (PA) and the Singapore Police Force (SPF) to build a 6,000 square metre Community Club and a 2,200 square metre Neighbourhood Police Centre.

The development is located in the heart of the Bidadari Estate Master Plan and can be considered as the Jewel of the Master Plan, as it plays a key role in the "community in a garden" concept.

The fast-changing retail environment and e-commerce challenged the retail business. However, Paragon continued to achieve a high occupancy of 99.6 per cent while The Clementi Mall maintained its 100 per cent occupancy. The Seletar Mall enjoyed an occupancy of 99.5 per cent.

We increased our stake in Chinatown Point to 30.68 per cent. SPH REIT also acquired The Rail Mall, a retail strip with a 360-metre prominent road frontage along Upper Bukit Timah Road, comprising 43 single-storey shop units and 95 private carpark lots. It has a total net lettable area of approximately 50,000 square feet.

Beyond Singapore, we purchased a portfolio of PBSA from the UK's largest PBSA manager and developer, Unite Group, for approximately S$321 million in September 2018. It comprises 14 properties across six towns and cities in the UK and has a total capacity of 3,436 beds for student accommodation.

This recent acquisition is just the start of our overseas expansion. We have employed two staff in the UK to source for cash-yielding deals and to be on the constant lookout for more opportunities to build up a sizeable portfolio of real estate assets. We will also strengthen and deepen our capabilities in the PBSA sector. Building on SPH's strong track record in asset management, we will establish more investment vehicles for other asset sectors in the medium term.

Transforming and Digitalising Media

Over the past year, SPH's media business sought to capture growth opportunities with various digital initiatives and new partnerships including the launch by The Straits Times (ST) of its new all-digital subscription plans. We will continue investing in further digital initiatives, embracing data analytics, artificial intelligence and other advanced automation technologies to enhance the readership experience.

The demand for our news products continued to rise in FY2018. Total daily average newspapers circulation reached 964,400 copies in August 2018, representing an increase of 4 per cent compared to August 2017. Daily average digital circulation, in particular, grew strongly by 37 per cent in the same period to reach 391,200 copies. Our digital revenue from media and online classifieds increased to 15 per cent of our media revenue.

Our media business made significant strides this year in our ongoing digital drive to create market-leading news and advertising products. The Straits Times (ST) launched a digital news paywall model that allowed paying subscribers access to exclusive, award-winning content including first-hand reporting, in-depth commentaries and immersive interactive graphics.

The Chinese Media Group (CMG) was restructured in December 2017, forming the CMG NewsHub to pool news reporting resources from Lianhe Zaobao (ZB), Lianhe Wanbao (WB) and CMG Digital to provide news coverage for Chinese print, digital, and radio platforms including zaobao.sg and zaobao.com.

Berita Harian (BH) and Tamil Murasu (TM) also moved towards a digital focus, planning workflows and content around digital audiences. TM revamped its website to produce more digital-only content and undertake research into the viability of a digital news subscription product.

In July 2018, The Business Times (BT) officially launched its Asean Business website section, its first product targeted at regional audiences. It also caters to Singapore-based readers who track regional news, as well as to firms and entrepreneurs looking to broaden their regional footprint. As part of its ongoing efforts to spotlight trends and focus on areas of readers' interests, BT also launched its first Startups page with news, insights and in-depth reports.

In October 2017, The New Paper (TNP) became Singapore's only free print newspaper after Today became a digital-only product. In January 2018, it ceased its Saturday edition, becoming a weekday-only publication. The move was to better focus its resources on the weekday operations as a large portion of TNP's readers are Professionals, Managers, Executives and Technicians (PMETs) working five-day work weeks.

We strengthened the management bench for digital transformation. Mr Ignatius Low, formerly head of media solutions, was named Chief Marketing Officer and is tasked with spearheading the group's integrated marketing strategy, where we upsell and cross-sell across SPH's multiple media platforms to increase average spending per customer and campaign.

With Mr Low at the helm, Integrated Marketing Division (IMD) accelerated its push to provide clients with cross-platform solutions across the print, digital, radio and outdoor formats. The total number of integrated marketing campaigns and revenue generated more than doubled compared to the previous financial year. With content marketing playing an integral role to many marketing campaigns today, we launched Sweet in June 2018 to combine the storytelling, video and creative capabilities of SPH's ContentLab and CreativeLab, together with Brand New Media, a subsidiary specialising in video content marketing.

We also appointed Mr Glen Francis as Chief Technology Officer and Mr Gaurav Sachdeva as Chief Product Officer. Mr Francis is responsible for the technological and digital capabilities for SPH's businesses, while Mr Sachdeva is helping with the development and monetisation of SPH's digital media content and products. Together, they will help introduce fresh perspectives, increase innovation and new capabilities to enhance our media business, and to better serve our readers and advertisers.

In addition, former head of the Digital Division, Mr Julian Tan, was redesignated Chief of Digital Business to drive SPH's portfolio of digital investments.

One of the key milestones of our digital business was our collaboration with Mediacorp to launch the Singapore Media Exchange (SMX), a Programmatic Digital Ad Exchange which started operating in May 2018 and has been gaining momentum in reaching the Singapore digital population.

Our total digital revenue has been growing at a compound annual growth rate (CAGR) of 17% from FY2013 to $103 million in FY2018.

Our online job app FastJobs consistently topped the lists in the Google Play store and iTunes app store in Singapore. It also opened offices in Philippines and Malaysia, and has seen significant growth in both markets. The app has achieved more than a million downloads in the region.

SgCarMart continued to dominate the cars vertical in Singapore and deepened its offerings across the car buying and selling space. The business has seen revenue growth and profits over the years.

SRX became the first local property portal to utilise MyInfo for home loan applications with banks and other financial institutions. The company has an advanced artificial intelligence engine that helps users identify their preferred loan, along with the best rates offered by partner banks.

ZomWork, a business services marketplace in partnership with Chinese unicorn, Zhubajie.com, was launched in April 2018. With close to 300 vendors onboard, ZomWork is actively involved in driving the conversation around how companies can make better use of the gig economy to build their business.

SPH and Focus Media Holding (FMH) formed a joint venture company, Target Media Culcreative Pte Ltd, to develop a smart in-lift media delivery platform that will improve audience engagement efforts for community and commercial segments. The partnership will leverage on FMH's expertise on in-lift media technologies and our wealth of news and localised lifestyle content. The in-lift media delivery platform will add a new dimension to our media offerings and expand our audience reach.

We also entered into a joint venture with MM2 Asia, the region's leading player in the media entertainment industry, to operate a lifestyle entertainment and news portal under the "AsiaOne" brand name. With this partnership, AsiaOne aims to introduce more digital video-based content centred upon lifestyle and entertainment to the 23-year-old online news site, to grow its audience both locally and regionally.

Apart from digital transformation, we continue to develop and improve our print products. We inked an agreement with HP to enhance our newspaper products with digital printing. We purchased a new digital press, the HP PageWide Web Press T240 HD, which will run alongside the existing newspaper presses. This new digital press is an intersection of print and digital, enabling customisation of print advertisements. It is scheduled to be operational in 2019, making SPH the first media organisation in South-east Asia to own this digital press, which can be used to print some of the magazines and books that are currently handled by third party printers.

Making Radio Waves

SPH Radio added two new stations – 96.3 Hao FM and MONEY FM 89.3.

96.3 Hao FM, launched on 8 January 2018, targets at bilingual Singaporeans aged 45 years and above. In the latest Nielsen Radio survey, 96.3 Hao FM debuted as the Chinese station with the second-longest time spent listening. Audiences spent 11 hours 5 minutes, compared to the average of 9 hours 56 minutes for other Chinese stations.

MONEY FM 89.3, Singapore's first and only business and personal finance radio station in English, was launched on 29 January 2018. It targets educated English speakers aged 35 years and above who are interested in personal finance matters like retirement planning, sensible investing and responsible saving. It reached more than 50,000 listeners upon its launch.

SPH Radio did well in the Nielsen Radio survey in May 2018, with more than 600,000 people tuning in digitally to at least one of its five radio stations, through either the SPH Radio app or website. This represents a rise of more than 40 per cent from December 2017.

Our radio stations also attracted the most engaged audiences, with Kiss92 and ONE FM 91.3 emerging tops in total time spent listening, according to a separate radio survey by Nielsen. Listeners tuned in to Kiss92 and ONE FM 91.3 for an average of 5 hours 41 minutes and 5 hours 40 minutes respectively during the survey period of 19 March to 13 May 2018, compared to the average of 4 hours 21 minutes for English stations.

Strengthening Book and Magazine Publishing Business

SPH Magazines undertook a company-wide reorganisation to accelerate its digital transformation and strengthened its position as the number one digital network in the magazine space.
The custom publishing business was consolidated under Focus Publishing, the contract publishing subsidiary of SPH's Chinese Media Group. The editorial division launched shared digital desks while the respective sales teams were also unified under a single sales force - renamed Business Solutions and organised by industry sectors - offering advertisers a full suite of 360-degree multi-touch point solutions.

SPH Magazines also strengthened its digital strategies by tying up with Snappar, a visual search and shopping app. In addition to the more than 80 magazines circulated on digital newsstands in Singapore and the region, SPH Magazines' digital content was also re-purposed by interest areas for further discovery through new channels such as MyReadingRoom.online and WiFi Library. herworld.com and hardwarezone.com continued to reign as the number one digital brands in both the women's and tech space respectively.

Our book publishing subsidiary, Straits Times Press (STP) made a foray into commercial fiction this year, with Janice Tay's historical samurai romance The Memory Eaters and Raju Chellan's Organ Gold. It also introduced expatriate fictional work, Travails of A Trailing Spouse, by newcomer Stephanie Suga Chen. The book hogged the fiction bestseller's list and had its second print run within weeks.

Extending Reach with Outdoor Media

SPHMBO entered into a collaboration with HDB through the development of a mega LED screen at Bedok Town Square. It has also been appointed by Corwin Holdings, owner and developer of the new Tekka Place (formerly The Verge) to be its exclusive outdoor media representative for one of the largest billboards in Singapore when the construction of the new retail and serviced residential complex is

Orange Valley Nursing Home in Balestier

completed in 2019. Also adding to its product portfolio is a 54 metre wallscape at the busy underground commuter walkway in One Raffles Quay, the longest in Singapore.

Making Headway in Aged Care

Following the acquisition of Orange Valley (OV) Nursing Homes, a subsidiary of Invest Healthcare Pte Ltd (formerly known as Orange Valley Healthcare Pte Ltd) in 2017, we opened a new branch in Balestier in May this year.

The six-storey nursing home offers 118 beds, including two beds for quarantine and isolation purposes. Besides open wards, there are single, two-bed and four-bed rooms as well as two deluxe suites to satisfy evolving needs. The Balestier branch is also OV's first "smart" nursing home, adopting the latest silver care technology to enhance clinical care for its residents and improve its operations.

Our focus is on building OV's operational capabilities. We are also leveraging on OV and Singapore's reputation in healthcare to seek overseas growth opportunities in the retirement and aged care sector to capture the aging population markets.

Spurring Growth in Education

SPH acquired a 75 per cent stake in HAN Culture and Education Group. The acquisition laid the ground for our Chinese Media Group to develop quality Chinese language and culture educational programmes for students, youths, and adults.

The education group launched a series of new initiatives, including News in Education into its curriculum to make news and current affairs a part of Chinese language learning for students. It also partnered SkillsFuture Singapore to offer Chinese language and business culture courses for adults.

SPH's associate company, MindChamps Preschool, was listed on the Mainboard of the Singapore Exchange on 24 November 2017 with a market capitalisation of more than $200 million. SPH recorded a profit of $6 million upon the IPO. Our shareholding in MindChamps is now 20 per cent.

Venturing Abroad with Events and Exhibitions

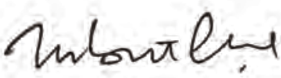
Sphere Exhibits (Sphere) organised more than 30 events in Singapore, Malaysia and Thailand across sectors such as Food & Beverage, Premium Gifts, Office Solutions, Print Pack & Signage, Festival and Technology. Among these events was Beerfest Asia, which returned for the 10th year as the biggest beer festival ever. We are looking at overseas expansion with Beerfest Shandong making its debut in China in October 2018.

LOOKING AHEAD

We will continue to step up our media capabilities to meet the changing needs of our readers, subscribers and clients. We are seeing encouraging results from our digitalisation and transformation efforts.

We will also search for new growth opportunities, including expanding our property, digital and aged care businesses.

With the hard work, dedication and commitment of our staff at all levels, I am confident that we can create better value for the Group. I would like to take this opportunity to thank our shareholders, readers, advertisers, colleagues, unions and other stakeholders for the support in the past year. We will be celebrating our 35th anniversary next year, and look forward to your continued unstinting support in the years to come.



Ng Yat Chung
Chief Executive Officer

CORPORATE AWARDS

18th SIAS Investors' Choice Awards 2017

- Singapore Corporate Governance Award (Consumer Discretionary Category) – Winner (SPH)
- Financial Journalist of the Year – Ms Hu Yuanwen, Correspondent, Lianhe Zaobao
- Financial Journalist of the Year – Ms Jamie Lee, Correspondent, The Business Times
- Special Award – Ms Claire Huang, Correspondent, The Business Times
- Special Award – Ms Grace Leong, Correspondent, The Straits Times
- Investor Education Journalist of the Year – Ms Quek Suzane, Associate Business Editor, Lianhe Zaobao

18th SIAS Investors' Choice Awards 2017

Hermes Creative Award

- SPH Annual Report 2017 – Platinum Award

31st Annual Singapore 1000, Singapore SME 1000 & Singapore International 100 Rankings

- Certificate of Achievement: Singapore 1000 Company – Public Listed Companies 2018

Singapore Health Award 2017

- Merit Award

Champions of Good 2017 and 2018 by National Volunteer & Philanthropy Centre

- Company of Good award – Singapore Press Holdings

Patron of the Arts Awards 2018 by National Arts Council

- Patron of the Arts Award – Singapore Press Holdings

Community Chest Awards 2018

- Corporate Platinum Award – SPH and SPH Foundation

EDITORIAL / PRINTING / CREATIVE ACHIEVEMENTS

39th Best of Newspaper Design by Society for News Design

- News Design (A-Section/Broadsheet 175,000 and over) – Award of Excellence (The Straits Times for "The Twitter President")
- News Design (Local/Broadsheet 175,000 and over) – Award of Excellence (The Straits Times for "Future Perfect")

Society for News Best Of Digital Design 2018

- Breaking/Daily News: Planned Coverage – Award of Excellence (The Straits Times for "7 reasons the world is watching China's 19th Party Congress")
- Breaking/Daily News: Planned Coverage – Award of Excellence (The Straits Times for "Balance the Budget while adding and removing popular wish-list items")
- Features: Coverage – Award of Excellence (The Straits Times for "Tay Cheng Tian died without family by his side. But in his final moments, he was not alone")
- Graphics: Features and planned coverage – Award of Excellence (The Straits Times for "Singapore is more wild than you think")
- Graphics: Features and planned coverage – Award of Excellence (The Straits Times for "Cycling to a car-lite Singapore")
- Portfolio: Individual – Award of Excellence (The Straits Times for "Rodolfo Pazos Portfolio")
- Portfolio: Organization – Award of Excellence (The Straits Times for "The Straits Times")
- Experimental Design – Award of Excellence (The Straits Times for "Fly the ST drone around Smart Nation Singapore")

Asian Digital Media Awards 2017

- Silver for Best in Lifestyle, Sports or Entertainment Website – Gold: Joseph Schooling's Road to Rio (The Straits Times)
- Silver for Best News Mobile Service – The Straits Times Apps (The Straits Times)
- Silver for Best Digital Advertising Campaign – The anatomy of cancer (The Straits Times)
- Silver for Best Lifestyle, Sports or Entertainment Mobile Services – South-east Asia's brightest hopes (The Straits Times)

Asian Digital Media Awards 2017

Come Sleep with Courts campaign which won Best Event by a Media Owner (Gold) at The Spark Awards 2018

- Bronze for Best News Mobile Service – All the Queen's men and women (The Straits Times)
- Bronze for Best Use of Online Video – Are you future ready? (The Straits Times)
- Bronze for Best Lifestyle, Sports or Entertainment Mobile Services – Christmas in the City in 360 (The Straits Times)
- Bronze for Best Innovation New Product – The Straits Times... coming to you from your smart home gadget (The Straits Times)
- Best in Social Media Engagement – Gold (Stomp, for Activating Stomp's Awesome Citizen Journalists
- Best News Website for Building an Active Community – Bronze (Stomp)
- Best in Social Media Engagement – Silver, SPH's Chinese Media Group Digital for Live! @ The Newsroom

W3 Awards

- Gold for Website Features: User Interface (AsiaOne)
- Gold for Website Features: Structure and Navigation (AsiaOne)
- Silver for General Website Categories: News (AsiaOne)
- Silver for Website Features: User Experience (AsiaOne)
- Silver for Online Video: Interview for a video story on "Singapore's No. 1 military buff who spent $80,000 on his collection" (AsiaOne)
- Silver for Video Features: Editing, for a video story on "Singapore's No. 1 military buff who spent $80,000 on his collection" (AsiaOne)

The Spark Awards 2018

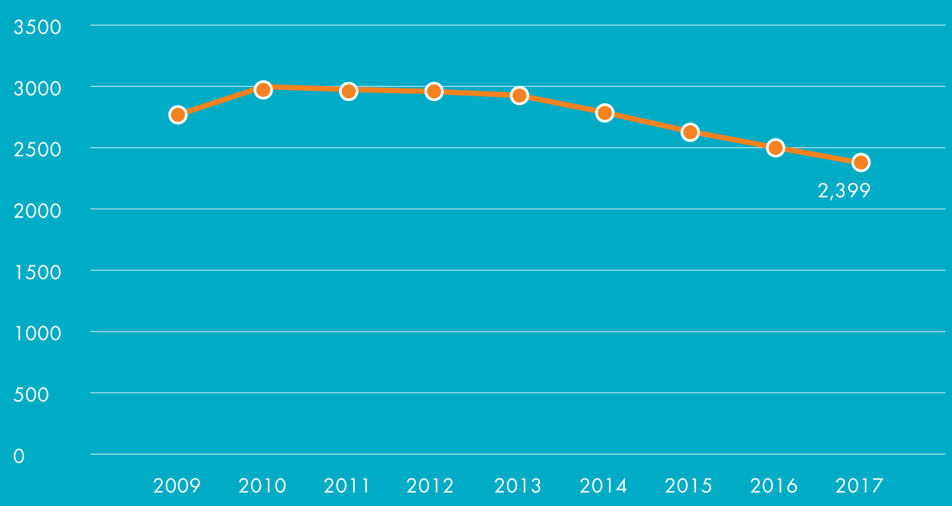
- Best Event by a Media Owner
  Gold – Singapore Press Holdings Outdoor Media (SPHMBO)
  Come Sleep With Courts
  Courts (Singapore)
- Best Martech Solution – Programmatic/Marketing Automation
  Silver – Singapore Press Holdings Outdoor Media (SPHMBO)
  JustGrab Live Challenge
  Grab Singapore
- Best Media Solution – Content Amplification
  Gold – Singapore Press Holdings Outdoor Media (SPHMBO)
  JustGrab Live Challenge
  Grab Singapore
- Best Media Solution – Print
  Silver – Singapore Press Holdings
  ION Orchard Black-On-Black

PROPERTY ACCOLADES

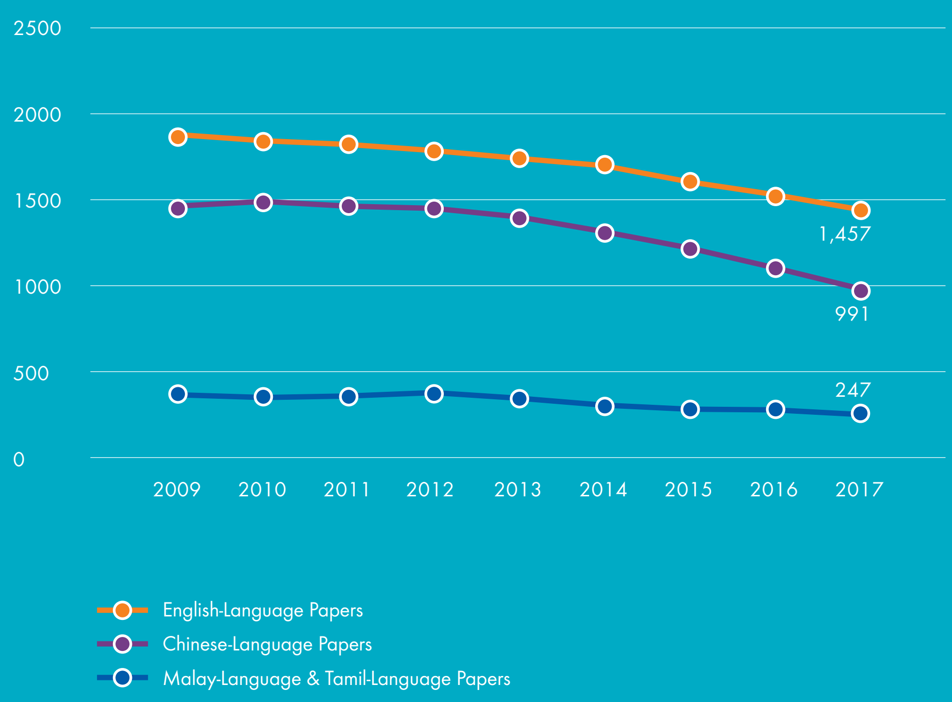
- Orchard Road's Best Dressed Building Contest 2017 – "Most Insta-Worthy Display" (Paragon)
- Green Mark Building Certification by Singapore's Building & Construction Authority – Green Mark (Paragon)
- Green Mark Building Certification by Singapore's Building & Construction Authority – Green Mark Gold (The Clementi Mall)
- Water Efficient Building Certification Programme by PUB (Paragon and The Clementi Mall)

SPH NEWSPAPERS READERSHIP TRENDS

SPH Newspapers (Print + Digital) Net Readership Trends ('000)



SPH Newspapers (Print + Digital) Readership Trends ('000)



Remarks: Nielsen Fieldwork period July-June; year indicated refers to the year when fieldwork was completed
Source: Nielsen Media Research, Media Index (2009 – 2017)

DAILY AVERAGE NEWSPAPERS CIRCULATION

AUGUST 2018

Daily Average Newspapers Circulation[1]	August 2018	August 2017
The Straits Times / The Sunday Times		
Print + Digital	**370,700**	**383,600**
Print	232,500	263,200
Digital	138,200	120,400
The Business Times		
Print + Digital	**43,400**	**43,100**
Print	26,000	27,100
Digital	17,400	16,000
Berita Harian / Berita Minggu		
Print + Digital	**32,000**	**36,100**
Print	30,400	34,600
Digital	1,600	1,500
Lianhe Zaobao		
Print + Digital	**212,200**	**197,500**
Print	126,400	137,100
Digital	85,800	60,400
Lianhe Wanbao		
Print + Digital	**124,300**	**107,100**
Print	58,200	63,300
Digital	66,100	43,800
Shin Min Daily News		
Print + Digital	**148,600**	**134,300**
Print	83,000	91,400
Digital	65,600	42,900
Tamil Murasu / Tamil Murasu Sunday		
Print + Digital	**9,400**	**10,400**
Print	8,800	9,800
Digital	600	600
NewsEd[2]		
Digital	**11,200**	**0**
zbCOMMA[2]		
Print + Digital	**96,700**	**30,800**
Print	48,300	30,800
Digital	48,400	0
Thumbs Up[2]		
Print + Digital	**25,300**	**19,300**
Print	14,000	19,300
Digital	11,300	0
Thumbs Up Junior[2]		
Print + Digital	**14,500**	**12,000**
Print	8,200	12,000
Digital	6,300	0
Thumbs Up Little Junior[2]		
Print	**36,300**	**37,000**
Balar Murasu[2]		
Print	**3,400**	**3,100**

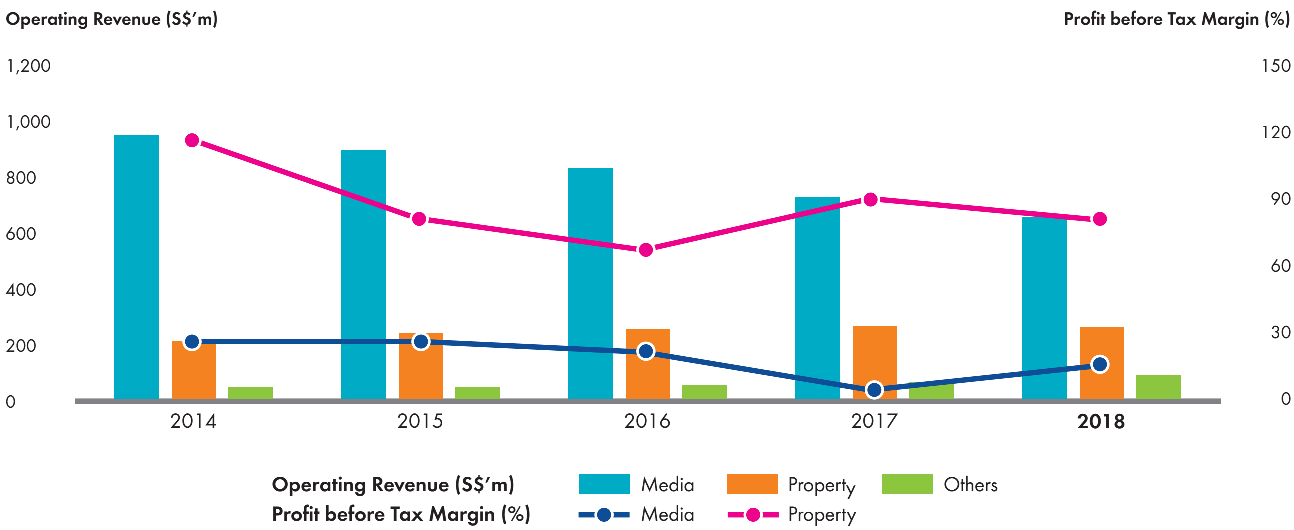
Notes:

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

Group Simplified Financial Position

	2018 S$'000	2017 S$'000	2016 S$'000	2015 S$'000	2014 S$'000
Assets					
Property, plant and equipment	**224,918**	235,042	219,523	249,976	285,562
Investment properties	**4,155,122**	4,034,771	3,963,000	3,940,951	3,860,451
Investments	**718,823**	972,586	1,134,961	1,184,114	1,716,333
Intangible assets	**176,028**	204,443	149,312	188,595	173,152
Cash and cash equivalents	**359,498**	312,647	312,894	292,246	442,937
Trade and other receivables	**539,424**	323,356	142,684	196,580	148,115
Inventories	**22,636**	21,892	21,225	12,477	23,947
Other assets	**239**	1,673	289	5,103	899
Total	**6,196,688**	6,106,410	5,943,888	6,070,042	6,651,396
Shareholders' interests					
Capital and reserves	**3,466,932**	3,488,398	3,517,326	3,618,813	3,687,095
Non-controlling interests	**761,152**	734,926	724,078	727,837	709,088
Liabilities					
Borrowings					
Non-current	**1,312,507**	528,044	1,197,399	947,271	879,107
Current	**294,853**	971,695	99,954	336,681	926,369
Trade and other payables					
Non-current	**39,362**	37,556	43,444	48,199	34,875
Current	**230,527**	241,352	245,665	271,171	298,046
Taxation					
Deferred	**38,919**	49,190	47,372	50,658	46,901
Current	**47,682**	46,591	56,271	62,331	60,502
Other liabilities	**4,754**	8,658	12,379	7,081	9,413
Total	**6,196,688**	6,106,410	5,943,888	6,070,042	6,651,396

Segmental Operating Revenue and Profit Margin



VALUE ADDED STATEMENT

FOR THE FINANCIAL YEAR ENDED
31 AUGUST 2018

	2018 S$'000	2017 S$'000
Sale of goods and services	**982,555**	1,032,515
Purchase of materials and services	**(291,974)**	(295,119)
Value added from operations	**690,581**	737,396
Non-production income and expenses:		
Net income from investments	**115,175**	53,865
Share of results of associates and joint ventures	**3,282**	562
Impairment of associates and a joint venture	**-**	(35,459)
(Impairment)/Write-back of impairment of trade receivables	**(306)**	1,277
Bad debts recovery	**15**	152
Profit/(Loss) on disposal of property, plant and equipment	**182**	(154)
Impairment of property, plant and equipment	**-**	(22,785)
Impairment of goodwill and intangibles	**(22,356)**	(37,780)
Gain on acquisition of a business by a subsidiary	**-**	289
Gain on divestment of associates and joint ventures	**5,881**	149,988
Net foreign exchange differences from operations	**206**	(805)
Total value added	**792,660**	846,546
Distribution:		
Employees' wages, provident fund contributions and other benefits	**360,853**	366,213
Corporate and other taxes	**70,694**	59,813
Finance costs	**37,513**	31,300
Donation and sponsorship	**904**	917
Directors' fees	**1,459**	1,648
Net dividends to shareholders	**242,309**	274,556
Total distributed	**713,732**	734,447
Retained in the business:		
Fair value change on investment properties	**(45,702)**	(57,386)
Depreciation and amortisation	**42,942**	48,825
Non-controlling interests	**42,887**	45,131
Retained earnings	**38,801**	75,529
	792,660	846,546
Productivity ratios:	**S$**	S$
Value added		
Per employee	**163,219**	162,996
Per $ employment costs	**1.91**	2.01
Per $ investment in property, plant and equipment (before depreciation)	**0.68**	0.70
Per $ operating revenue	**0.70**	0.71

CORPORATE INFORMATION

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

AUDIT COMMITTEE
Quek See Tiat (Chairman)
Janet Ang Guat Har
Andrew Lim Ming-Hui
Tan Chin Hwee

BOARD RISK COMMITTEE
Andrew Lim Ming-Hui (Chairman)
Janet Ang Guat Har
Ng Yat Chung
Tan Yen Yen

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

REMUNERATION COMMITTEE
Lee Boon Yang (Chairman)
Chong Siak Ching
Tan Yen Yen
Tan Chin Hwee

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

COMPANY SECRETARIES
Ginney Lim May Ling
Khor Siew Kim

REGISTERED OFFICE
1000 Toa Payoh North
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Fax: (65) 6319 8282
Email: sphcorp@sph.com.sg
Co.Reg.No. 198402868E

SHARE REGISTRATION OFFICE
Tricor Barbinder Share
Registration Services
80 Robinson Road, #02-00
Singapore 068898
Tel: (65) 6236 3333

INVESTOR RELATIONS CALENDAR

1st Quarter 2018 (September – November 17)

- 2017 Full Year Financial Results Announcement and Media Conference & Analysts' Briefing with audio webcast
- Full Year Results Investor Meeting
- Morgan Stanley Asia Pacific Summit 2017 (Singapore)
- Release of Annual Report 2017

2nd Quarter 2018 (December 17 – February 18)

- Annual General Meeting
- Payment of 2017 Final Dividends
- Announcement of 1Q FY2018 results
- Post 1Q Results Investor Meeting

3rd Quarter 2018 (March – May 18)

- Credit Suisse Asian Investment Conference (Hong Kong)
- Announcement of 2Q/HY FY2018 Results and Analysts' Briefing with audio webcast
- Post 2Q Results Investor Meeting

4th Quarter 2018 (June – August 18)

- Announcement of 3Q FY2018 Results
- Post 3Q Results Investor Meeting
- Invest Fair 2018

- *Investor conferences and events attended*

FINANCIAL CALENDAR

2018

15 October
Announcement of FY2018 Results

10 December
Record Date for Dividend Entitlement

21 December
Proposed Payment of 2018 Final Dividends

2019*

14 January
Announcement of 1Q FY2019 Results

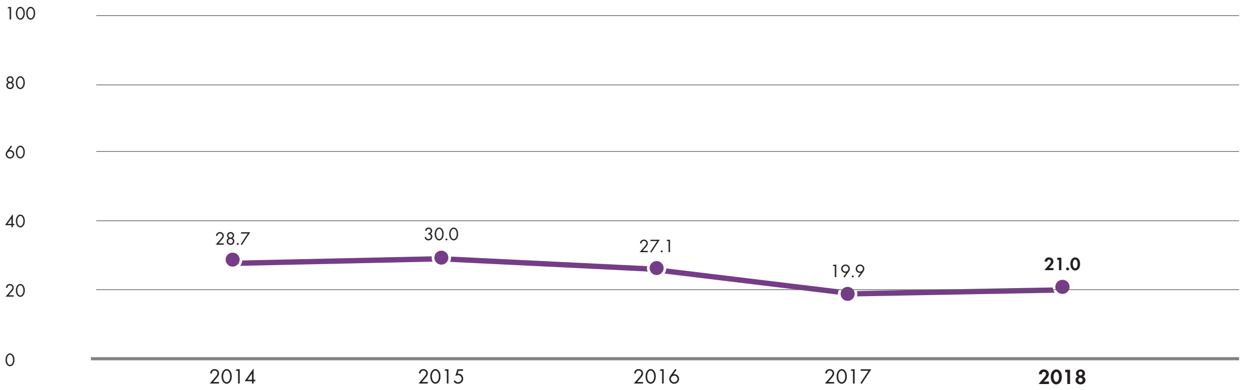
12 April
Announcement of 2Q/HY FY2019 Results

12 July
Announcement of 3Q FY2019 Results

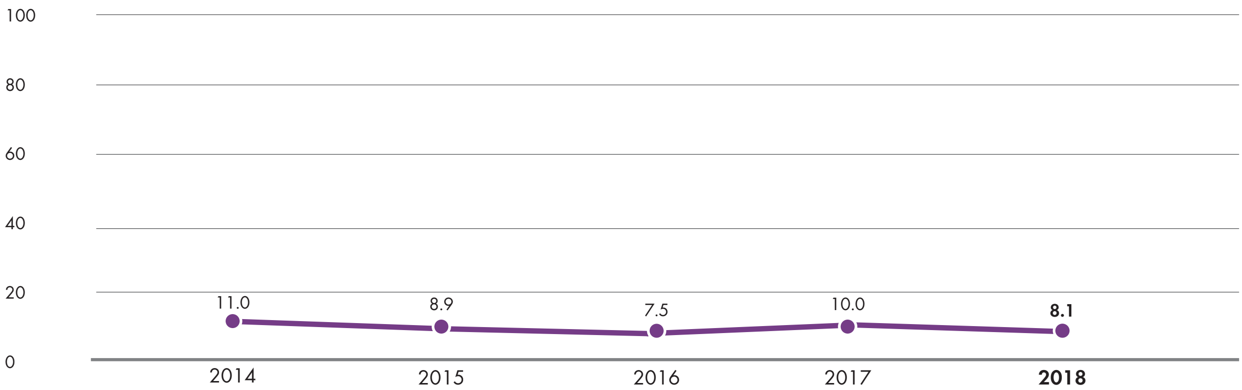
14 October
Announcement of FY2019 Results

* *The dates are indicative and subject to change. Please refer to SPH website, www.sph.com.sg, for the latest updates.*

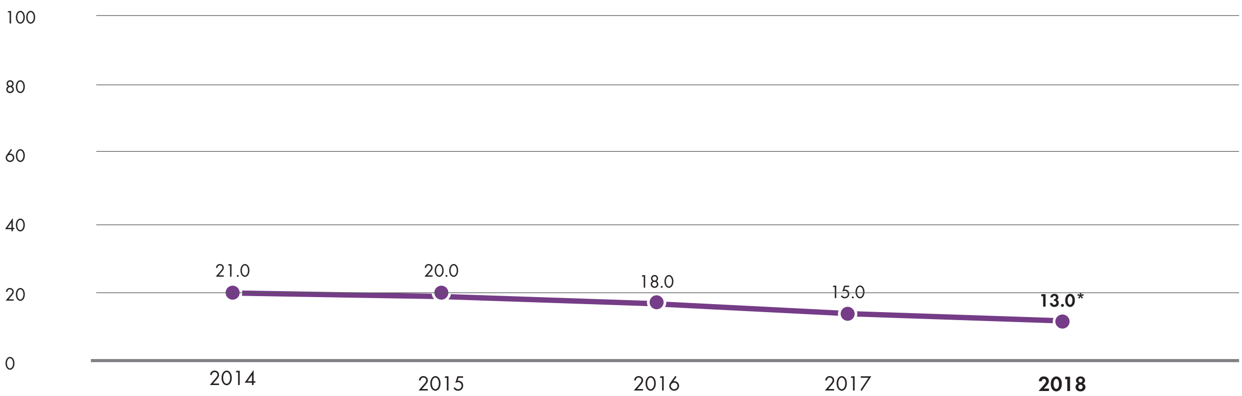
Operating Margin+ (%)



Return on Shareholders' Funds (%)



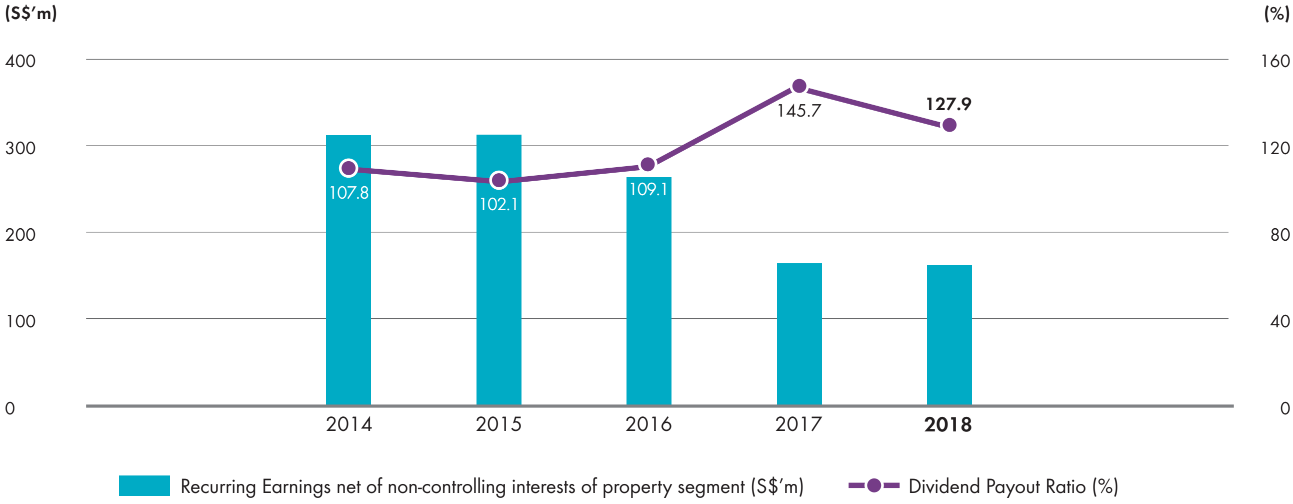
Dividend per Share (cents)



\+ *Computed based on Group recurring earnings.*

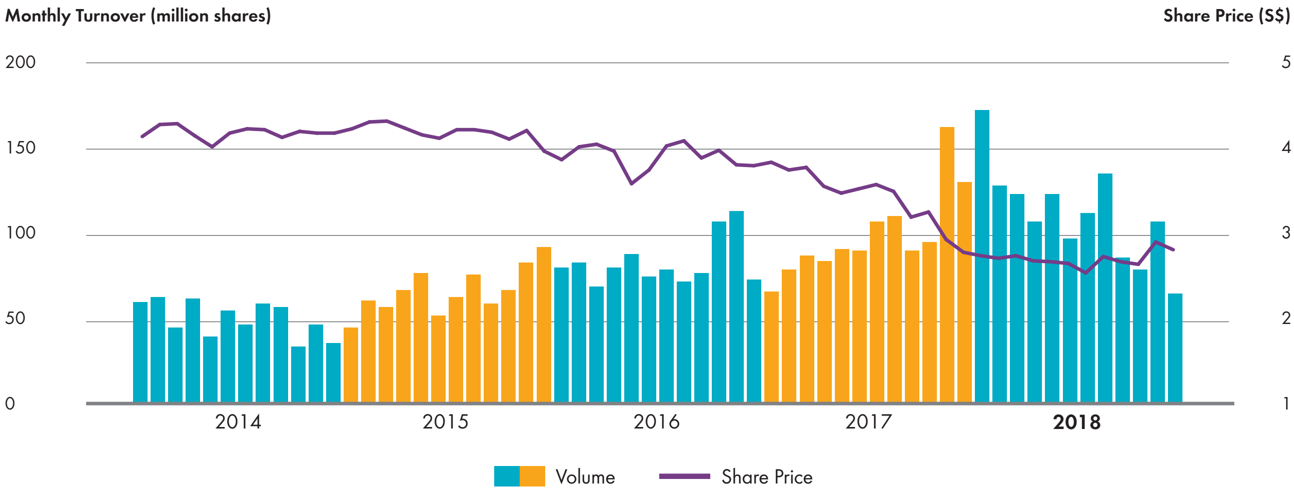
* *Included interim dividend of 6 cents per share, and proposed final dividend of 7 cents per share comprising a normal dividend of 3 cents per share and a special dividend of 4 cents per share. The proposed dividend is subject to approval by shareholders at the Annual General Meeting on 3 December 2018.*

Recurring Earnings@ and Dividend Payout Ratio+



@ *This represents the recurring earnings of the media, property and other businesses.*
\+ *Computed based on Group recurring earnings net of non-controlling interests of property segment.*

Share Price and Volume



	2014 S$	2015 S$	2016 S$	2017 S$	**2018 S$**
Highest closing price	4.29	4.34	4.15	3.87	**2.92**
Lowest closing Price	3.93	3.88	3.50	2.76	**2.44**
31 August closing price	4.15	3.94	3.77	2.76	**2.80**
Price/Earnings Ratio based on 31 August closing price	16.60	19.70	23.56	12.55	**16.47**

Source: Bloomberg

BOARD STATEMENT

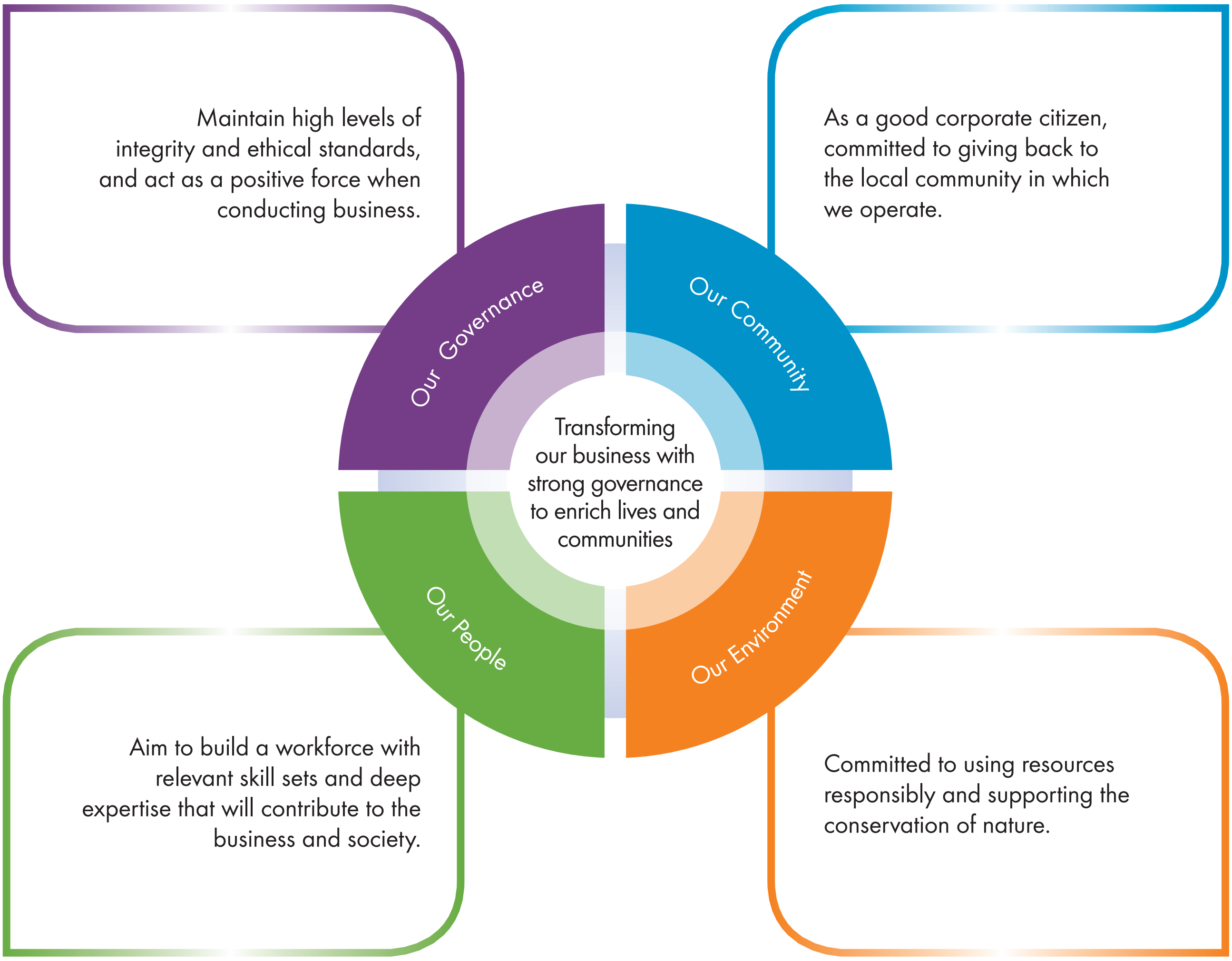
The Board of Directors is pleased to present Singapore Press Holdings' (SPH) first full Sustainability Report of financial year 2018 (FY2018). SPH is committed to sustainable business practices that help to enhance stakeholder trust and the value of our brands.

To effectively discharge our responsibility, the Board has assigned the monitoring and overseeing the management of environmental, social and governance (ESG) factors to the Board Risk Committee (BRC). The BRC is supported by the Sustainability Steering Committee (SSC) and Sustainability Working Committee (SWC), which comprise key executives from the SPH Group and representatives from the respective business functions. Together, we consider sustainability issues as an integral part of our strategic formulation, oversee the identification and management of risks and opportunities relating to ESG issues which are material to our business.

This report describes the identification of the ESG factors material to the SPH Group, which refers to our media and properties businesses as they are our key businesses at the time of reporting, and the policies, practices and performance relating to these ESG factors, as well as the targets for FY2019. It is prepared in alignment with the sustainability reporting regulatory requirements set out in the Singapore Exchange Securities Trading Limited Listing Manual (SGX-ST Listing Manual): Listing Rules 711A and 711B, and with reference to the Global Reporting Initiative Standards (2016).

Board of Directors
Singapore Press Holdings

At SPH, we have embarked on a journey to rejuvenate, reinvent and reposition our business. As we continue to innovate our core media business and invest in growth opportunities, strong governance remains the cornerstone of our business practices. We aspire to continue engaging minds and enriching lives by being a positive force and influence for our people, the environment and the society.



To support our transformation journey, we have considered the needs of our key stakeholder groups such as our customers, investors/shareholders, employees and business partners, and determined the most material ESG risks and opportunities that will act as barriers or enablers for SPH to become a sustainable business. From this assessment process, we have identified 11 ESG factors that are material to the development of our media and property businesses.
A snapshot of our performance and targets for these ESG factors are set out in the table below, while further details can be found in the subsequent chapters of the report.

SPH'S SUSTAINABILITY PERFORMANCE AT A GLANCE

Pillars	Material factors	FY2018 Performance Highlights	FY2019 Targets
Our Governance	Anti-corruption	• Zero incidents of corruption	• Zero incidents of corruption
	Compliance with Laws and Regulations	• No significant fines and non-monetary sanctions for non-compliance with laws and/or regulations	• Minimise and prevent, as far as practicable, any non-compliance of laws and regulations, including Personal Data Protection Act (PDPA) via PDPA Steering Committee, Data Protection Officers, and PDPA manual and standard operating procedures
	Content Creation	• No legal suits resulting in significant damages for copyrights infringement and defamation • Created credible and fair content for our readers across multiple media platforms	• English, Malay, Tamil Media (EMTM) Group and the Chinese Media Group (CMG) to grow market reach • Zero legal suits resulting in significant damages for copyrights infringement and defamation • Consult news sources to confirm facts • Seek a variety of opinions on the topics covered to achieve fair and balanced views
Our People	Workplace Health and Safety	• Accident Frequency Rate (AFR) and Accident Severity Rate (ASR) at 0.8 and 26.1, below the national all-time industry average	• Maintain AFR and ASR below the national all-time industry average
	Non-discrimination and Equal Opportunity	• Zero incidents of discrimination	• Zero incidents of harassment of or unlawful discrimination against employees
	Training and Development	• Implemented 266 programmes to upgrade employee skills	• Provide more than 250 unique programmes yearly for employees to acquire and upgrade their skills

Pillars	Material factors	FY2018 Performance Highlights	FY2019 Targets
Our Environment	Energy and Emissions	• Total energy consumption: 119,009,458.71 kWh • Energy intensity: 336.78 kWh/m^2	• Maintain same level of total energy consumption for the media business and reduce energy intensity for the property business
	Water	• Total water consumption: 653,914.50 m^3 • Water intensity: 1.85 m^3/m^2	• Maintain same level of total water consumption for the media business and water intensity for the property business
	Effluents and Waste	• Waste water treated at waste treatment plant and discharged to sewage: 3,054 m^3 • Untreated waste water collected by licensed disposal vendor: 65,000 litres • Weight of recycled waste: 3,823.83 tonnes	• Achieve 100% compliance with National Environment Agency (NEA) regulations regarding waste water management
	Materials	• 100% of newsprint derived from either recycled or virgin fibre pulp which is sourced from woodlands certified with internationally recognised sustainable forest management standards	• Obtain newsprint from suppliers with newsprint fibre from sustainable sources
Our Community	Local Communities	• Implemented 165 local community engagement and development programmes	• Support and organise more than 100 programmes under our five Corporate Social Responsibility (CSR) pillars of Arts & Culture, Charity & Community, Education, Nature & Conservation and Sports

We maintain high levels of integrity and ethical standards, and act as a positive force when conducting business.

This involves a commitment to achieving high standards of corporate governance, to promote corporate transparency and to enhance shareholder value. We firmly believe that good corporate governance is essential to the sustainability of our business and performance. Our corporate governance practices are guided by the Code of Corporate Governance 2012. Although we are as yet not required to comply with the Code of Corporate Governance 2018, we have where possible adhered to the guidance provided. Further information can be found in the Corporate Governance Report.

SUSTAINABILITY GOVERNANCE [GRI 102-18]

On behalf of the Board, the BRC oversees the management and monitoring of SPH's material ESG factors. Its responsibilities include looking at sustainability issues as part of our strategic formulation. It also validates and approves the ESG factors identified as material to our business, and sees to it that they are monitored and managed.

The BRC is supported by the SSC which comprises senior management from the Group and representatives from the respective business functions. The role of the SSC is to develop SPH's sustainability objectives and strategy, manage and monitor overall sustainability performance, and report to the Board. The SSC is supported by the SWC which consists of representatives from various business functions who drive the sustainability programme across the organisation.

ANTI-CORRUPTION [GRI 205-3]

We are committed to minimising the risk of fraud and corruption. All employees must conduct themselves in a professional and ethical manner. They are expected to abide by the Group's Code of Business Ethics and Employee Conduct (Code of Conduct) which covers areas such as fraud, business and workplace behaviour, safeguarding of assets, proprietary information and intellectual property. Any breach of the Code of Conduct may result in disciplinary action including dismissal or termination of the employment contract. It is mandatory for employees to agree to comply with the Code of Conduct by acknowledging this requirement in their letters of appointment. Our employees also undergo training on employee conduct and anti-corruption policies and procedures, and receive periodic broadcasts to remind them of the need to comply with the Code of Conduct.

We remain steadfast in our duty to conduct business responsibly. In our procurement process, internal controls are in place to facilitate fair, transparent and independent sourcing practices. The procurement team is subject to measures such as compulsory block leave and annual rotation of portfolio so as to prevent and detect any fraudulent or corrupt behaviour.

We also have in place a Whistleblowing Policy under which our staff and any other persons may, in confidence, raise concerns about possible improprieties including matters involving fraud, corruption and employee misconduct. The policy is published on the local network and internet for staff and public information with a hotline number made available for complaints and any observations to be raised. Whistleblowing complaints are directed to the Internal Audit (IA) division which reports directly to the Chairman of the Audit Committee (AC). The AC members meet with representatives from the IA division at least once a year without the presence of management. Upon confirmation of an incident of corruption, internal reviews will be conducted with disciplinary action taken, if necessary.

Internal audits are conducted across the Group to monitor the effectiveness of risk management, internal controls and governance processes. We have in place effective compliance controls across our businesses, which are supported by anti-corruption training as well as robust compliance and governance regimes. There were zero incidents of corruption in FY2018, and we aim to maintain this record in the coming year.

COMPLIANCE WITH LAWS AND REGULATIONS [GRI 419-1]

Our newspaper business is dependent on the annual renewal of our printing licence and newspaper permit for each newspaper, pursuant to the provisions of the Newspaper and Printing Presses Act (Chapter 206). Our online publications and radio business are also subject to the Broadcasting Act and its relevant Codes of Practice. Failure on our part to comply with the relevant Acts and Codes may subject SPH to significant liabilities, such as fines, suspension, or the revocation of the licence. In addition, we are also required to comply with other statutory and regulatory requirements such as the Singapore Exchange Listing Manual requirements, the Companies Act, Monetary Authority of Singapore regulations, the Securities & Futures Act, the Competition Act, and market practice codes prescribed by the Info-communications Media Development Authority of Singapore.

In response to such statutory and regulatory requirements, we have implemented compliance frameworks that include instructional tools and processes to monitor the level of compliance and minimise any lapses.

We recognise the importance of personal data protection and have a policy and process in place to comply with the requirements of the Personal Data Protection Act 2012 (PDPA) and the European Union General Data Protection Regulation (GDPR), where applicable.

In FY2018, there were no significant fines and non-monetary sanctions for non-compliance with laws and/or regulations. We will continue to work with all business units to minimise and prevent, as far as practicable, any non-compliance. In terms of data security, our PDPA steering committee will continue to meet regularly to discuss policies and to respond to complaints and breaches. There is a Data Protection Officer assigned to each division and all subsidiaries, and a PDPA manual and standard operating procedures have been established.

CONTENT CREATION [G4 M2]

As the leading content provider in Singapore, we recognise that producing accurate and timely news reports across our full suite of media channels is of priority. We acknowledge that the content we create and publish can have a profound influence on society and societal opinions. In order to remain a credible and trusted news provider, emphasis is placed on monitoring adherence to content values so that we may continue to value add through SPH's news content.

Guidelines on content creation	
Content	Content is expected to be insightful, current and up-to-date
Sensitive topics	Caution to be exercised when dealing with sensitive topics such as culture, religion and diplomacy. Journalists are expected to assess the reasons for publication and avoid offensive or unjustifiable statements.
Articles that should not be published	Content that may involve violations of the law (e.g. content which may be offensive to certain races, cultures or religions, or those that involve libel) should be avoided.

Both the English, Malay, Tamil Media (EMTM) Group and the Chinese Media Group (CMG) abide by stringent sets of standard operating procedures daily to ensure that content produced is accurate and factual.

We publish content that is credible and fair. To do this, a variety of news sources – whether interviewees, wire agencies or the Internet – are consulted to ensure that the news we put out comprises confirmed facts. We also seek a variety of opinions on the topics we cover, so that readers are presented with a fair and balanced view of issues.

The outcome - credible and fair content - is underpinned by observable policies and processes. The policy and practice of cross-checking stories against multiple sources is etched into our journalists' DNA during their basic training and is constantly reinforced. When reporters debrief supervisors, the latter also check whether sufficient sources have been consulted and, if not, more groundwork is requested.

Our editors meet daily to review and consolidate the content and identify focal news areas. In the event of any major or unexpected news, a meeting is held immediately to decide on the manner in which the news shall be managed. Each desk editor or associate editor is responsible for the first round of article review. This includes assessing the accuracy and appropriateness of the angle, focus areas and wordings utilised. Sub-editors perform a second round of review and are responsible for the page layout and headings. Final proofs are reviewed by the senior editors before they are sent for publishing.

Our uncompromising emphasis on content quality has enabled us to garner internationally well-known awards and accolades for journalistic and design excellence, such as the Asian Digital Media Awards and recognition in Society for News Design's (SND) Best of Digital Design Competition.

In FY2018, we created credible and fair news for our readers across multiple media platforms. There were no legal suits resulting in significant damages for copyrights infringement and defamation. For FY2019, EMTM Group and CMG are committed to growing their reach based on their products' unique value offerings and target markets, while we aim to continue to target zero legal suits resulting in significant damages for copyrights infringement and defamation. We will also continue to check with news sources to confirm facts as well as different opinions on the topics we cover to achieve fair and balanced view.

We aim to build a workforce with relevant skill sets and deep expertise that will contribute to the business and society.

Behind every satisfied customer is a dedicated staff. At SPH, we understand the importance of implementing effective human resource policies and practices that promote safe and healthy working conditions, fair employment practices, teamwork, learning and development, career development and rewards to attract, retain and grow talent.

We also ensure that our staff are enabled to contribute to the society, including supporting our operationally-ready NSmen's obligations to serve their country, on top of their work and family commitments. We have been regularly recognised by the Ministry of Defence as a distinguished defence partner for our unstinting support of National Service.

WORKPLACE HEALTH AND SAFETY [GRI 403-2]

Our people are our most valuable asset. We are committed to safeguarding the health and well-being of our employees. We strive to pursue the highest standards in workplace safety and health management and seek to cultivate a strong and enduring safety culture in the workplace with zero workplace accidents.

To achieve this, we have in place a sustainable workplace safety and health (WSH) management system to mitigate any safety and health risks our employees might face. We conduct an annual WSH review and implemented comprehensive WSH programmes aimed at protecting our employees against injury and ill-health. These programmes include continuous risk assessments, hazard reporting, safety inspections, accident investigations, communication and feedback, safety promotion and training.

Every employee also received an Employee's Workplace Safety and Health Handbook which highlights the key requirements of the Workplace Safety and Health Act, some potential hazards in the workplace and the risk control measures that can be taken to overcome these hazards. In FY2018, relevant WSH guidelines and procedures were published on the Admin Matters website on the SPH staff portal.

Media

SPH's efforts to protect our employees extend beyond our premises. Editorial staff may be exposed to heightened safety threats while they are posted on overseas field assignments. To ensure that their safety is not compromised, we have in place an "Editorial Overseas Assignment Field Team Safety Guide" and an "Editorial Overseas Assignment Safety Risk Management Standard Operating Procedure". Based on the protocol, supervisors are required to conduct safety briefings, and periodically review and assess the safety risks for the duration of the assignment. At the operational level, journalists are trained to conduct their own risk assessments on the field and implement safety control measures.

Properties

All of our malls have in place standard safety procedures and contingency plans. For example, fire safety audits and drills are conducted regularly as part of the fire safety practices. Equipment is inspected and upgraded whenever necessary, to ensure that they are in sound working condition. The malls also ensure the timely renewal of operating permits and licences. All employees are required to undergo workplace safety and health training on potential hazards and the proper precautions to take.

In the unlikely event of an accident, the malls abide by an internationally recognised framework by Occupational Safety and Health Administration (OSHA) framework to record and investigate the incident. Timely execution of preventive or corrective actions will be taken upon any reported incident.

In FY2018, we have achieved an Accident Frequency Rate (AFR) and Accident Severity Rate (ASR) of 0.8 and 26.1 respectively, which are below the national all-time industry average[1] in both categories. We aim to maintain AFR and ASR below the national all-time industry average in FY2019.

1 *As published by the Ministry of Manpower, the national all-time industry average AFR and ASR for the calendar year of 2017 are 1.6 and 69 respectively.*

Workplace Health and Safety Statistics for SPH Group in FY2018

Injury Rates & Absentee Rate	FY2017	**FY2018**
Accident Frequency Rate (AFR)[2]	0.7	**0.8**
Accident Severity Rate (ASR)[3]	16.3	**26.1**
Absentee Rate (AR)[4]	6.12	**6.34**

Strengthening Emergency Response

The Fire Emergency Evacuation Signal procedure for News Centre, Media Centre and Print Centre was revised in FY2016 and the public announcement (PA) systems for the three centres were upgraded in FY2016 and FY2017. In FY2017, the News Centre Company Emergency Response Team's (CERT) equipping and training room was officially opened and the CERT activation procedure was integrated with the SPH's emergency evacuation procedures. In April 2018, Automated External Defibrillators (AED) were installed at News Centre and Print Centre to further enhance lifesaving support during a medical emergency. A series of introductory training was conducted at News Centre and Print Centre to familiarise staff in Cardiopulmonary Resuscitation (CPR) skill and the use of AED. Looking ahead, we will continue our efforts to strengthen emergency preparedness.

In FY2018, the three centres conducted their annual emergency evacuation drills. Print Centre's CERT continued to excel in their annual audit assessments conducted by Singapore Civil Defence Force (SCDF) since its establishment in 2006. With the relocation of printing operations and the decommissioning of the flammable liquid storage facility, Media Centre was re-categorised as a Tier 3 CERT and did not require to be audited by SCDF. Established in FY2015 as a Tier 3 CERT, News Centre's CERT underwent its first audit in December 2017. It passed the audit and received positive feedback from SCDF.

Staff having hands-on training in CPR at News Centre

Print Centre staff picking up life-saving skills during a CPR/AED training session

2 *AFR measures how often work incidents occur. (AFR = No. of workplace accidents reported/ No. of man hours worked x 1,000,000).*
3 *ASR measures the severity of work incidents. (ASR = No. of man days lost to workplace accidents/ No. of man hours worked x 1,000,000).*
4 *AR measures how often employees are absent from work. (AR = average absentee days per employee).*

Health and Sustainability

We have invested in a comprehensive healthcare and wellness support programme which provides our employees with medical and dental benefits, as well as access to a wide range of health and wellness activities. SPH is a Gold Award recipient for the Singapore Health Award given by the Health Promotion Board (HPB), in recognition of our efforts in promoting workplace health.

Staff are encouraged to take part in regular health screenings, exercise classes and leisure activities and attend talks on stress management, medical and health issues as well as financial management. A free salad day was organised to encourage staff to pick up healthy eating habits. We have a Chronic Disease Management Programme (CDMP) that assists our employees with chronic diseases to follow up regularly with the company's in-house doctors to monitor health risks.

To ensure work-life balance amongst our employees, SPH has established a sports and leisure club called Club Zest, which organises sports and leisure activities.

To encourage sport participation among employees, SPH Inter-Division Tournaments are organised for a wide range of games and sports throughout the year. The SPH Championship trophy is awarded to the division that scores the most points at the SPH Games Day. Organised by Club Zest, these games build camaraderie among staff.

One of the favourite staff activities was the SPH Inter-Division Steps Challenge. It saw a total of 173 participants from all divisions. Leveraging HPB Corporate Steps Challenge platform, the massive effort put in by participants propelled SPH to be crowned Industry Winner under the Information and Communications category.

To better meet the leisure and lifestyle needs of staff, the Club organises events such as the annual SPH Family Day and monthly Up On The Roof sessions for staff bonding in a casual setting. This year's SPH Family Day was held at Rainforest Lumina at the Singapore Zoo. The event attracted over 1,800 staff and their family members.

As part of SPH's Corporate Social Responsibility (CSR) effort, the Club also participated in two charity events – Football With a Heart 2018 by Singapore Pools and Race Against Cancer by Singapore Cancer Society.

To better serve SPH staff, the Club upgraded News Centre clubhouse's lifestyle lounge and the gymnasium into a conducive relaxation zone where staff can work out and


Staff bonding and relaxing at the upgraded Club Zest lounge area


This year's Family Day at Rainforest Lumina at the Singapore Zoo attracted a big turnout by staff and their families

chill out during their free time. With the implementation of Google's G Suite to upgrade work productivity tools, the Club also rolled out a new web portal with e-services for facilities and corporate passes booking.

SPH News Centre has a staff cafeteria serving a variety of cuisines at affordable prices. The main lobby at News Centre was also refreshed this year with giant LED screens, information kiosks with tablets to access SPH's digital products, and a stage platform for staff to hold their events. In addition, a staff canteen operated by Toast Box was set up at the lobby for staff to chill and mingle, as well as meet their clients and customers.

As part of SPH's re-organisation exercise this year, offices and newsrooms at News Centre were renovated. The newsroom at CMG added a new amphitheater to host visitors and offer staff a space for briefings and sharing sessions. There is also a new staff pantry and recreation area located at the mezzanine level of CMG's newsroom for staff to conduct interviews with newsmakers, have short discussions or just to take a break.

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

SPH DIVERSITY POLICY

Operating in a multi-racial, multi-cultural society with a population with different religious beliefs, SPH adheres to fair employment practices that do not discriminate because of an individual's background, gender or age. This commitment is reflected in the signing of the Fair Employment Practices pledge and adoption of tripartite standards on recruitment practices and flexible work arrangements.

The Company recruits employees on merit, ability, competence, experience and compatibility with the needs of the position and the growth of the organisation.

This commitment is also reflected in our diverse staff population, encompassing gender, cultural and generational diversity. Employees use their different experiences, knowledge and perspectives to contribute to the Group's growth and to realise their own potential. Please refer to our HR Statistics on page 62 for diversity of our governance body and workforce.

The Company endeavours to assist employees in managing work-life balance by providing employees with flexible work arrangements and family-friendly working environment. The various flexible work arrangements include flexible working hours, part-time work and tele-commuting. Extended no-pay leave arrangements for young parents and provision of nursing rooms for new mothers are examples of family-friendly initiatives. These policies and practises are put in place to engage and retain employees who may have otherwise left the workforce due to family commitments.

We have also established policies on employment and disciplinary action, as well as grievance handling procedures to ensure that all complaints of unfair employment practices will be investigated.

There were no incidents of discrimination at SPH in FY2018. We will continue with our Fair Employment Practices and adhere to the tripartite standards on recruitment practices and flexible work arrangements. We will also continue to ensure that any relevant concerns or complaints of unfair employment practices could be raised via various channels, including the union and/or Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) in accordance with our Grievance Handling Policy, as well as the whistleblower email and hotline available on SPH's website. All feedback received will be looked into. In FY2019, we aim to achieve zero incidents of harassment of or unlawful discrimination against employees.

TRAINING AND DEVELOPMENT [GRI 404-1]

We invest in staff training and development. Our employees need to be relevant to maintain a competitive edge for the Group's continued growth and success. Our employees can acquire relevant skills, expertise and qualifications through the training programmes offered.

Training development programmes at SPH included on-boarding and induction programmes, on-the-job training, soft skills training, functional skills training, journalism programmes, managerial and leadership development programmes. Core programmes, from on-boarding to orientation to supervisory development, are identified for different levels of staff to ensure that relevant and appropriate development needs are addressed at the different stages of their careers. In addition, department heads may nominate their staff to attend specific training courses. Employees are also encouraged to take up e-learning courses for their continual education and self-development.

Media

The editorial division has its own training unit which organises journalism courses to ensure that employees are kept abreast of evolving media laws, news consumption patterns and updates to the journalistic ethics and integrity guidelines.

We adopt a systematic approach to the training and development of our employees which covers on-the-job learning, skills training and personal development programmes. Employees will receive relevant training opportunities at each stage of their careers as part of a continuous path to develop them to their full potential.

Properties

Apart from relevant training programmes organised by the Human Resources Division, employees working on properties are also sent for relevant external training and courses. Generally, staff are nominated to attend training programmes centred on building codes and regulations, workplace health and safety requirements, lease and contract management, and facility and project management.

Average Hours of Training for SPH Group in FY2018

	FY2017	**FY2018**
By gender		
Male	22	**19**
Female	19	**15**
By employee category		
Senior management level	13	**15**
Middle management level	14	**15**
Executive level	20	**19**
Non-Executive	27	**15**

We also sponsor selected employees to pursue Diploma, Bachelor's and Master's Degree programmes and other certification courses. As part of staff development, 360-degree feedback was implemented to allow employees to solicit feedback from their colleagues so that they can improve in their areas of weakness. Training and development plans at SPH are reviewed annually to ensure that the training requirements of our employees are met and changing business needs are addressed.

Going forward, we will be evaluating the implementation of a system to enhance the monitoring and tracking of the wide range of training courses provided. We will also embark on a future-ready training programme to equip every employee with future-ready core skills critical for SPH. The first phase will involve rolling out foundations training to 500 employees over 1 to 2 years, out of which a selected group will be further developed into our in-house network of practitioners and coaches. The second phase will involve equipping the remaining employees with the future-ready core skills over a period of 3 to 5 years.

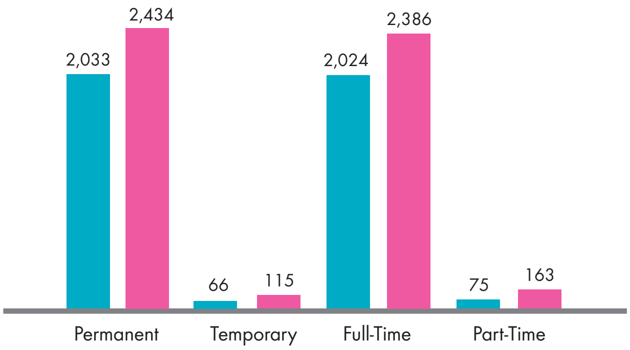
Performance Management

We have a comprehensive online electronic performance management system. We put employees through an annual performance review with open discussion between the supervisor and the individual. Besides providing transparency in assessing work performance and improvement in communication between the supervisor and the employee, the system provides a platform to assist employees in their development through continuous learning and training opportunities. The performance management framework is an integral part of the talent development and succession planning process to meet SPH's current and future needs.

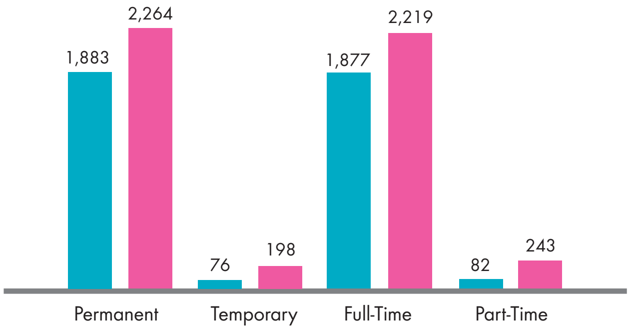
We have implemented 266 training and development programme this year. We will provide more than 250 unique programmes yearly for employees to acquire and upgrade skills in FY2019 to continue to cultivate talent at SPH.

HR STATISTICS FOR SPH GROUP IN FY2018 [GRI 102-8] [GRI 405-1]

Employee Profile – By Gender (FY2017)

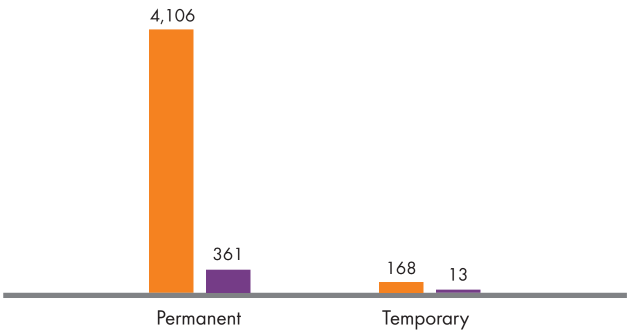


Employee Profile – By Gender (FY2018)

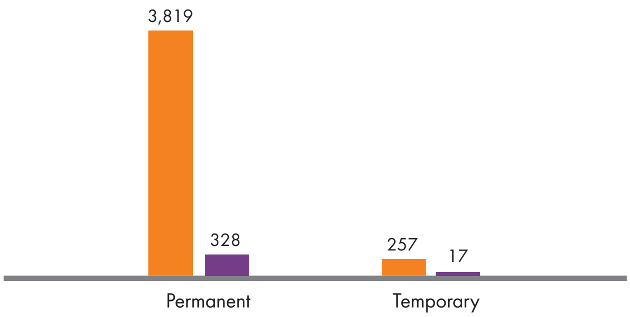


Male Female

Employee Profile – By Region (FY2017)



Employee Profile – By Region (FY2018)



Singapore Overseas

New Employee Hires

	FY2017	FY2018
New Employee Hire Rate	12%	**17%**

	FY2017	FY2018
By age group		
< 30 years old	317	**368**
30 - 50 years old	208	**323**
> 50 years old	36	**55**
By region		
Singapore	458	**669**
Overseas	103	**77**
By gender		
Male	196	**293**
Female	365	**453**
Total	**561**	**746**

Employee Turnover

	FY2017	FY2018
Employee turnover rate	18%	**24%**

	FY2017	FY2018
By age group		
< 30 years old	284	**291**
30 - 50 years old	429	**495**
> 50 years old	144	**263**
By region		
Singapore	719	**935**
Overseas	138	**114**
By gender		
Male	345	**429**
Female	512	**620**
Total	**857**	**1,049**

Governance Diversity

	FY2017	FY2018
By age group		
< 30 years old	-	**-**
30 - 50 years old	6	**6**
> 50 years old	8	**8**
By gender		
Male	10	**10**
Female	4	**4**
Total	**14**	**14**

Workforce Diversity

	FY2017	FY2018
By age group		
< 30 years old	1,089	**896**
30 - 50 years old	2,317	**2,448**
> 50 years old	1,242	**1,077**
By gender		
Male	2,099	**1,959**
Female	2,549	**2,462**
By employee category		
Senior management level	207	**198**
Middle management level	867	**798**
Executive level	1,810	**1,693**
Non-Executive	1,764	**1,571**
Operation	-	**-**
Specialist/Professional	-	**161**
Total	**4,648**	**4,421**

We are committed to use resources responsibly and support the conservation of nature.

We have implemented a Group-wide environmental policy with the aim to be a responsible corporate citizen by minimising the impact of our activities on the environment across our wide spectrum of businesses.

In the area of energy consumption, we strive for energy savings in our printing plant and offices. Cutting down on energy usage not only helps to mitigate climate change, but also saves costs for the Group. Reduction in water usage and proper waste management are the other key areas that contribute to environmental sustainability.

SPH ENVIRONMENTAL POLICY

SPH aims to be a responsible corporate citizen in minimising the impact of our activities on the environment across our wide spectrum of businesses. We will manage our processes, materials and people with these key strategies:

- Conservation and Waste Management
  Ensure responsible waste disposal and conserve, reduce, recycle and reuse resources. Where possible, we will also use environmentally friendly, energy-efficient and water-saving fittings and equipment in our buildings and malls.
- Working with Responsible Suppliers
  Work with responsible and certified suppliers who support our procurement guidelines to minimise our impact on the environment.
- Compliance
  Comply with all applicable environmental laws, regulations and other relevant requirements.
- Reporting and Communication
  Track and report environmental performance in our sustainability report to ensure ongoing awareness and review. As a media company, we will also communicate relevant environment causes to our audiences. Internally, we will educate and encourage staff to achieve environmental goals.
- CSR
  Support and organise nature and conservation causes or events as part of our corporate social responsibility.

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

Media

The SPH production plant at Print Centre started its energy conservation activities before the NEA Energy Conservation Act came into effect in 2013. The NEA Energy Conservation Act required companies to reduce energy consumption by five per cent over the next five years using the 2013 total energy consumption as a baseline. The Production Division has delegated an Energy Manager to track and manage the energy consumption from its production.

For 2017[5], the Print Centre plant achieved a 25 per cent reduction in energy consumption, using the total energy consumed in 2013 as baseline. This is well above the requirements set under the NEA Energy Conservation Act.

In 2017, the Production Division procured one unit of 500-tonne Variable Frequency Drive Chiller and replaced its aging unit of 500-tonne Centrifugal Chiller to improve Chiller plant efficiency. The new Chiller was commissioned in November 2017.

The Production Division also submitted its fifth Energy use report and Energy Efficiency improvement plan to NEA as required by the NEA Energy Conservation Act. The Energy team at Print Centre conducts regular energy audit works to improve energy efficiency. The following energy saving measures have been implemented:

- Replacement of high-consumption light fittings with energy-efficient ones such as LED and induction light fittings.
- Optimise Chiller plant operation to improve Chiller plant efficiency.

At News Centre, SPH conducts regular energy audit works and has put in place environmental-friendly practices to conserve energy.

The following energy-saving measures will be implemented:

- Replacement of old chillers with more efficient variable speed drive (VSD) chillers.
- Replacement of old air handling units (AHU) to improve energy efficiency.
- Installation of motion sensors at low usage areas to reduce energy consumption.
- Replacement of high-consumption light fittings with energy-efficient ones such as LED and induction light fittings.

5 *The reporting cycle to NEA is per Calendar Year (1 January 2017 to 31 Dec 2017).*

- LED lightings are used for new office renovations to meet the lighting lux level as specified in the Code of Practice SS531 issued by SPRING Singapore. This is to avoid staff adding individual light fittings at their workstations which will increase the overall electrical consumption.
- Daily checks to turn off under-utilised lighting within the buildings and monitor room temperature settings and operating hours of air-conditioning units for optimal operating efficiency.

Properties

Paragon obtained the Green Mark Certified Award by the Building & Construction Authority (BCA) in May 2018.

The Clementi Mall embarked on green improvement works last year and completed them in July 2018. In addition, The Clementi Mall has achieved BCA's Green Mark Gold Certification in October 2018. The Seletar Mall was awarded the Green Mark Gold in 2014. The Green Mark Scheme by BCA is a green building rating system to evaluate a building for its environmental impact and performance. It provides a comprehensive framework for assessing the overall environmental performance of buildings, with a focus on energy efficiency and covering other areas such as water efficiency, indoor environmental quality and other environmental features. The Green Mark certification is a testament of the malls' achievements in energy management and conservation.

Energy and GHG Emissions Statistics for SPH Group in FY2018[6]

Year	Total Energy Consumption			Energy Consumption per GFA (kWh/m^2)
	Diesel[7]	Electricity	Total	
FY2017	411,763.92	126,212,572.50	126,624,336.42	358.24
FY2018	**407,731.96**	**118,601,726.75**	**119,009,458.71**	**336.78**

Year	Total GHG Emissions			GHG Emissions per GFA (tCO_2/m^2)
	Scope 1	Scope 2	Total	
FY2017	110.21	53,392.09	53,502.30	0.15
FY2018	**109.13**	**49,403.96**	**49,513.09**	**0.14**

For FY2019, our News Centre and Media Centre aim to maintain their total energy consumption based on 5-year moving average, and our Print Centre (Production) targets to maintain its total energy consumption based on 2016 levels. Paragon, The Clementi Mall and The Seletar Mall will strive to achieve reduction in energy intensity compared to FY2018 levels.

6 *GHG emissions for our Media business are computed based on emission factors derived from 2006 IPCC Guidelines for National Greenhouse Gas Inventories and electricity grid emission factor published in 2017 Singapore Energy Statistics. GHG emissions are provided by the appointed energy management firm servicing Paragon, The Clementi Mall and The Seletar Mall.*

7 *Conversion factor to kWh is derived from 2006 IPCC Guidelines for National Greenhouse Gas Inventories.*

WATER [GRI 303-1]

Media

The Production Division reviews its daily water consumption report from its automatic meter-reading system to identify any abnormalities and take immediate corrective actions to rectify any faults. It also carries out regular checks and maintenance on the water supply network. There are periodic upgrading works of its piping network to ensure water is used efficiently.

Other measures to conserve water usage include installing sensor taps and automatic flush urinals, having dual-flush systems for toilets and fitting thimbles in the taps.

The Production Division cleans its water storage tank annually and puts in place security measures for the water tank, in compliance with the PUB water supply regulations. It will continue with its rainwater harvesting efforts for non-potable uses. It submitted its fourth Water Efficiency Management Plan report to PUB and appointed its own Water Efficiency Manager.

Water meters with remote monitoring features have been installed to monitor water consumption and automated daily water usage reports help to prevent non-detection of water leakages in the premises. The cooling towers' concentration cycles are monitored and adjusted where necessary to reduce excessive water bleed-off. Water-efficient fittings and PUB-recommended flow rates for flushing systems are also in place.

Duty property officers conduct regular maintenance checks on the water supply installation such as cooling towers and water tanks to ensure no water wastages from faulty pipe fittings, equipment or pumps.

In 2017[8], the Print Centre plant achieved a 35 per cent reduction in water consumption, using the total water consumed in 2014 as baseline.

Properties

Both Paragon and The Clementi Mall are certified under the Public Utilities Board's (PUB's) Water Efficient Building (WEB) Certification Programme. This signifies that the buildings have been installed with approved water efficient fittings and adopted WEB recommended flow rates and flow volumes. Water consumption at the malls is closely monitored to identify leaks and any opportunities for improvement. Remote water monitoring meters have been installed at the properties to measure the water efficiency of the air-conditioning systems. The properties also utilise a cloud-based platform, Green Koncepts, to stream real-time consumption data and to enhance monitoring and trend analysis.

Water Statistics for SPH Group in FY2018

Year	Total Water Consumption (m^3)	Water Consumption per GFA (m^3/m^2)
FY2017	679,448.40	1.92
FY2018	**653,914.50**	**1.85**

In FY2019, the News Centre and Media Centre will maintain their total water consumption based on 5-year moving average, and our Print Centre (Production) will maintain its total water consumption based on 2016 levels. Paragon, The Clementi Mall and The Seletar Mall will maintain its water intensity based on FY2018 levels.

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

Conservation and waste management constitutes one of the key strategies within SPH's environmental policy. We are committed to ensuring responsible waste disposal and conserving, reducing, recycling and reusing resources.

We adopt a "Reuse and Recycle" philosophy. Disposed furniture which is still in good condition is reused in other divisions and subsidiaries. All office waste is collected and sent to the refuse centre for sorting. Waste that has no recyclable value is disposed of. Items of recyclable value are packed, bundled and weighed before collection by a scrap contractor. Other disposed items such as computers, electrical items, cans and old carton boxes are collected and sold.

8 *The reporting cycle to PUB is per Calendar Year (1 January 2017 to 31 Dec 2017).*

Group-wide, SPH's offices utilise environmentally-friendly printers with print-on-demand and double-sided printing features. By controlling paper usage with the common printing system, paper consumption and its related carbon emissions are reduced.

The waste generated by the newspaper printing process is classified into the following categories:

- **Trade Effluent**
  All cleaning liquids used for the Presses rollers are directed to the wastewater treatment plant where it is treated before being discharged into the public sewer. The treated effluent must meet all NEA and PUB requirements. The remaining sludge is collected and disposed by a licensed disposal company approved by NEA.
- **Non-Treatable Waste**
  All non-treatable waste is collected and disposed by a licensed waste disposal company approved by NEA.
- **Recyclable Waste**
  All recyclable wastes such as newsprint, aluminium printing plates, carton boxes, metal drums and plastic containers are collected and sold for recycling purposes.

Effluents and Waste Statistics for SPH Group in FY2018[9]

	FY2017	**FY2018**
Treated waste water discharged to sewage (m^3)	2,747	**3,054**
Untreated waste water disposed by licensed vendor (L)	61,000	**65,000**
Sludge disposed by licensed vendor (kg)	74,250	**23,880**
Recycled waste (kg)	3,333,840	**3,823,830**

We will achieve 100% compliance with NEA regulations regarding waste water management in the coming year.

MATERIALS [GRI 301-2]

One of SPH's key strategies within its Group-wide environmental policy is to work with responsible and certified suppliers who comply with its procurement guidelines, so as to minimise its impact on the environment. This is especially relevant in ensuring that its newsprint supply is obtained from mills using newsprint fibre that is derived from sustainable sources.

We purchase our newsprint supplies for our newspapers from diversified sources in Asia-Pacific, Europe and North America. We are committed to purchasing newsprint only from suppliers who are able to fulfil either of the following requirements:

- 100 per cent recycled newsprint (using only recycled paper pulp);
- Hybrid newsprint (mixture of recycled paper pulp and virgin fibre pulp); and
- 100 per cent virgin fibre pulp (only those sourced from woodlands certified with internationally recognised sustainable forest management standards, e.g. Sustainable Forestry Initiative (SFI), Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC)).

Purchases are usually made from the regular approved vendors. New newsprint suppliers are subject to a rigorous qualification process which involves the verification of sustainable source, and testing of the printability and runnability of the material. Every purchased shipment and batch is then verified to be of the accurate source before the material is used in production.

In FY2018, 100 per cent of our newsprint were derived from either recycled or virgin fibre pulp which is sourced from woodlands certified with internationally recognised sustainable forest management standards, such as Sustainable Forest Initiative (SFI), Forest Stewardship Council (FSC) and Programme for the Endorsement of forest Certification (PEFC). We intend to qualify more newsprint suppliers using newsprint fibre from sustainable sources for the coming year.

9 *Scope of all effluents and waste data includes only SPH Print Centre as these are generated by the newspaper printing process.*

As a good corporate citizen, we are committed to giving back to the local community in which we operate.

LOCAL COMMUNITIES [GRI 413-1]

We strive to be a socially responsible corporate citizen and endeavour to engage and give back to all segments of the Singapore community. Underpinning our efforts is the Group-wide CSR policy which sets out the guidelines by which we assess and review all proposed community involvement initiatives raised.

SPH CSR POLICY

All CSR Projects will be subject to review, with exception of the following, which SPH does not support:

- Individuals
- Projects that are confined to sectional interests of a group of persons (e.g. race, political groups) or serve an exclusively religious purpose
- Overseas projects which do not benefit the Singapore community
- Social and / or commercial events with no community benefit
- Projects which are not in line with SPH's objectives

We work closely with prospective partners to discuss the possible projects to adopt, and evaluate how these projects can benefit its causes, the beneficiaries and the local community. Once a partnership has been formed, we work closely with our partners through regular meetings and consultative sessions.

The Singapore Press Holdings Foundation (SPH Foundation) was set up in 2003 from a seed funding of $20 million. This sum has grown to more than $50 million from prudent investment and contributions by SPH over the years. SPH and SPH Foundation have supported many deserving causes and activities across the five pillars of Arts & Culture, Charity & Community, Education, Nature & Conservation and Sports, reaching out to children, youths, senior citizens as well as the disabled communities.

In FY2018, SPH and SPH Foundation invested about $1.5 million in various social and charitable causes.

Arts & Culture

The annual SPH Gift of Music series returned for the 13th year to bring different genres of music to the masses through free concerts at various locations across Singapore, including parks, shopping malls, heartlands and the Esplanade. It provides a platform to showcase Singapore's musical talent, including musicians from Singapore Symphony Orchestra, Singapore Chinese Orchestra and many other music groups.

The SPH Foundation Arts Fund, launched in 2011, supported local arts productions by purchasing tickets for the underprivileged to enjoy quality arts productions. Some of the beneficiaries from voluntary welfare organisations who were invited to appreciate arts performances included The Young Musician's Foundation Orchestra, Ravindran Drama Group, Arts Fission and Ministry of Bellz.

We have received the Patron of the Arts Award by the National Arts Council for 26 consecutive years since 1993.

Education

We have launched two new education portals under the SPH Education initiative that will bring current affairs into the classroom. Spearheaded by The Straits Times and Lianhe Zaobao, these portals will feature digitised multimedia from newspapers, radio, animation and interactive broadcasting.

SPH Foundation supported the promotion of Chinese language among children and youth. Through its sponsorship of the Singapore-China Youth Arts Festival organised by SPH Chinese Media Group student publications, together with the China Cultural Centre and China National Theatre for Children, it encouraged the young and their families to immerse in the different art forms and kindle their interest in Chinese language and culture. SPH Foundation also supported the Newspapers in Education (NiE) Outreach Programme to schools, organised by the student publications. The programme introduced the fundamentals of Chinese language journalism to primary and secondary school students.

Nature & Conservation

The SPH Green Fund was set up in September 2016 to support viable green projects. Members of the public are welcome to submit proposals. So far, the Fund has supported EarthFest 2018, Waterways Watch Society - KRILL (Kallang River is Living and Loved) project and adoption of coral reefs at Sisters' Island.

- EarthFest 2018 attracted more than 7,000 people to Marina Barrage in January 2018 to find out more about sustainable living and promote sustainability. EarthFest is a comprehensive sustainability festival that inspires people to live a fun-filled lifestyle in a sustainable way. It featured a Farmer's Market and Food Festival of more than 70 local businesses. There were also carnival games and interactive kiosks where people can learn and be empowered to live more sustainably on a daily basis. There were performances by local musical artists from Singapore and overseas.


Visitors to EarthFest 2018 could buy locally grown organic produce and tableware made from rice husks

- We were the first corporate sponsor of the Garden City Fund's Plant-A-Coral programme, a community outreach initiative of the National Parks Board (NParks). This SPH donation of 10 coral nubbins is the first from the SPH Green Fund which aims to support worthy conservation and environmental projects by schools, charities and local community groups.

- We partnered with local environmental group Waterways Watch Society to host a series of programmes for students on the conservation and protection of Singapore's waterways. Since its launch, it has reached out to more than 20 schools and more than 8,000 students. Through the assembly talks and outdoor hands-on activities, the students learnt more about the conservation and protection of Singapore's waterways. They also learnt about the importance of water in their daily lives and how our supply of water is impacted by climate change and water pollution. As water is used in the production of our print products, this initiative is in line with our purpose of raising awareness of the fragility of our natural environment.

- To encourage the habit of recycling usable items among staff, we organised the SPH Flea Market in partnership with The Salvation Army. The event, which was organised in January before the Lunar New Year, raised more than $10,300 for the beneficiaries of The Salvation Army.

- Special Projects to Understand Nature (SUN) Club – a partnership between SPH Foundation and NParks where students with special needs have a chance to take part in organised tours by specially-trained guides to enjoy and appreciate nature. This initiative promotes inclusivity as the special needs community may otherwise not have such opportunities.

- SPH Walk of Giants at Botanic Gardens is an elevated boardwalk that showcases a collection of trees, most of which, in time, can grow up to 80m in height. The boardwalk is 260m in length and will take visitors from ground level up to a height of 8m. Visitors can get up-close to existing mature trees and new forest emergent species that are planted as part of the botanical and conservation collection.

Sports

We partnered with the Singapore Athletic Association to host the SPH Schools Relay Championships at the Bishan Stadium in March 2018. A total of 35 schools and 289 relay teams took part.

Singapore Sports School won the A Division girls' 4x200m relay final at the SPH Schools Relay Championships

Advocating inclusiveness in sports, SPH Foundation worked with the Singapore Disability Sports Council (SDSC) to host the National Inclusive Swimming Championships, previously known as the National Para-Swimming Championships.

In its eighth year under SPH Foundation's sponsorship, the event had attracted more than 100 participants from special schools, associations and clubs.

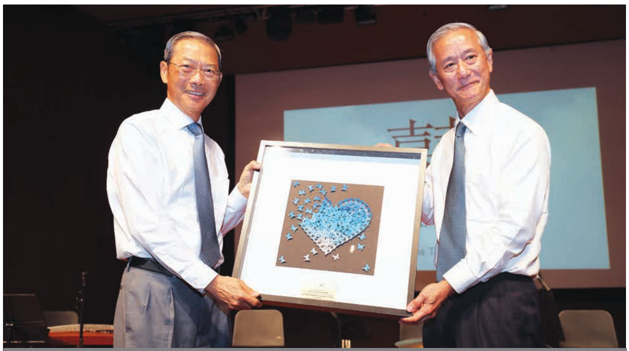
The National Inclusive Swimming Championships allowed participants to gain competitive experience and mingle with fellow swimmers

SPH Foundation supported the National Primary Schools Tchoukball Championship since 2012. Comprising juniors and seniors divisions and played by both genders, the competition has seen a rise in the number of schools and teams taking part. In FY2018, a total of 62 teams took part, for both the boys and girls categories in the Senior and Junior divisions.

Farrer Park Primary took the senior division boys and girls titles at this year's SPH Foundation National Primary Schools Tchoukball Championships

Charity & Community

Every year, SPH and SPH Foundation make monetary donations to selected charities serving the elderly, children and youth and the disabled community, as recommended by Community Chest. SPH Foundation also gives to the Special Education Financial Assistance (SPED) Scheme which provides financial assistance to needy Singaporean students studying in government funded Special Education schools.



SPH and SPH Foundation donated $350,000 to 20 social service organisations at the Charity Cheque Presentation ceremony

We partner with Singapore Red Cross to organise annual blood donation drives, the SPH Red Apple Day. The blood donation drives, held at SPH News Centre, are open to the public. SPH also partners neighbouring Beatty Secondary School to involve them in doing good for the community. We hosted a Chinese New Year lunch for 170 seniors from

This year's SPH Red Apple Day collected 134 units of blood from 172 donors

the Lions Befrienders (Ang Mo Kio) Senior Activity Centre. Each of the 170 residents also received a festive bag comprising daily necessities and mandarin oranges.

SPH Charity Carnival a platform for SPH internal divisions and subsidiaries to raise funds and generate public awareness – has supported 30 charitable causes. Staff are engaged and encouraged to do their part to help their adopted charities. Charity groups that have booths at the event are able to showcase their cause and garner support for funds and volunteers.

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

SPH CHARITY CARNIVAL

The much anticipated annual SPH Charity Carnival was back for its seventh run this year. Held on 7 May at SPH News Centre Auditorium, the half-day event saw more than 500 staff patronising the 23 booths set up by SPH divisions and external charities.

Jointly organised by the Corporate Communications & CSR Division (CCD) and the SPH Staff Volunteers Club, the annual charity bazaar provides staff with an opportunity to raise funds for their adopted charities, and allows external charities to raise awareness and funds for their causes.

This year, over $15,000 was raised by the 12 internal divisions. The top earner of the day was Production Division, which raised funds for Kwong Wai Shiu Hospital and Jamiyah Singapore.

Several divisions, including Production, Human Resources (HR) and Finance, conducted presales to collect orders prior to the actual event day. The responses for the presales were so overwhelming that Finance was able to close their booth even before the carnival ended because they had sold out of their combo lunch sets.

Besides the sale of items, some divisions also set up games stalls. HR set up a dart game booth, while CCD brought back their exciting "treasure box". Participants were given the opportunity to open any of the nine treasure boxes with random keys, within 15 seconds. Prizes for the game included wines, rice, mugs and more.

Among the external charities, SPCA had a dog mascot, waving at staff and entertaining photo requests, despite the weather being particularly hot that day! There was also a steady stream of staff purchasing different baked items from AMK FSC Bakery Hearts.

The carnival was clearly a display of camaraderie among staff, from the teamwork exhibited during the preparation of the booths, to the support shown by staff who came to lend their support through their purchases and donations.

Out of the 23 booths set up, 12 were by internal SPH divisions, while the remaining 11 were manned by external charities.

The 12 internal divisions were: Administration, Berita Harian, Circulation, Corporate Communications & CSR, Finance, Human Resources, Information Technology, Production, SPH Magazines, SPH Staff Volunteers Club, Straits Times School Pocket Money Fund and Tamil Murasu.

The 11 external charities included ACRES, Action for Singapore Dogs, AMK FSC Bakery Hearts, Bizlink Centre, Cat Welfare Society, Down Syndrome Association, Singapore Association of the Visually Handicapped, Singapore Corporation of Rehabilitative Enterprises (SCORE), SPCA, The Salvation Army, and World Wide Fund for Nature (WWF).

More than 500 staff attended the Charity Carnival which is now in its seventh year

Staff crowded the booth set up by SPH Magazines where various merchandise such as tote bags and pouches were sold at low prices

Media

SPH's newspapers play an important role in advocating social and charitable causes. Each year, publications such as The Straits Times, Lianhe Zaobao and The New Paper plan major events and projects to further the SPH Group's five CSR pillars. Such events include the Straits Time Run, Lianhe Zaobao Cultural and Creative Space, and The New Paper Big Walk.

The Straits Times School Pocket Money Fund (SPMF) was started in 2000 as a community project initiated by The Straits Times to provide pocket money to children from low-income families to help them through school. SPMF received its charity status in November 2011 and has, to date, disbursed more than $60 million and helped about 160,000 cases of children and youth in providing them with monthly school pocket money.

The annual ChildAid concert, co-organised by The Straits Times and The Business Times, provided a platform for children and youths to showcase their talents and be involved in charity at the same time. In November 2017, the 13th edition of ChildAid at Resorts World Sentosa raised more than $2.1 million for the beneficiaries of The Straits Times School Pocket Money Fund and The Business Times Budding Artists Fund.

SPH's Chinese Media Group (CMG) has been organising fund-raising events in support of the President's Challenge since 2002. CMG raised $213,888 through donations from public donors and staff at a charity event called Embrace Volunteerism, Serve With a Heart in July 2017 at the Singapore Chinese Cultural Centre. The event was attended by former President Tony Tan Keng Yam.

We implemented 165 local community engagement and development programmes in FY2018. For FY2019, we aspire to support and organise more than 100 programmes annually under our five CSR pillars of Arts & Culture, Charity & Community, Education, Nature & Conservation and Sports, to continue to build goodwill and give back to the community.

This report summarises the sustainability practices and strategy of SPH and its subsidiaries (the Group), with a focus on addressing SPH's material ESG topics.

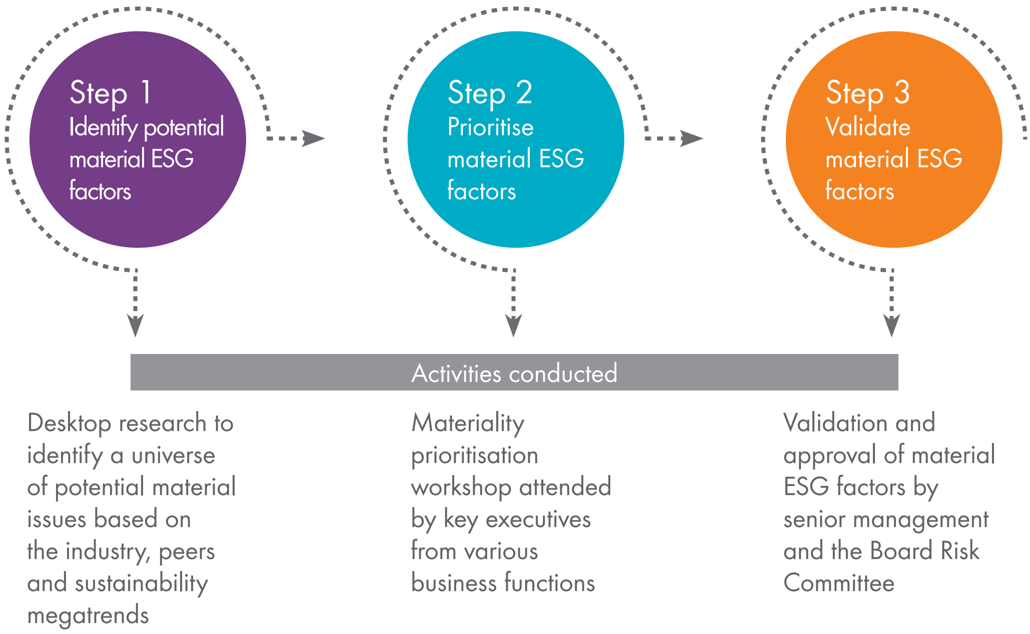
REPORT SCOPE [GRI 102-46]

This report covers the activities and performance achieved during the financial year ended 31 August 2018 ("FY2018") and sets out SPH's targets for the forthcoming year. The content of this report encompasses the Group's core media business as well as the properties business, which comprises SPH REIT, Paragon and The Clementi Mall (which are the real estate portfolio of SPH REIT), and The Seletar Mall, unless otherwise stated. In defining the report scope, focus was placed on the main lines of business where significant ESG impacts are expected to arise. For more details on the sustainability performance of SPH REIT, Paragon and The Clementi Mall, please refer to the SPH REIT FY2018 Sustainability Report. The Rail Mall was newly acquired in June 2018, and hence not included in this year's report. We will review to include it next year.

In FY2017, we acquired Orange Valley which operates nursing homes and provides a range of ancillary services and medical supplies. We intend to explore the inclusion of the aged care business in our sustainability reporting for future periods.

MATERIALITY ASSESSMENT [GRI 102-47]

A formal materiality assessment was conducted to identify and prioritise the ESG risks and opportunities that will act as barriers or enablers to achieving SPH's business goals. An independent sustainability consultant was engaged to facilitate a three-step process as summarised in the table below. The materiality assessment was guided by the GRI Materiality Principle.



The following aspects were considered in the assessment process:

- Local and global emerging sustainability trends;
- Main topics and future challenges for the media, publishing and real estate sectors, as identified by peers and industry associations; and
- Insights gained from regular daily interactions with external stakeholders.

The assessment yielded eleven material factors which form the focus of this report.

STAKEHOLDER ENGAGEMENT [GRI 102-40, 102-42, 102-43, 102-44]

SPH's key stakeholders are those who are significantly affected by, or have the capacity to significantly influence, its activities and operations. We are committed to building lasting and mutually beneficial relationships with our stakeholders. We engage with them regularly to earn their trust and understanding over time. The following table shows the various stakeholders of the Group and how we work with them.

Stakeholders	Engagement methods	What do they expect from us?	Our solutions
Customers	• Interaction with customers via multi-platforms and channels, as well as promotions and events • Customer feedback channels	To provide quality products and services, whether it is reliable and timely media content, enjoyable shopping experience, friendly customer service or engaging promotions and activities	We ensure credible media content, reliable newspaper delivery services and high levels of customer service. We also engage with our customers on multi-platforms and channels. Our retail malls regularly improve and fine tune the tenancy mix and create engaging activities to promote customer satisfaction and loyalty.
Investors/ Shareholders	• Release of financial results and other relevant disclosures through SGXNet and SPH's website • Annual General Meeting • Extraordinary General Meeting, where necessary • Quarterly investor meetings • Media conference and analysts' briefings • Investment conferences and summits	To disseminate accurate and timely information on the company's businesses, progress and profitability, with updates on future plans.	We strive to generate optimum returns on investment, practise good corporate governance, transparency and disclosure, as well as striving for sustainable and long term growth. We keep the financial community fully updated with correct and timely information on the company's future plans.
Employees	• Training and career development programmes • Health and wellness campaigns • Social and team-building activities • Employee feedback channels	To work in a conducive and pleasant environment where there is personal development and productivity, and user-friendly means to apply for leave and training courses. To be kept updated on the company's latest strategic developments, empowering them to feel greater loyalty and ownership. To pick up tips for personal development to achieve career growth and work-life balance.	We adopt human resource policies and practices that promote fairness, safe working conditions, reward good performance, encourage teamwork, ensure career development and provide work-life balance, e.g. through provision of nursing rooms and encouraging staff to take part in sports and leisure events such as SPH Games Day and SPH Family Day. There are also channels for staff to provide their feedback and suggestions to the management to facilitate communication.

Stakeholders	Engagement methods	What do they expect from us?	Our solutions
Business Partners	• Business meetings • Strategic partnerships	To engage in collaborative partnerships to grow the business.	By reaching out to suitable partners to pursue mutually beneficial business objectives to achieve growth and profitability.
Media and Industry Partners	• Media releases • Industry conferences and seminars • Website and social media	To provide access to latest company announcements, corporate news and developments of the media industry.	By providing timely and accurate information on company developments and news on a regular basis.
Local Communities	• Community outreach programmes and charitable events	To be a company that is a responsible and caring corporate citizen, serving the local communities.	We organise and support more than 100 programmes every year, helping worthy causes in charity, community, sports, arts and culture, as well as nature and conservation. Together with SPH Foundation and our various business units and subsidiaries, we engage with the community in various ways, with the aim of building a sustainable future with them. For example, The SPH Gift of Music supports local arts and brings free concerts to the community. The Lim Kim San Memorial Scholarships under SPH Foundation give bond-free scholarships to deserving undergraduates of modest family backgrounds, while The Straits Times School Pocket Money Fund helps needy students. Events like the SPH Schools Relay and the SPH Foundation National Inclusive Swimming Championships promote sports, and green projects like the SPH Green Fund and SPH Walk of Giants help conserve and protect our environment.
Government and Regulators	• Routine and ongoing communication and collaboration • Compliance with applicable reporting requirements	To ensure the company complies with guiding policies and regulations and addresses pertinent issues.	By complying with existing laws and having policies and procedures to ensure adherence and sustainability of the business. Giving feedback to regulators on their new laws and policies through the public-private consultation process.

Stakeholders	Engagement methods	What do they expect from us?	Our solutions
Distributors/ Retailers/ Tenants/ Shoppers	• Tenant sales planning and support • Tenant communication platforms and bulletins • On-site visits to malls • Shopper surveys • Advertisements, marketing and sales promotion activities	To receive goods, products and services in an orderly and timely manner, and delivering a memorable retail experience for shoppers. To explore ideas for partnerships with tenants and retailers to deliver memorable shopping experiences.	We conduct regular sales planning and support for tenants, with frequent visits by account managers and offering them a designated channel for prompt attention. Through shopper audience targeting, we are able to tailor-make our advertising and promotions efforts to reach out to the various segments of shoppers.
Trade Unions	• Direct communication with trade unions, where necessary	To facilitate access to employees and promote membership in the trade unions, with the aim of encouraging engagement between management, staff and trade unions through regular dialogue.	We have open communication channels with the unions and engage them on both official and non-official occasions.
Suppliers	• Supplier meetings • Fair and ethical procurement process	To ensure suppliers comply with the company's terms and conditions, and purchasing policies and procedures. To familiarise suppliers with up to date procurement policies and platforms, and to discourage any fraud or impropriety in dealings with staff.	We have in place fair-value and competitive-based policies and best practices that ensure a fair selection of suppliers and an ethical procurement process, based on quotations and tenders received. Implemented Procurement-to-Payment System to streamline and automate workflow for suppliers and internal staff, thus increasing efficiency and productivity.
Trade Associations	• Participation in industry forums and dialogues • Industry networking events	For the company to lend support and voice out various concerns and issues faced by the industry.	By contributing via active membership and participation in industry forums and dialogues.
Advocacy Groups and Charitable and Welfare Organisations	• Strategic partnerships and sponsorships to support a range of charitable causes	For the company to have responsible business practices, reducing impact on the environment and disclosing information pertaining to business growth and sustainability.	By working with advocacy groups e.g. on conservation projects that seek to reduce environmental impact, and supporting charitable causes.

RELIABILITY AND METHODOLOGY [GRI 102-54]

This report has been prepared in line with the sustainability reporting requirements of the SGX-ST Listing Manual (Rules 711A and 711B). It has been developed with reference to the Global Reporting Initiative (GRI) Standards (2016), and includes consideration of the GRI G4 Media Sector Disclosures. SPH selected the GRI Standards as its sustainability reporting framework as it sets out general principles and indicators to communicate the impact of business on critical sustainability issues. The GRI Standards is also widely adopted by sustainability reporters globally. This report references the following GRI Standards and topic-specific Disclosures:

- Disclosure 205-3 from GRI 205: Anti-corruption 2016
- Disclosure 301-2 from GRI 301: Materials 2016
- Disclosures 302-1 and 302-3 from GRI 302: Energy 2016
- Disclosure 303-1 GRI 303: Water 2016
- Disclosures 306-1 and 306-2 from GRI 306: Effluents and Waste 2016
- Disclosures 305-1, 305-2 and 305-4 from GRI 305 Emissions 2016
- Disclosure 401-1 from GRI 401: Employment 2016
- Disclosure 403-2 from GRI 403: Occupational Health and Safety 2016
- Disclosure 404-1 from GRI 404: Training and Education 2016
- Disclosure 405-1 from GRI 405: Diversity and Equal Opportunity 2016
- Disclosure 406-1 from GRI 406: Non-discrimination 2016
- Disclosure 413-1 from GRI 413: Local Communities 2016
- Disclosure 419-1 from GRI 419: Socioeconomic Compliance 2016

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

Stakeholder Inclusiveness	We engage with our stakeholders on an ongoing basis to understand their expectations and interests, as well as their information needs. The content of this report draws upon the outcomes of these interactions.
Sustainability Context	Sustainable business practices have always been a priority at SPH. They are in line with our objective to transform the business model through diversification and innovation to drive the long term sustainability and growth of the organisation. We take reference from national and global agendas, such as the Sustainable Singapore Blueprint and the UN Sustainable Development Goals, to seek continuous improvements in its practices.
Materiality	This report focuses on the ESG topics which are material to SPH. In defining material topics, we have considered the significance of the various impacts as well as their influence on stakeholder assessments and decisions.
Completeness, Balance	This report has been prepared to sufficiently provide an accurate and balanced view of SPH's significant environmental, social and governance impacts to enable stakeholders to assess our performance.
Accuracy, Reliability, Clarity, Comparability	The reported information has been presented in a manner that is sufficiently accurate, reliable, and understandable to enable stakeholders to analyse changes in performance over time, and to support analysis relative to other organisations.
Timeliness	This report is intended as an annual publication dedicated to provide regular disclosures of SPH's environmental, social and governance impacts.

FEEDBACK [GRI 102-53]

This report demonstrates our commitment to keep our diverse base of stakeholders informed of our material ESG developments. SPH will continue to work towards a more robust sustainability report. If you wish to provide feedback on this report, please send your comments to sphcorp@sph.com.sg.

TRADE MEMBERSHIP [GRI 102-13]

We have established strategic partnerships and linkages with a diverse range of local and overseas corporate members and public bodies, which include:

- Advertising Standards Authority of Singapore
- ASEAN Newspaper Printers
- Association of Media Owners (Singapore)
- Audit Bureau of Media Consumption
- Business China
- Central Singapore Development Council
- Contact Centre Association of Singapore
- Council for Estate Agencies
- FIPP
- Fire Safety Managers' Association
- GS1 Singapore
- Institute of Internal Auditors
- Institute of Technical Education
- Interactive Advertising Bureau SEA (Singapore Chapter)
- International Council of Shopping Centers
- International News Media Association
- Investor Relations Professionals Association (Singapore)
- Management Development Institute of Singapore
- Media Publishers Association Singapore
- Newspaper Association of America
- National Safety and Security Watch Group
- Orchard Road Business Association
- Print & Media Association, Singapore
- Pulp and Paper Products Council
- Real Estate Developers' Association of Singapore
- Reit Association of Singapore (Reitas)
- Resource Information Systems Inc (RISI)
- Security Industry Institute
- Singapore Association of the Institute of Chartered Secretaries & Administrators
- Singapore Business Federation
- Singapore Chinese Chamber of Commerce and Industry
- Singapore Compact
- Singapore International Chamber of Commerce
- Singapore Institute of Directors
- Singapore Institute of Safety Officers
- Singapore Manufacturing Federation
- Singapore Media Centre
- Singapore National Employers Federation
- Singapore Retailers' Association
- Singapore Press Club
- Singapore Vehicle Traders Association
- Southeast Community Development Council
- The Association of Accredited Advertising Agents Singapore
- The Association of Shopping Centres (Singapore)
- The Chinese Language Press Institute
- The Society of News Design
- Workplace Safety and Health Council
- World Association of Newspapers and News Publishers

Through SPH's membership in these trade associations, our staff can network and interact with their peers and other industry professionals, explore and forge working partnerships and keep up with the latest industry trends and developments.

SPH is committed to achieving high standards of corporate governance, to promote corporate transparency and to enhance shareholder value. It firmly believes that good corporate governance is essential to the sustainability of the Company's business and performance. SPH is pleased to confirm that it has adhered to the principles and guidelines of the Code of Corporate Governance 2012 (the "Code"). In so far as any guideline has not been complied with, the reason has been provided. Whilst we are not required to comply with the revised Code of Corporate Governance (2018), we have where possible adhered to its spirit and intent.

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

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Board's Leadership and Control

The Board is collectively responsible for providing overall strategy and direction to the Management and the Group. Through the Board's leadership, the Group's businesses are able to achieve sustainable and successful performance.

The principal functions of the Board are as follows:

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

Matters requiring the Board's decision and approval include:

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

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

All Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Group. However, to ensure that specific issues are subject to in-depth and timely review, certain functions have been delegated to various Board Committees, which would submit its recommendations or decisions to the Board. The Board Committees constituted by the Board are the Executive Committee ("EC"), Audit Committee ("AC"), Remuneration Committee ("RC"), Nominating Committee ("NC") and Board Risk Committee ("BRC"). Each of these Board Committees has its own terms of reference.

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

The EC's principal responsibilities are as follows:

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

Details of other Board Committees are as set out below:

1. Audit Committee (Principle 12);
2. Remuneration Committee (Principle 7);
3. Nominating Committee (Principle 4); and
4. Board Risk Committee (Principle 11).

Board Attendance

The Board meets at least on a quarterly basis and as warranted by particular circumstances. The Board met seven times in the financial year ended 31 August 2018 ("FY2018"), of which four were the regular quarterly meetings and three were meetings to discuss other important and strategic matters. A Director who is unable to attend any meeting in person may participate via tele-conference. The attendance of the Directors at meetings of the Board and Board Committees, and the frequency of such meetings, is disclosed on page 93. A Director who fails to attend three Board meetings consecutively, without good reason, will not be nominated by the NC for re-appointment and will be deemed to have resigned.

Training for Directors

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

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

For FY2018, Directors were provided with training in the areas of audit committee duties, disruptive technologies, digital strategies and cybersecurity trends, in addition to updates on regulatory and reporting requirements such as the Singapore Exchange Securities Trading Limited ("SGX") Listing Manual, Companies Act, Code of Corporate Governance and financial reporting standards.

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

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

Board Composition and Guidance
Principle 2: Strong and Independent Board

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

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

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

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

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

Review of Directors' independence
The NC reviews annually whether a Director or potential candidate for the Board is considered an independent director bearing in mind the Code's definition of an "independent director" and guidance as to the relationships, the existence of which would deem a Director not to be independent (Guideline 2.3).

There is a strong independence element in the Board, with the NC considering eight out of its current nine Directors to be independent. The NC has ascertained that for the period under review, all the non-executive Directors are independent. For transparency, the NC has set out its determination of the independence of Mr Andrew Lim and Ms Janet Ang.

The NC (save for Mr Andrew Lim who abstained from deliberation in this matter) noted that Mr Andrew Lim, who was appointed to the Board of the Company on 1 January 2017, is a partner of Allen & Gledhill LLP, which is one of the law firms providing legal services to the Group. Mr Lim had declared to the NC that he did not have a 5% or more stake in Allen & Gledhill LLP, which received total fees and disbursements exceeding S$200,000 from the Group in FY2018 for the provision of legal services. The NC also took into account Mr Lim's actual performance on the Board and Board Committees and agreed that Mr Lim has at all times discharged his duties with professionalism and objectivity, and exercised strong independent judgment in the best interests of the Company, and should therefore continue to be deemed an independent Director.

The NC noted that Ms Janet Ang is the Vice-President, IBM Asia Pacific, which has business dealings with the Group. Ms Ang had declared to the NC that she did not have a 5% or more stake in IBM and as an employee of IBM, did not participate in the negotiation of contracts or business dealings between SPH and IBM, which had transactions of more than S$200,000 in FY2018. The NC also took into account Ms Ang's actual performance on the Board and Board Committees and agreed that Ms Ang has at all times discharged her duties with professionalism and objectivity, and exercised strong independent judgment in the best interests of the Company, and should therefore continue to be deemed an independent Director.

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

Key information regarding the Directors, including directorship and chairmanship both present and those held over the preceding three years in other listed companies, and other principal commitments, are set out in the Board of Directors' section and on pages 18 to 25 which provide further information on them.

The Board and Management are given opportunities to engage in open and constructive debate for the furtherance of strategic objectives. All Board members are supplied with relevant, complete and accurate information on a timely basis and non-executive Directors may challenge Management's assumptions and also extend guidance to Management, in the best interests of the Group.

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

Chairman and Chief Executive Officer

Principle 3: Clear division of responsibilities between Chairman and Chief Executive Officer to ensure a balance of power and authority

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

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

The Company does not have any lead Independent Director given that the Chairman and CEO are not the same person and are not immediate family members, and that the Chairman is not part of the Management team and is an independent Director.

Board Membership

Principle 4: Formal and transparent process for appointment and re-appointment of directors

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

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

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

The functions of the NC include the following:

(a) To identify candidates for nomination and make recommendations to the Board on all board appointments;
(b) To re-nominate directors, having regard to the director's contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an independent director.
(c) To determine annually whether a director is independent;

(d) To review the balance and diversity of skills, experience, gender, knowledge and competencies of the Board, and its size and composition.
(e) To develop and recommend to the Board a process for evaluation of the performance of the Board, Board Committees and directors;
(f) To assess the effectiveness of the Board, the Board Committees and the contribution by each individual director to the effectiveness of the Board;
(g) To review and recommend to the Board the succession plans for directors, in particular, the Chairman and the Chief Executive Officer;
(h) To review and recommend the training and professional development programmes for the Board; and
(i) To review the succession plans and the development programmes for key executive/editorial positions.

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

Process for selection of new directors

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

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

The Board does not have alternate directors as recommended by Guideline 4.5 of the Code.

Directors' time commitment

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

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

The NC is satisfied that in FY2018, despite their other listed company board representations and other principal commitments, each of the Directors was able to give sufficient time and attention to the affairs of the Company, and was able to adequately carry out his duties as a Director of the Company.

Re-nomination of directors

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

Succession Planning

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

Board Performance

Principle 5: Formal assessment of the effectiveness of the Board, Board Committees and contribution of each director

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

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

Board Evaluation Process

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

Individual Director Evaluation

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

Access to Information

Principle 6: Provision of complete, adequate and timely information prior to board meetings and on an on-going basis

Complete, adequate and timely information

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

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

Company Secretary

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

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

Remuneration Matters

Principle 7: Formal and transparent procedure for fixing remuneration packages of directors

The RC comprises Dr Lee Boon Yang (Chairman), Ms Tan Yen Yen, Ms Chong Siak Ching and Mr Tan Chin Hwee, all of whom are non-executive and independent Directors.

The functions of the RC include the following:

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

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

The RC may seek expert advice inside and/or outside of the Company on remuneration of Directors and staff. It ensures that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. WillisTowersWatson Consulting (Singapore) Pte Ltd and Mercer (Singapore) Pte Ltd, the consultants engaged to advise on staff remuneration matters in FY2018, do not have such relationship with the Company.

Level and Mix of Remuneration

Principle 8: Appropriate remuneration to attract, retain and motivate directors and key management

The Company takes into account its long term interests and risk policies and has structured remuneration packages on measured performance indicators, taking into account financial and non-financial factors. The details are set out under Principle 9.

Disclosure on Remuneration

Principle 9: Clear disclosure on remuneration policy, level and mix

Directors' Remuneration

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

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

The Directors' fee structure for service on the Board and Board Committees remains unchanged from that of FY2017, with the scale of fees payable to the non-executive Directors held flat since 2007, and is as follows:

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

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

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

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

A breakdown, showing the level and mix of each Director's remuneration payable for FY2018 is as follows:-

Executive Director	Base/Fixed Salary %	Variable Bonus %	Benefits in Kind %	Total Cash & Benefits (S$)
Ng Yat Chung	50.37	49.62	0.01	1,900,000

Performance shares granted, vested and lapsed for Mr Ng as at 31 August 2018 are as follows:

Performance Share Plan							
			Vested	Lapsed	Released		
Awards	Granted (no of shares)	Estimated Value of Shares (S$) [1]	(no of shares)	(no of shares)	Date	(no of shares)	Value of Shares Vested [2] (S$)
2018 Awards	93,000	272,490			13.1.2019		
					13.1.2020		
					13.1.2021		
2018 Awards	285,600	634,032			13.1.2021		

Notes:

1 *Based on the fair values of performance shares granted in FY2018, as at date of grant.*

2 *Based on the market price of the shares when the shares are credited into the employee's CDP account. As at 31 August 2018, no awards under the 2016 Share Plan have been vested or released.*

Independent Directors	Base/Fixed Salary ($)	Variable or Bonuses ($)	Benefits-in-Kind ($)	Directors' Fees ($)		Total Remuneration ($)
				Cash Component*	Shares Component*	
Lee Boon Yang (Chairman)	–	–	–	158,500	51,500	210,000
Janet Ang Guat Har	–	–	–	85,250	26,750	112,000
Bahren Shaari	–	–	–	96,625	27,875	124,500
Chong Siak Ching	–	–	–	77,750	24,250	102,000
Andrew Lim Ming-Hui	–	–	–	106,125	32,375	138,500
Quek See Tiat	–	–	–	108,875	34,625	143,500
Tan Chin Hwee	–	–	–	84,250	27,750	112,000
Tan Yen Yen	–	–	–	78,750	24,250	103,000

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

Remuneration of Key Management Personnel

The Company adopts a remuneration system that is responsive to the market elements and performance of the Company and business divisions respectively.

The Board is of the view that, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment in which the Company operates and the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place, it is in the best interests of the Company to not disclose the names of the Company's top five key management personnel (who are not Directors or the CEO). The remuneration of the CEO is set out above. The remuneration of the top five key management personnel (who are not Directors or CEO) of the Company as at the end of the financial year are set out below in remuneration bands of $250,000.

	No. of Executives	Base/Fixed Salary (%)	Variable or Bonuses (%)	Benefits in Kind (%)	Share-based * (%)	Total (%)
Between $1,250,000 to $1,499,999	1	38.75%	27.42%	0.27%	33.56%	100%
Between $750,000 to $999,999	1	49.35%	28.29%	0.09%	22.27%	100%
Between $500,000 to $749,999	1	72.03%	27.89%	0.08%	0.00%	100%
Between $0 to $249,999	2	83.83%	16.17%	0.00%	0.00%	100%

* *Based on the fair values of performance shares granted in FY2018, as at date of grant.*

The Company adopts a remuneration policy for staff comprising a fixed component, a variable component, and benefits in kind. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the Company's and individual performance. The benefits in kind include club and car benefits. The RC approves the bonus for distribution to staff based on the Company's and individual performance.

The annual aggregate remuneration paid to the top five key management personnel of the Company (excluding the CEO) for FY2018 is S$3,163,000. This does not represent their remuneration for the full financial year as some of these personnel had joined the Company or assumed their current position in the course of the financial year. Their remuneration for the full financial year will be reflected in the following year's report.

No employee of the Group was an immediate family member of any Director or the CEO and whose remuneration exceeded S$50,000 per annum, during this financial year.

The Company has also, in respect of selected key executives, provided that any component of their remuneration may be revoked in the event of a breach of the terms of their employment, misstatement of financial results, or any misconduct which results in financial loss to the Company.

Long Term Incentive Plan

The above remuneration bands include performance shares granted to staff under the Share Plan. The Share Plan is administered by the RC.

Staff who participate in the Share Plan are a selected group of employees of such rank and service period as the RC may determine or as selected by the RC. Awards initially granted under the Share Plan are conditional and based on performance assessed over a multi-year performance period. The conditions for such awards were chosen as they reflect medium to longer-term corporate objectives and include both market and non-market conditions. Market condition relates to Relative Total Shareholder Return against ST All-Share Index. Non-market conditions include Media Business Free Cash Flow, distributable income of SPH REIT, market competitiveness, quality of returns including sales, efficiency, productivity and profit, and business and productivity growth.

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

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

Furthermore, under a profit-driven performance bonus scheme for senior executives, a notional variable bonus bank account is set up for each participating senior executive, into which the annual performance bonus earned by him each year is credited. 1/3 of the total variable bonus bank account, which includes the balance brought forward from the previous year, is paid out, with the balance 2/3 carried forward to the next year.

Further details on the Share Plan and the incentives issued, can be found in the Directors' Statement and Notes to the Financial Statements.

Under the Share Plan, the RC has the discretion to determine if an executive is involved in misconduct, resulting in the forfeiture or lapse of the incentive components of his remuneration or awards, to the extent that such incentive or award has not been released or disbursed.

Accountability and Audit

Principle 10: Board presents the company's performance, position and prospects

The Board announces its quarterly and full-year financial results which present a balanced and informed assessment of the Company's performance, position and prospects, via public announcements and through the SGXNET.

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

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

Risk Management and Internal controls

Principle 11: Sound system of risk governance and internal controls

The BRC assists the Board in overseeing the risk governance in the Group to ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets.

It also determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The BRC comprises Mr Andrew Lim (Chairman), Ms Tan Yen Yen, Ms Janet Ang and Mr Ng Yat Chung, the majority of whom are independent and non-executive Directors. Mr Lim and Ms Ang are members of both the BRC and the AC. The BRC's objectives include the following:

(a) Oversee and advise the Board on the Group's risk and sustainability frameworks and management systems;
(b) Review and guide Management in the formulation of the Group's risk and sustainability strategies and policies, risk appetite, and materiality principles of Environmental, Social and Governance ("ESG") issues;
(c) Review the capabilities and effectiveness of the Group's risk and sustainability management systems and to identify, assess and manage existing and emerging key risks taking into account ESG factors; and
(d) Report risk and sustainability activities and performance, including whether key risks, including ESG risks, are managed within acceptable levels set to the Board or breach of Key Risk Indicators or ESG targets and their proposed mitigations to the Board.

The Enterprise Risk Management framework strengthens the Group's capability to recognise and capitalise on new challenges and opportunities so as to add value to Management's decision-making, business planning, resource allocation and operational management. The BRC reviews the Group's risk appetite framework and risk tolerance for the enterprise risks. Using qualitative and quantitative measures, risks are calibrated so that balanced control processes are matched against the strategic objectives of each business unit.

The BRC also oversees the SPH Sustainability Reporting Framework that impacts the Company's performance and the long term sustainability of its business.

The Risk Management Report is found on page 94. The Sustainability Report is found on page 50.

The Internal Audit Division ("IAD") has an annual audit plan, which focuses on material internal control systems including financial, operational, IT and compliance controls, and the risk management processes. IAD also provides advice on security and control in new systems development, recommends improvements to effectiveness and economy of operations, and contributes to risk management and corporate governance processes. Any material non-compliance or lapses in internal controls together with corrective measures are reported to the AC.

Based on the audit reports and management controls in place, the AC is satisfied that the internal control systems provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained and financial statements are reliable. In the course of their statutory audit, the Company's external auditors will highlight any material internal control weaknesses which have come to their attention in carrying out their normal audit, which is designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the external auditors are reported to the AC.

The CEO and Chief Financial Officer at the financial year-end have provided assurances on the integrity of the financial records/statements, as well the effectiveness of the Company's risk management and internal control systems.

Such assurances include the following:

- internal controls were established and maintained; and
- the Company's internal controls were effective as at the end of the financial year.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and regular reviews performed by Management, the Board and relevant Board Committees, the AC and the Board are of the opinion that the Group's risk management systems and internal controls were adequate and effective as at 31 August 2018 to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen and mitigated against as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

Audit Committee

Principle 12: Establishment of an Audit Committee with written terms of reference

The AC currently comprises Mr Quek See Tiat (Chairman), Mr Tan Chin Hwee, Ms Janet Ang and Mr Andrew Lim, all of whom are independent and non-executive Directors.

The NC is of the view that the members of the AC have sufficient financial management expertise and experience to discharge the AC's functions given their experience as directors and/or senior management in accounting and financial fields. The AC performs the functions as set out in the Code including the following:

(a) review the annual audit plans and audit reports of external and internal auditors;
(b) review the balance sheet and profit and loss accounts of the Company and the consolidated balance sheet and profit and loss accounts of the Group before they are submitted to the Board for approval;
(c) review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
(d) review the auditors' evaluation of the system of internal accounting controls;
(e) review the adequacy and effectiveness of the Company's internal controls;
(f) review the scope, results and effectiveness of the internal audit function;
(g) review the scope, results and effectiveness of the external audit, and the independence and objectivity of the external auditors annually, and the nature and extent of non-audit services supplied by the external auditors so as to maintain objectivity;
(h) make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(i) review the Company's whistle-blowing policy, and to ensure that arrangements are in place for concerns about possible improprieties in matters of financial reporting or other matters to be raised and independently investigated, and for appropriate follow-up action to be taken;
(j) oversee any internal investigation into cases of fraud and irregularities;
(k) review any interested person transaction;
(l) approve the hiring, removal, evaluation and compensation of the head of the internal audit function; and
(m) ensure that the internal audit function is adequately resourced and has appropriate standing within the Company.

The AC has the authority to investigate any matter within its terms of reference, has full access to and co-operation by Management, and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC meets with the external and internal auditors, in each case, without the presence of Management, at least once a year. The audit partner of the external auditors is rotated every five years, in accordance with the requirements of the SGX Listing Manual.

Quarterly financial statements and the accompanying announcements are reviewed by the AC before presentation to the Board for approval, to ensure the integrity of information to be released.

During the financial year, the AC reviewed the quarterly financial statements prior to approving or recommending their release to the Board, as applicable; the auditors' evaluation of the system of internal accounting controls; the adequacy and effectiveness of the Company's internal controls; the annual audit plan of the external and internal auditors and the results of the audits performed by them; and potential interested person transactions. It also reviewed the scope, results and effectiveness of the internal audit and external audit functions; the independence and objectivity of the external auditors and the non-audit services rendered by them; and the re-appointment of the external auditors and their remuneration. Management's assessment of fraud risks, adequacy of the whistleblowing arrangements and whistleblowing complaints are reviewed by the AC.

The AC takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements, with training conducted by professionals or external consultants.

During the financial year, the following significant matters that impact the financial statements were reviewed by the AC in relation to their materiality and appropriate methodology/assessment. These matters were also discussed with Management and the external auditors.

Significant matters	How the AC reviewed these matters
Valuation of investment properties	The AC considered the valuation methodologies adopted by the external valuers. It reviewed the key assumptions used in the valuations against available industry data, taking into consideration comparability and market factors.
Valuation of goodwill and intangible assets	The AC considered the approach and methodology that were applied in the valuation of goodwill and intangible assets. It reviewed the reasonableness of the assumptions used in the cashflow forecasts including the terminal growth rates and discount rates, taking into consideration macroeconomic and sector trends and conditions.
Valuation of unquoted investments	The AC considered the appropriateness of the valuation techniques and the key valuation inputs used to determine the fair value of unquoted investments.

The AC concluded that the Group's accounting treatment and estimates in each of the significant matters were appropriate. All the key audit matters ("KAMs") that were raised by the external auditors for the financial year ended 31 August 2018 have been addressed by the AC and covered in the above commentary. The KAMs in the auditors' report for the financial year ended 31 August 2018 can be found on pages 104 to 106 of this Annual Report.

External Auditors

The AC has conducted an annual review of the performance of the external auditor and the volume of non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, before confirming their re-nomination. Details of the aggregate amount of fees paid to the external auditors for FY2018, and a breakdown of the fees paid in total for audit and non-audit services respectively, can be found on page 168.

The Company confirms that the appointment of the external auditors is in accordance with Rules 712 and 715 of the SGX Listing Manual.

None of the AC members is a former partner of the Group's existing auditing firm.

Code of Dealings in Securities

The Group has in place a Code of Dealings in SPH's securities, which prohibits dealings in SPH securities by all Directors of the Company and its subsidiaries, and certain employees, within certain trading periods. The "black-out" periods are two weeks prior to the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month prior to the announcement of the Company's full year financial statements. Directors and employees are also reminded to observe insider trading laws at all times, and not to deal in SPH securities when in possession of any unpublished price-sensitive information regarding the Group, or on short-term considerations. The Company issues quarterly reminders to its Directors, relevant officers and employees on the restrictions in dealings in listed securities of the Group as set out above, in compliance with Rule 1207(19) of the SGX Listing Manual.

Codes of Conduct and Practices

The Board has adopted a Code of Conduct and Ethics (including Conflicts of Interest) for Directors. This guides Directors in the discharge of their duties, requiring them to adhere to the highest standards of integrity and accountability. This Code covers key areas such as conflicts of interest, duty of confidentiality, loans to directors, directors' declaration of interest under the Companies Act, external appointments and dealings in shares.

The Group also has an existing Code of Business Ethics and Employee Conduct Policy (Ethics Code), which is posted on the Company's intranet website, to regulate the ethical conduct of its employees. Codes of conduct and practices covering data protection and workplace health and safety are also posted on the website.

Whistleblowing Policy

The Group also has a Whistleblowing Policy & Procedure which is posted on the SPH Corporate website, to allow staff and external parties such as suppliers, customers, contractors and other stakeholders, to raise concerns or observations in confidence to the Company, about possible irregularities for independent investigation and appropriate follow up action to be taken. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation. The Group adopts a zero-tolerance to corruption. The Whistleblowing Policy encourages staff and external parties to identify themselves whenever possible to facilitate investigations, but will also consider anonymous complaints, in certain circumstances. It makes available to staff and external parties the contact details of the Receiving Officer, who may also forward the concern to the respective Heads of Division, CEO, AC Chairman and/or Chairman.

Internal Audit

Principle 13: Establishment of an internal audit function that is independent of the functions it audits

IAD is staffed by seven audit executives, including the Head of Internal Audit. Most of the IAD staff have professional qualifications, and are members of the Institute of Singapore Chartered Accountants and/or Institute of Internal Auditors ("IIA"). Some are Certified Information Systems Auditor (CISA). All IAD staff have to adhere to a set of code of ethics adopted from the IIA.

The Head of Internal Audit reports directly to the Chairman of the AC on audit matters, and to the CEO on administrative matters. IAD is guided by the International Professional Practices Framework issued by IIA and ensures staff competency through the recruitment of suitably qualified and experienced staff, provision of formal and on-the-job training, and appropriate resource allocation in engagement planning.

The AC reviews IAD's reports on a quarterly basis. The AC also reviews and approves the annual internal audit plans and manpower to ensure that IAD has the necessary resources to adequately perform its functions.

The AC approves the hiring, removal, evaluation and compensation of the head of the internal audit function and she is provided with access to the AC.

Shareholder Rights & Responsibilities

Principle 14: Fair and equitable treatment of shareholders

The Group encourages shareholder participation, and ensures that shareholders have the opportunity to participate effectively at general meetings.

All SPH shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights.

To facilitate the exercise of shareholders' rights, the Company ensures that all material information relating to the Company and its financial performance is disclosed in an accurate and timely manner via SGXNET. Shareholders are also informed of rules, including voting procedures that govern the general meeting.

Any notice of a general meeting of shareholders is issued at least 14 days before the scheduled date of such meeting.

A shareholder who is not a "relevant intermediary" may appoint up to two proxies during his absence, to attend, speak and vote on his behalf at general meetings, provided that a shareholder holding management shares may appoint more than two proxies in respect of the management shares held by him. Shareholders who are "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, are allowed to appoint more than two proxies to attend, speak and vote at general meetings. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate at shareholders' meetings.

Communication with Shareholders

Principle 15: Regular, effective and fair communication with shareholders

The Company holds analysts' briefings of its quarterly results and a media briefing of its full year results. The quarterly financial results are published through the SGXNET, via media releases and on the Company's corporate website, to ensure fair dissemination to shareholders. The date of release of the results is announced through SGXNET two weeks in advance. The Company also conducts analysts' briefings and investor roadshows to maintain regular dialogue with shareholders as well as to solicit and understand the views of shareholders. Information disclosed is as descriptive, detailed and forthcoming as possible. Details are set out on page 47. The SPH investor relations team, together with senior Management, communicate with investors.

The Company does not practise selective disclosure. Price-sensitive information is first publicly released through SGXNET, either before the Company meets with any investors or analysts or simultaneously with such meetings. SPH also makes available speeches and presentations given by the Chairman, CEO and senior Management, and other information considered to be of interest to shareholders.

Following the amendments to the Listing Manual to allow listed companies to send documents to shareholders, including circulars and annual reports, using electronic communications, the Company also makes available a digital format of the Annual Report for FY2018 ("Annual Report"). The Annual Report, as well as the Company's Letter to Shareholders, are published on the Company's corporate website, www.sph.com.sg. All shareholders of the Company will receive the notice of AGM, proxy form and request form to request for hard copies of the Annual Report and/or Letter to Shareholders.

SPH has been declaring dividends at half-year and final year-end. Any payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNET when the Company discloses its financial results.

Conduct of Shareholder Meetings
Principle 16: Greater shareholder participation at general meetings

The Company is in full support of shareholder participation at general meetings. The general meeting procedures allow shareholders to raise questions relating to each resolution tabled for approval, and to participate, engage and openly communicate their views on matters relating to SPH.

The Company does not allow a shareholder to vote in absentia at general meetings, except through the appointment of a proxy, attorney or in the case of a corporation, a corporate representative, to cast their vote in their stead.

At general meetings, each distinct issue is proposed as a separate resolution. All resolutions are put to the vote by electronic poll voting. Independent scrutineers are appointed to conduct the voting process and verify votes after each resolution. The results of the electronic poll voting are announced instantaneously at the meeting. The outcome of the general meeting is promptly announced on SGXNET after the general meeting.

The Company prepares minutes of general meetings and makes these minutes available to shareholders upon their request.

All Directors, including the chairmen of the EC, AC, NC, RC and BRC, and senior Management, are in attendance at the AGMs and Extraordinary General Meetings to allow shareholders the opportunity to air their views and ask Directors or Management questions regarding the Company. The external auditors also attend the AGMs to assist the Directors in answering any queries relating to the conduct of the audit and the preparation and content of the auditors' report. The AGM is held four months after the close of the financial year.

Directors' attendance at Board and Board Committee Meetings (for the financial year ended 31 August 2018)

Name of Director	Board	Executive Committee	Audit Committee	Remuneration Committee	Nominating Committee	Board Risk Committee
Lee Boon Yang (Chairman)	5 out of 6[1]	5 out of 5	–	3 out of 3	2 out of 2	–
Ng Yat Chung (CEO)	6 out of 6	5 out of 5	–	–	–	3 out of 3
Bahren Shaari	5 out of 6	5 out of 5	–	–	2 out of 2	–
Chong Siak Ching	6 out of 6	–	–	3 out of 3	2 out of 2	–
Quek See Tiat	6 out of 6	5 out of 5	4 out of 4	–	–	–
Tan Chin Hwee	5 out of 6	–	4 out of 4	2 out of 2[2]	–	1 out of 1[3]
Tan Yen Yen	6 out of 6	–	–	3 out of 3	–	3 out of 3
Janet Ang Guat Har	5 out of 6	–	4 out of 4	–	–	3 out of 3
Andrew Lim Ming-Hui	6 out of 6	–	4 out of 4	–	2 out of 2	3 out of 3

Notes:

1 *Dr Lee Boon Yang recused himself from one meeting.*

2 *Mr Tan Chin Hwee was appointed a Member of the Remuneration Committee on 1 December 2017.*

3 *Mr Tan Chin Hwee stepped down as a Member of the Board Risk Committee on 1 December 2017.*

RISK MANAGEMENT PROGRAMME

We have established and put in place a holistic Enterprise Risk Management Programme (ERM), which complies with the Risk Governance Guidelines for Listed Boards, to ensure that the Group's capabilities and resources are employed in an efficient and effective manner to manage both opportunities and threats.

ERM FRAMEWORK

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

RISK GOVERNANCE

Our Risk Management Programme and internal controls are reviewed on a regular basis and, where appropriate, refined by Management with guidance from the Board Risk Committee (BRC) and the Board of Directors (Board).

The Board, through the BRC, has the overall responsibility for risk governance and ensures that Management maintains a robust system of risk management and internal controls to safeguard stakeholders' interests and the company's assets. In addition, the BRC sets the tone on the appropriate risk culture and provides guidance on the risk management system, policies and procedures. The BRC currently comprises three independent Board members and CEO. The BRC meets three times a year and additional meetings may be convened as and when necessary. The meetings are also attended by key Senior Management staff.

The Enterprise Risk Appetite Statement addresses the key risks and sets out the risk appetites and tolerance for the Group. The Board regularly reviews the high-level risk appetite statements, taking into account the Group's strategic objectives and priorities and balancing the aforementioned against the requirements of various stakeholders, including the regulatory framework in which SPH operates. Guided by these high-level risk appetite statements, each business unit establishes its respective risk appetite statement to govern its operations. Key Risk Indicators are identified, measured, monitored and reported to BRC and Management. To ensure that risks are adequately and effectively managed in a rapidly evolving business environment, we adopt a forward-looking risk culture and the industry best practices by embedding processes to scan the environment for new and emerging risks and opportunities and concomitantly, maintain an understanding of existing risks.

It is our risk governance requirement to monitor risks, proactively seek assurance and ensure that inadequacies are addressed through the scrutiny of the Board. The aforementioned requirements facilitate the Board in satisfying its duties and obligations in relation to reviewing, concluding and disclosing the adequacy and effectiveness of risk management and internal control systems across SPH.

RISK MANAGEMENT PHILOSOPHY AND APPROACH

Our risk management philosophy and approach is set out below:

- Our overarching ERM principle is that risks can be managed, but cannot be totally eliminated. Accordingly, our risk exposures are mitigated to acceptable levels by continuous and iterative process at the respective business units.
- ERM is aligned with and driven by business values, goals and objectives.
- BRC shall be consulted on material matters relating to the various key risks and development of risk controls and mitigation processes.
- Risk Management is the responsibility of all staff. As such, risk awareness among staff is critical and we promote such awareness through constant communication and education.
- Risk management processes are integrated with other business processes such as budgeting, mid/long-term planning and business development.
- Where possible, risks are shared and transferred via relevant insurance policies such as Industrial Special Risks, Media Industry Professional Indemnity, Public Liability, Work Injury Compensation, Group Personal Accident, Cyber Liability and Fidelity Guarantee policies.

The key outputs of our Risk Management Programme are:

- Identify key risks affecting business objectives and strategic plans.
- Identify and evaluate existing controls and develop additional plans required to treat the identified risks (mitigate, reduce, transfer, etc)

- Implement measures and processes to enable ongoing monitoring and review of risk severity and treatment effectiveness.
- Identify changes to risks or emerging risks and promptly bring these to the attention of the Board where appropriate.

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

ECONOMIC AND BUSINESS RISK

Adverse macroeconomic conditions in the global and domestic environment have a significant impact on our principal business segments. Although the domestic economy is seen to perform reasonably with official GDP growth forecast at 2.5 to 3.5 per cent for 2018^, external headwinds such as rising interest rates and trade conflicts could present uncertainties and downside risks. We proactively manage risk exposure on the economic front by making efforts to diversify into new growth markets locally and overseas, streamlining our business processes for cost optimisation and adopting prudent financial management practices.

A rapidly evolving multimedia landscape poses challenges to SPH's core business with media convergence providing alternative choices for readers and advertisers. In order to stay ahead of such developments and meet customers' evolving needs, we continue to sharpen our media capabilities, constantly assess the risks affecting our business and strive to harness available opportunities to improve our existing products and services as well as creating new ones.

As we expand into new growth verticals such as properties and aged care to reduce reliance on print revenue, we are mindful of associated risks such as execution and reputational risks. To manage such risk exposure, we adopt appropriate business practices that facilitate effective execution whilst ensuring that our values and reputation are not compromised.

TECHNOLOGY AND CYBER RISK

In order to sustain our competitive edge in the media industry amidst rapid technology changes, we strive to stay on top of technological trends and implement adequate and effective IT controls to address potential exposures and threats. During the year, we have worked with professional consultants such as Booz Allen Hamilton to conduct a cyber security review. Arising from the review, we have identified various measures to further strengthen our cyber security posture. As cyber attacks become more organised and sophisticated, we will continue to invest heavily to strengthen our cyber defences given the increased threat level. For example, to safeguard the personal data that is in the Group's possession, security of systems containing personal data had been strengthened with enhanced measures.

We further recognise that human faults present a most fundamental threat to cyber and information security. In order to ensure the efficiency and integrity of IT systems, the Group's Information Technology Acceptable Usage Policy is put in place to guide all staff on appropriate and acceptable use of computing resources such as hardware, software and data. Cyber security awareness education is a continuous, cultural initiative implemented to strengthen the corporate defence behaviour against potential hacking, phishing, malware and other cyber-crimes.

REGULATORY/COMPLIANCE RISK

Our newspaper business is dependent on the annual renewal of printing licence and newspaper permit licence for each newspaper, pursuant to the provisions of the Newspaper and Printing Presses Act (Chapter 206, Singapore Statutes). The Group's online publications and radio business are also subject to the Broadcasting Act and its relevant Codes of Practice. Failure to comply with the relevant Acts and Codes may subject SPH to significant liabilities, such as fines, suspension, or the revocation of the licence. In addition, SPH is also required to comply with other statutory and regulatory requirements such as the Singapore Exchange Listing Manual requirements, the Companies Act, Monetary Authority of Singapore regulations, the Securities & Futures Act, the Competition Act and market practice codes prescribed by the Info-communications Media Development Authority of Singapore. As we expand into new growth verticals such as aged care, we are also subject to the applicable statutory and regulatory requirements.

In response to such statutory and regulatory requirements, we have implemented compliance frameworks that include instructional tools and processes to monitor the level of compliance and minimise any lapses.

We have put in place formal processes for Workplace Safety and Health compliance for our office, warehouses, business and public services.

^ *Source: Ministry of Trade and Industry Press Release dated 13 August 2018.*

We have a policy and process in place to comply with the requirements of the Personal Data Protection Act 2012 (PDPA) and the European Union General Data Protection Regulation (GDPR), where applicable.

OPERATIONAL RISK

Operational risk relates to the risk of business operations failing due to human error and inadequate and ineffective controls in systems or processes, and is always inherent in organisations with multiple functions.

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

NEWSPRINT COST RISK

One of our main cost drivers is newsprint prices. A significant spike in newsprint price or a reduction in newsprint availability can result in higher production costs and adversely impact our operating margins. To mitigate the risk, we have adopted measures such as advance purchasing and developing a core group of reliable, sustainable and responsible suppliers.

BUSINESS CONTINUITY RISK

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

We recognise our organisation's exposure to internal and external threats and seek to increase our resilience to potential business interruptions and to minimise the impact of a crisis on business operations, people and assets. Putting in place effective prevention and recovery measures will ensure that we continue to maximise value for our stakeholders.

Towards this end, we have a comprehensive Business Continuity Planning programme (BCP) to minimise any disruptions to our critical business activities and ensure that the populace continues to be informed in the face of crisis. Simulation exercises are conducted, on location, periodically. Front-line staff, as well as operating and supporting business units, are involved to ensure operational preparedness. The latest annual Disaster Recovery Exercise which included simulation training for the newsroom and major business units like Integrated Marketing and Finance was conducted successfully in August 2018.

FRAUD RISK

Every organisation faces some risk of fraud incidents from within. SPH has a Code of Business Ethics and Employee Conduct (Code of Conduct) which states that the company does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing by staff in the course of their work. The Code of Conduct covers areas such as fraud, business and workplace behaviour, safeguarding of assets, proprietary information and intellectual property. Any breach of the Code of Conduct may result in disciplinary action including dismissal or termination of the employment contract. We seek to promote and foster a strong risk culture by making the Code of Conduct accessible to employees via the staff portal and new staff are made aware of the guidelines through the staff induction programme. **We also have in place a Whistle-blowing Policy which staff and any other persons may, in confidence, raise concerns about possible improprieties including matters involving fraud, corruption and employee misconduct.** The policy is published on the local network and internet (http://www.sph.com.sg/corporate-governance/whistleblowing-policy-procedure/) for staff and public information with a hotline made available for complaints and any observations to be raised.

FINANCIAL

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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 2018 and the statement of financial position of Singapore Press Holdings Limited (the "Company") as at 31 August 2018.

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 109 to 199, 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 2018, 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; and

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

DIRECTORS

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

   Lee Boon Yang
   Ng Yat Chung
   Janet Ang Guat Har
   Bahren Shaari
   Chong Siak Ching
   Andrew Lim Ming-Hui
   Quek See Tiat
   Tan Chin Hwee
   Tan Yen Yen

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

2. Neither during nor at the end of the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed under 'Performance Shares in the Company' in this statement.

DIRECTORS' INTERESTS IN SHARES

3. The Directors holding office as at 31 August 2018 had interests in shares and awards over shares, in the Company and its related corporations, and interests in units in SPH REIT, as recorded in the register of Directors' shareholdings as follows:

	Direct Interests			Deemed Interests		
	1 Sept 2017	**31 Aug 2018**	**21 Sept 2018**	1 Sept 2017	**31 Aug 2018**	**21 Sept 2018**
Singapore Press Holdings Limited						
Management Shares						
Lee Boon Yang	4	**4**	**4**	–	**–**	**–**
Ng Yat Chung	16	**16**	**16**	–	**–**	**–**
Janet Ang Guat Har	4	**4**	**4**	–	**–**	**–**
Bahren Shaari	4	**4**	**4**	–	**–**	**–**
Chong Siak Ching	4	**4**	**4**	–	**–**	**–**
Andrew Lim Ming-Hui	4	**4**	**4**	–	**–**	**–**
Quek See Tiat	4	**4**	**4**	–	**–**	**–**
Tan Chin Hwee	4	**4**	**4**	–	**–**	**–**
Tan Yen Yen	4	**4**	**4**	–	**–**	**–**
Ordinary Shares						
Janet Ang Guat Har	–	**–**	**–**	4,250	**4,250**	**4,250**
Quek See Tiat	–	**–**	**–**	47,000	**47,000**	**47,000**
Conditional Awards of Performance Shares*						
Ng Yat Chung						
31,000# shares to be vested in January 2019	–	**Up to 44,640##**	**Up to 44,640##**	–	**–**	**–**
31,000# shares to be vested in January 2020	–	**Up to 44,640##**	**Up to 44,640##**	–	**–**	**–**
31,000# shares to be vested in January 2021	–	**Up to 44,640##**	**Up to 44,640##**	–	**–**	**–**
285,600# shares to be vested in January 2020	–	**Up to 428,400##**	**Up to 428,400##**	–	**–**	**–**

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Direct Interests			Deemed Interests		
	1 Sept 2017	**31 Aug 2018**	**21 Sept 2018**	1 Sept 2017	**31 Aug 2018**	**21 Sept 2018**
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**	–	**–**	**–**

* *Represents performance shares granted in financial year 2018.*
\# *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 150% depending on the level of achievement against the pre-set performance conditions.*
^ *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"). This replaced the Share Plan, which was terminated, except that awards granted prior to such termination and are still outstanding continue to be valid.

The Share Plan and the 2016 Share Plan (collectively, "SPH PSP") are administered by the Remuneration Committee ("the RC").

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

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

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

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

The Share Plan

(f) During the financial year, there was no grant of awards under the Share Plan.

(g) The aggregate number of performance shares granted since the commencement of the Share Plan on 5 December 2006 to 31 August 2018 is 20,722,675 performance shares.

The above figure represents the shares required if participants are awarded at 100% of the grant. However, the shares awarded at the vesting date could range from 0% to 150%, depending on the level of achievement against the pre-set performance conditions.

(h) 780,937 ordinary shares were delivered during the financial year pursuant to the vesting of awards granted under the Share Plan.

(i) The aggregate number of performance shares comprised in awards granted under the Share Plan which are outstanding as at 31 August 2018 is 1,697,872 performance shares.

PERFORMANCE SHARES IN THE COMPANY (CONT'D)

The 2016 Share Plan

(j) During the financial year, 1,783,180 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	378,600[1]
Employee	121	1,404,580[2]
	122	1,783,180

[1] *93,000 granted with non-market conditions, and 285,600 granted with both market and non-market conditions.*
[2] *871,880 granted with non-market conditions, and 532,700 granted with both market and 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 2018 is 3,570,905 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 150%, depending on the level of achievement against the pre-set performance conditions.

(k) 260,585 ordinary shares were delivered during the financial year pursuant to the vesting of awards granted under the 2016 Share Plan.

(l) The aggregate number of performance shares comprised in awards granted under the 2016 Share Plan which are outstanding as at 31 August 2018 is 2,746,330 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 1.9.17	Aggregate awards granted since commencement to 31.8.18	Aggregate awards released during the financial year under review	Aggregate awards outstanding as at 31.8.18
Ng Yat Chung	–	Up to 562,320	–	Up to 562,320

In respect of the SPH PSP:

(a) Details of the ordinary shares delivered pursuant to awards granted under the SPH PSP are set out in the notes to the financial statements. The prices at which the ordinary shares were purchased have been previously announced.

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

(c) No participant has received in aggregate 5% or more of (a) the total number of new ordinary shares available under the SPH PSP, and (b) the total number of existing ordinary shares delivered pursuant to awards released under the SPH PSP.

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, the auditors' evaluation of the internal accounting controls, and 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,
15 October 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
SINGAPORE PRESS HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Press Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 August 2018, 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 109 to 199.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 August 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Valuation of investment properties

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

Risk:

Investment properties represent the single largest category of assets on the statement of financial position, at S$4.2 billion as at 31 August 2018.

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.

Our response:

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

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

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

Our findings:

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

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

Valuation of unquoted investments

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

Risk:

The Group's investment portfolio of S$576 million as at 31 August 2018 included unquoted investments of S$133 million, measured at Level 3 of the fair value hierarchy. The Level 3 investments are measured using non-observable market data (i.e. recent transacted price, indicative price for equity participation and underlying net asset value of the investee companies) and hence, the valuation of these investments involves judgement.

Our response:

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

Our findings:

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

Valuation of goodwill and intangible assets
(Refer to Note 13 to the financial statements)

Risk:

Intangible assets of S$176 million as at 31 August 2018 comprise mainly goodwill, trademarks and licences acquired from business combinations. Impairment charge of S$22.4 million was recorded for goodwill and intangible assets.

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

Our response:

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

Our findings:

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

Other information

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

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
15 October 2018

STATEMENTS OF FINANCIAL POSITION

AS AT 31 AUGUST 2018

	Note	Group 31 Aug 2018 S$'000	Group 31 Aug 2017 S$'000	Company 31 Aug 2018 S$'000	Company 31 Aug 2017 S$'000
CAPITAL EMPLOYED					
Share capital	4	**522,809**	522,809	**522,809**	522,809
Treasury shares	4	**(7,101)**	(7,384)	**(7,101)**	(7,384)
Reserves	5	**259,856**	324,397	**7,783**	32,907
Retained profits		**2,691,368**	2,648,576	**1,518,369**	1,277,297
Shareholders' interests		**3,466,932**	3,488,398	**2,041,860**	1,825,629
Non-controlling interests	6	**761,152**	734,926	**–**	–
Total equity		**4,228,084**	4,223,324	**2,041,860**	1,825,629
EMPLOYMENT OF CAPITAL					
Non-current assets					
Property, plant and equipment	7	**224,918**	235,042	**70,731**	78,044
Investment properties	8	**4,155,122**	4,034,771	**–**	–
Subsidiaries	9	**–**	–	**439,940**	438,077
Associates	10	**95,825**	68,792	**–**	–
Joint ventures	11	**47,384**	8,696	**600**	–
Investments	12(a)	**453,951**	513,728	**–**	27,173
Intangible assets	13	**176,028**	204,443	**44,071**	46,832
Trade and other receivables	14(a)	**246,562**	8,935	**283,809**	4,650
Derivatives	15	**200**	200	**–**	–
		5,399,990	5,074,607	**839,151**	594,776
Current assets					
Inventories	16	**22,636**	21,892	**20,281**	19,557
Trade and other receivables	14(b)	**292,862**	314,421	**2,383,725**	2,391,965
Investments	12(b)	**121,663**	363,370	**–**	–
Asset held for sale	12(c)	**–**	18,000	**–**	18,000
Derivatives	15	**39**	1,473	**–**	–
Cash and cash equivalents	17	**359,498**	312,647	**161,886**	150,467
		796,698	1,031,803	**2,565,892**	2,579,989
Total assets		**6,196,688**	6,106,410	**3,405,043**	3,174,765
Non-current liabilities					
Trade and other payables	18(a)	**39,362**	37,556	**1,121**	2,876
Deferred tax liabilities	19(a)	**38,919**	49,190	**12,264**	13,564
Borrowings	20	**1,312,507**	528,044	**279,160**	–
Derivatives	15	**2,814**	7,365	**–**	–
		1,393,602	622,155	**292,545**	16,440
Current liabilities					
Trade and other payables	18(b)	**230,527**	241,352	**973,237**	1,020,196
Current tax liabilities		**47,682**	46,591	**12,401**	16,500
Borrowings	20	**294,853**	971,695	**85,000**	296,000
Derivatives	15	**1,940**	1,293	**–**	–
		575,002	1,260,931	**1,070,638**	1,332,696
Total liabilities		**1,968,604**	1,883,086	**1,363,183**	1,349,136
Net assets		**4,228,084**	4,223,324	**2,041,860**	1,825,629

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

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

	Note	Group 2018 S$'000	Group 2017 S$'000
Operating revenue	22		
Media		**655,782**	725,427
Property		**242,417**	244,159
Others		**84,356**	62,929
		982,555	1,032,515
Other operating income		**23,117**	19,504
		1,005,672	1,052,019
Materials, production and distribution costs		**(142,752)**	(156,151)
Staff costs	23	**(351,785)**	(357,464)
Premises costs		**(69,998)**	(65,053)
Depreciation	7	**(33,214)**	(37,823)
Other operating expenses	24	**(141,708)**	(138,215)
Impairment of goodwill and intangibles	13	**(22,356)**	(37,780)
Impairment of property, plant and equipment	7	**–**	(22,785)
Finance costs	25	**(37,513)**	(31,300)
Operating profit#		**206,346**	205,448
Net income from investments	26	**115,175**	53,865
Fair value change on investment properties	8	**45,702**	57,386
Share of results of associates and joint ventures	10, 11	**3,282**	562
Gain on divestment of a joint venture	11	**–**	149,690
Impairment of associates and a joint venture	10, 11	**–**	(35,459)
Profit before taxation		**370,505**	431,492
Taxation	19(b)	**(46,508)**	(36,276)
Profit after taxation		**323,997**	395,216
Attributable to:			
Shareholders of the Company		**281,110**	350,085
Non-controlling interests	6	**42,887**	45,131
		323,997	395,216
Earnings per share (S$)	28		
Basic		**0.17**	0.22
Diluted		**0.17**	0.22

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

	Note	Group 2018 S$'000	Group 2017 S$'000
Profit after taxation		**323,997**	395,216
Other comprehensive income, net of tax			
Items that may be re-classified subsequently to profit or loss			
Cash flow hedges			
– net fair value changes		**2,144**	(4,106)
– transferred to income statement		**3,550**	6,395
Net fair value changes on available–for–sale financial assets			
– net fair value changes		**11,052**	(85,534)
– transferred to income statement		**(81,113)**	(20,459)
Currency translation difference			
– arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures		**1,361**	(2,143)
		(63,006)	(105,847)
Total comprehensive income		**260,991**	289,369
Attributable to:			
Shareholders of the Company		**216,271**	244,293
Non-controlling interests	6	**44,720**	45,076
		260,991	289,369

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 2018

	Note	Share Capital S$'000	Treasury Shares S$'000	Capital Reserve S$'000
Balance as at 1 September 2017		**522,809**	**(7,384)**	**(10,409)**
Total comprehensive income for the year		–	–	–
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Share-based compensation		–	–	–
Treasury shares re-issued	4	–	**3,781**	–
Share buy-back – held as treasury shares	4	–	**(3,498)**	–
Dividends	27	–	–	–
Fair value gain on interest-free loans		–	–	–
Changes in ownership interest in subsidiaries without a change in control				
Acquisition of additional interests in subsidiaries		–	–	–
Dilution of interests in subsidiaries		–	–	**148**
Contribution by non-controlling interest		–	–	–
Balance as at 31 August 2018		**522,809**	**(7,101)**	**(10,261)**
Balance as at 1 September 2016		522,809	(8,683)	(11,645)
Total comprehensive income for the year		–	–	–
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Share-based compensation		–	–	–
Treasury shares re-issued	4	–	5,785	–
Share buy-back – held as treasury shares	4	–	(4,486)	–
Dividends	27	–	–	–
Changes in ownership interests in subsidiaries without a change in control				
Acquisition of additional interest in a subsidiary		–	–	–
Dilution of interest in a subsidiary		–	–	60
Reversal of put option to acquire non-controlling interest		–	–	1,176
Balance as at 31 August 2017		522,809	(7,384)	(10,409)

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

Attributable to Shareholders of the Company							
Share-based Compensation Reserve S$'000	Hedging Reserve S$'000	Fair Value Reserve S$'000	Currency Translation Reserve S$'000	Retained Profits S$'000	Total S$'000	Non-controlling Interests S$'000	Total Equity S$'000
7,688	**(5,970)**	**337,955**	**(4,867)**	**2,648,576**	**3,488,398**	**734,926**	**4,223,324**
–	**3,957**	**(70,061)**	**1,265**	**281,110**	**216,271**	**44,720**	**260,991**
3,610	**–**	**–**	**–**	**–**	**3,610**	**–**	**3,610**
(3,515)	**–**	**–**	**–**	**(221)**	**45**	**–**	**45**
–	**–**	**–**	**–**	**–**	**(3,498)**	**–**	**(3,498)**
–	**–**	**–**	**–**	**(242,309)**	**(242,309)**	**(42,979)**	**(285,288)**
–	**–**	**–**	**–**	**–**	**–**	**3,474**	**3,474**
–	**–**	**–**	**–**	**(270)**	**(270)**	**220**	**(50)**
–	**55**	**–**	**–**	**4,482**	**4,685**	**20,121**	**24,806**
–	**–**	**–**	**–**	**–**	**–**	**670**	**670**
7,783	**(1,958)**	**267,894**	**(3,602)**	**2,691,368**	**3,466,932**	**761,152**	**4,228,084**
9,201	(7,587)	443,948	(3,470)	2,572,753	3,517,326	724,078	4,241,404
–	1,598	(105,993)	(1,397)	350,085	244,293	45,076	289,369
4,522	–	–	–	–	4,522	–	4,522
(6,035)	–	–	–	363	113	–	113
–	–	–	–	–	(4,486)	–	(4,486)
–	–	–	–	(274,556)	(274,556)	(41,859)	(316,415)
–	–	–	–	(63)	(63)	63	–
–	19	–	–	(6)	73	7,568	7,641
–	–	–	–	–	1,176	–	1,176
7,688	(5,970)	337,955	(4,867)	2,648,576	3,488,398	734,926	4,223,324

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

	Note	Group 2018 S$'000	2017 S$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**370,505**	431,492
Adjustments for:			
Depreciation		**33,214**	37,823
Impairment of property, plant and equipment		**–**	22,785
(Profit)/Loss on disposal of property, plant and equipment		**(182)**	154
Fair value change on investment properties		**(45,702)**	(57,386)
Gain on acquisition of a business by a subsidiary		**–**	(289)
Share of results of associates and joint ventures		**(3,282)**	(562)
Gain on dilution of interests in associates		**(5,881)**	–
Gain on dilution of interest in a joint venture		**–**	(298)
Impairment of associates and a joint venture		**–**	35,459
Gain on divestment of a joint venture		**–**	(149,690)
Net income from investments		**(115,175)**	(53,865)
Amortisation of intangible assets		**9,728**	11,002
Impairment of goodwill		**17,270**	9,879
Impairment of intangibles assets		**5,086**	27,901
Finance costs		**37,513**	31,300
Share-based compensation expense		**3,610**	4,522
Other non-cash items		**1,499**	1,677
Operating cash flow before working capital changes		**308,203**	351,904
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:			
Inventories		**(744)**	109
Trade and other receivables, current		**12,877**	20,038
Trade and other payables, current		**(11,362)**	(7,908)
Trade and other receivables, non-current		**1,184**	(2,709)
Trade and other payables, non-current		**1,806**	(5,888)
Others		**1,638**	(450)
		313,602	355,096
Income tax paid		**(48,655)**	(58,467)
Dividends paid		**(242,309)**	(274,556)
Dividends paid (net) by a subsidiary to non-controlling interests		**(42,979)**	(41,859)
Net cash used in operating activities		**(20,341)**	(19,786)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

	Note	Group 2018 S$'000	2017 S$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(22,671)**	(12,329)
Additions to investment properties		**(74,649)**	(14,385)
Additions to intangible assets		**–**	(450)
Proceeds from disposal of property, plant and equipment		**710**	206
Acquisition of a subsidiary (net of cash acquired)	17(a)	**–**	(157,184)
Acquisition of additional interest in a subsidiary		**(50)**	–
Acquisition of business by a subsidiary	17(b)	**(4,840)**	–
Acquisition of interests in associates		**(12,115)**	(30,991)
Acquisition of interests in joint ventures		**(27,015)**	(878)
Dividends received from associates		**2,491**	6,607
Dividends received from a joint venture		**2,800**	–
Proceeds from divestment of a joint venture		**–**	150,490
Increase in amounts owing by associates/joint ventures		**(86,831)**	(168,074)
Decrease in amounts owing to associates/joint ventures		**(2,418)**	(1,095)
Purchase of investments, non-current		**(44,609)**	(21,055)
Purchase of investments, current		**(187,505)**	(92,470)
Proceeds from capital distribution/disposal of investments, non-current		**100,493**	22,171
Proceeds from capital distribution/disposal of investments, current		**302,736**	139,573
Dividends received		**20,308**	26,198
Interest received		**4,512**	6,575
Other investment income		**1,641**	(5,090)
Net cash used in investing activities		**(27,012)**	(152,181)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank loans (net of transaction costs)		**464,462**	275,000
Repayment of bank loans		**(356,333)**	(76,016)
Interest paid		**(35,233)**	(30,340)
Share buy-back		**(3,498)**	(4,486)
Proceeds from partial divestment of interests in subsidiaries		**24,806**	7,522
Loans from non-controlling interests		**–**	40
Net cash from financing activities		**94,204**	171,720
Net increase/(decrease) in cash and cash equivalents		**46,851**	(247)
Cash and cash equivalents at beginning of financial year		**312,647**	312,894
Cash and cash equivalents at end of financial year	17	**359,498**	312,647

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

1. GENERAL INFORMATION

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

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

The principal activities of the Group consist of:

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

The principal activities of the Company consist of:

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

The preparation of financial statements in conformity with FRS 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.

The Group has adopted the new or revised FRS and Interpretations to FRS ("INT FRS") that are mandatory for application in the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

The following are the new or revised FRS that are relevant to the Group:

- Amendments to FRS 7 *Statement of Cash Flows – Disclosure Initiative*

  From 1 September 2017, as a result of the amendments to FRS 7, the Group has provided additional disclosure in relation to the changes in liabilities arising from financing activities for the year ended 31 August 2018. Comparative information has not been presented. [Note 20(g)]

- Amendments to FRS 12 *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

- Amendments to FRS 112 *Disclosure of Interests in Other Entities – Clarification of the scope of the Standard*

The adoption of the above new or revised FRS has not resulted in any substantial changes to the Group's accounting policies nor has any significant impact on these financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

(b) Group accounting

(i) Subsidiaries

- **Consolidation**

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

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

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

  Non-controlling interests are that part of net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Company. They are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in total equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting (cont'd)

(i) Subsidiaries (cont'd)

- **Acquisitions**

  The acquisition method of accounting is used to account for business combinations by the Group.

  The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

  Acquisition-related costs are expensed as incurred.

  Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

  On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

  Please refer to Note 2(l)(i) for the accounting policy on goodwill arising from business combination.

- **Disposals**

  Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any amounts previously recognised in other comprehensive income in respect of that entity are transferred to the income statement or transferred directly to retained earnings if required by a specific standard.

  Any retained interest in the entity is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in the income statement.

- **Transactions with non-controlling interests**

  Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with shareholders of the company. Any difference between the change in the carrying amount of the non-controlling interest and the fair value of the consideration paid or received is recognised in retained profits within equity attributable to the shareholders of the company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting (cont'd)

(ii) Associates/Joint ventures

Associates are entities over which the Group has significant influence, but not control or joint control, and generally accompanied by a shareholding giving rise to between and including 20% and 50% of voting rights. Where the voting rights are less than 20%, the presumption that the entity is not an associate is overcome if the Group has significant influence including representation on the board of directors or participation in policy-making process of the investee.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group's investments in associates/joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses. Investments in associates/joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of the post-acquisition results of associates/joint ventures is included in its consolidated income statement. The Group's share of the post-acquisition other comprehensive income is recognised in other comprehensive income. 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 other comprehensive income in respect of that entity are transferred to the income statement. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value is recognised in the income statement.

If the ownership interest in an associate/joint venture is reduced but significant influence or joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are transferred to income statement where appropriate. Gains or losses arising from such transactions are recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

Currency translation differences on non-monetary items which are equity investments held at fair value through profit or loss are reported as part of the fair value gain or loss in the income statement. Currency translation differences on non-monetary items which are equity investments classified as available-for-sale financial assets 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 other comprehensive income 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)

(d) Impairment of non-financial assets

(i) Goodwill

Goodwill recognised separately as an intangible asset is tested annually for impairment, as well as when there is any indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in an associate/joint venture is tested for impairment as part of the investment, rather than separately, where there is objective evidence that the investment may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

(ii) Other intangible assets
Property, plant and equipment
Investments in subsidiaries, associates and joint ventures

Other intangible assets, property, plant and equipment, and investments in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised when the carrying amount of the asset (or CGU) exceeds the recoverable amount of the asset (or CGU). Recoverable amount of the asset (or CGU) is the higher of the asset's (or CGU's) fair value less cost to sell and value-in-use.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, plant and equipment

(i) Measurement

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

(ii) Depreciation

Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the expected useful lives of the assets. The estimated 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment properties

Investment properties comprise retail, office 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 [Note 2(g)] for the purchase, renovation and extension of the investment property while these activities are in progress. For this purpose, the interest rates applied to funds provided for the development are based on the actual interest rates payable on the borrowings for such development.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are written-off to the income statement. The cost of maintenance, repairs and minor improvements is charged to the income statement when incurred.

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

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

(g) Borrowing costs

Borrowing costs are recognised in the income statement using the effective interest method except for those costs that are directly attributable to borrowings acquired specifically for the construction or development of properties. This includes those costs on borrowings acquired specially for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development [Note 2(f)].

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets

(i) Classification

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

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

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

- **Loans and receivables**

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(ii) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. 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. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in the income statement. Any amounts in the fair value reserve relating to that asset is also transferred to the income statement.

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

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

(iv) Subsequent measurement

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(v) Impairment

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

- Loans and receivables

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

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

- Available-for-sale financial assets

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

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

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

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Fair value estimation of financial assets and liabilities (cont'd)

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Methods such as estimating with reference to recent arm's length transactions, discounted cash flow projections and the underlying net asset value of the investee companies are also used to determine the fair values of the financial instruments.

(k) Derivatives and hedging activities

Derivatives are used to manage exposure to foreign exchange and interest rate risks arising from operating, financing and investing activities. Derivatives taken up directly by the Group are not used for trading purposes.

A derivative is initially recognised at its fair value on the date the derivative contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates its derivatives for hedging purposes as either hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge), or hedges of highly probable forecast transactions (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than twelve months, and as a current asset or liability if the remaining expected life of the hedged item is less than twelve months. The fair value of a trading derivative is presented as a current asset or liability.

(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 other comprehensive income and transferred to the income statement in the periods when the interest expense on the borrowings is recognised in the income statement. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

(ii) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Intangible assets

(i) Goodwill arising from business combination

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

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

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

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

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

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

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

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

The amortisation period and amortisation method of these intangible assets other than goodwill are reviewed at least 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Borrowings

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

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

(o) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially carried at fair value, and subsequently carried at amortised cost using the effective interest method.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

(p) Dividends payable

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

(q) Employee benefits

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

(i) Short-term employee benefits

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

(ii) Defined contribution plans

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Employee benefits (cont'd)

(iii) Share-based compensation

- Performance shares

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

The SPH PSP contemplates the award of fully-paid 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 SPH PSP over the prescribed vesting periods from date of grant. No adjustments to the amounts charged to the income statement are made whether or not the market condition is met.

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

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(s) Income taxes

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Income taxes (cont'd)

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.

(t) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates, discounts and returns, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(i) Revenue from the sale of the Group's products is recognised on completion of delivery;

(ii) Revenue from advertisements is recognised in the period in which the advertisement is published or broadcasted;

(iii) Revenue from rental and rental-related services is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income;

(iv) Revenue from the provision of other services is recognised in the period in which the services are rendered;

(v) Dividend income is recognised when the right to receive payment is established; and

(vi) Interest income is recognised using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Operating leases

When a group company is the lessee:

Leases where substantially all of the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are recognised as expenses in the income statement on a straight-line basis over the period of the lease. Contingent rents are recognised as an expense in the income statement when incurred.

When a group company is the lessor:

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Assets leased out under operating leases are included in investment properties. Rental income from operating leases is recognised in the income statement on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rents are recognised as income in the income statement when earned.

(v) Share capital and treasury shares

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.

(w) Segment reporting

Segmental information are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer of the Company who conducts a regular review for allocation of resources and assessment of performance of the operating segments.

(x) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of financial statements in conformity with FRS requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

- **Fair value estimation**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Methods used include estimating with reference to recent arm's length transactions, discounted cash flow projections and the underlying net asset value of the investee companies.

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

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

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

Information about critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements is as follows:

- **Impairment of available-for-sale financial assets**

  The Group follows the guidance of FRS 39 in determining when an investment is considered impaired. The Group evaluates the duration and extent to which the fair value of an investment is less than its cost in its assessment of impairment allowances. Under exceptional circumstances, the Group may apply judgement based on qualitative facts such as the financial health of and near-term business outlook of the issuer of the instrument, changes in technology and operational and financing cash flow.

4. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2018		2017	
	Number of Shares '000	**Amount S$'000**	Number of Shares '000	Amount S$'000
Issued and fully paid, with no par value				
Management shares	**16,362**	**7,109**	16,362	7,109
Ordinary shares	**1,600,649**	**515,700**	1,600,649	515,700
	1,617,011	**522,809**	1,617,011	522,809
Treasury shares	**(2,295)**	**(7,101)**	(2,037)	(7,384)
	1,614,716	**515,708**	1,614,974	515,425
Movements during the financial year:				
Beginning of financial year	**1,614,974**	**515,425**	1,614,802	514,126
Purchase of treasury shares	**(1,300)**	**(3,498)**	(1,300)	(4,486)
Treasury shares re-issued	**1,042**	**3,781**	1,472	5,785
End of financial year	**1,614,716**	**515,708**	1,614,974	515,425

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.

(a) Treasury shares

The Company acquired 1,300,000 (2017: 1,300,000) of its own shares through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was S$3.5 million (2017: S$4.5 million). The shares, held as treasury shares, were included as deduction against shareholders' equity.

The Company re-issued 1,041,522 (2017: 1,472,008) treasury shares during the financial year for the fulfilment of share awards vested under the SPH PSP at a total value of S$3.8 million (2017: S$5.8 million).

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

(b) Performance shares

At the annual general meeting of the Company held on 1 December 2016, the Company's shareholders approved the adoption of the SPH Performance Share Plan 2016 ("the 2016 Share Plan"). This replaced the SPH Performance Share Plan ("the Share Plan") which was terminated, except that awards granted prior to such termination and are outstanding continued to be valid.

During the financial year, 1,783,180 (2017: 1,787,725) 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:

2018

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

2017

Grant Date	Outstanding as at 01.09.16 '000	Adjusted* '000	Granted '000	Vested '000	Lapsed '000	Outstanding as at 31.08.17 '000
11.01.13	220	–	–	(220)	–	–
13.01.14	1,389	(263)	–	(790)	(2)	334
13.01.15	1,703	160	–	(394)	(12)	1,457
13.01.16	1,761	(849)	–	(68)	(109)	735
13.01.17	–	–	1,788	–	(238)	1,550

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

The shares awarded at the vesting date could range from 0% to 150% of the grant, depending on the level of achievement against the pre-set performance conditions.

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

(b) Performance shares (cont'd)

The fair value of the performance shares is determined at grant date using the Monte Carlo simulation model. The number of performance shares granted during the financial year, their fair values and the input assumptions used are as follows:

Grant Date	Vesting Date	Number of Shares '000	Fair Value per Share S$	Expected Volatility* of SPH %	Expected Volatility* of FTSE ST All Share Index %	Expected Dividend Yield %	Risk-free Interest Rate %	Correlation between SPH Share Price and FTSE ST All Share Index^	Share Price at Grant Date S$
2018									
12.01.18[(a)]	**13.01.19**	**322**	**2.59**	**16.25**	**N.A.**	**5.05**	**1.32**	**N.A.**	**2.69**
12.01.18[(a)]	**13.01.20**	**322**	**2.56**	**16.25**	**N.A.**	**5.05**	**1.44**	**N.A.**	**2.69**
12.01.18[(a)]	**13.01.21**	**321**	**2.51**	**16.25**	**N.A.**	**5.05**	**1.52**	**N.A.**	**2.69**
12.01.18[(b)]	**13.01.21**	**818**	**1.39**	**16.25**	**11.05**	**5.05**	**1.52**	**0.46**	**2.69**
2017									
13.01.17[(a)]	13.01.18	347	3.52	14.1	N.A.	4.90	0.96	N.A.	3.69
13.01.17[(a)]	13.01.19	347	3.34	14.1	N.A.	4.90	1.23	N.A.	3.69
13.01.17[(a)]	13.01.20	347	3.21	14.1	N.A.	4.90	1.40	N.A.	3.69
13.01.17[(b)]	13.01.20	747	2.49	14.1	11.20	5.63	1.40	0.55	3.69

* *Derived based on 36 months of historical volatility prior to grant date.*
^ *Derived based on 36 months of historical correlation of returns prior to grant date.*
[(a)] *Granted with non-market conditions.*
[(b)] *Granted with both market and non-market conditions.*
N.A. Not applicable

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

During the financial year, the Group recognised S$3.6 million (2017: S$4.5 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.

5. RESERVES

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Capital reserve	**(10,261)**	(10,409)	**–**	–
Share-based compensation reserve	**7,783**	7,688	**7,783**	7,688
Hedging reserve	**(1,958)**	(5,970)	**–**	–
Fair value reserve	**267,894**	337,955	**–**	25,219
Currency translation reserve	**(3,602)**	(4,867)	**–**	–
	259,856	324,397	**7,783**	32,907

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 available-for-sale 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 FRS, 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 S$'000	Other subsidiaries S$'000	Total S$'000
2018			
Revenue	211,802		
Profit	137,856		
Other comprehensive income	5,172		
Total comprehensive income	143,028		
Attributable to non-controlling interests:			
Profit	42,132	755	42,887
Other comprehensive income	1,580	253	1,833
Total comprehensive income	43,712	1,008	44,720
Non-current assets	3,368,982		
Current assets	39,052		
Non-current liabilities	(718,697)		
Current liabilities	(250,390)		
Net assets	2,438,947		
Net assets attributable to non-controlling interests	738,664	22,488	761,152
Cash flows from operating activities	164,840		
Cash flows used in investing activities	(71,199)		
Cash flows used in financing activities*	(120,681)		
Net decrease in cash and cash equivalents	(27,040)		

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

6. NON-CONTROLLING INTERESTS (CONT'D)

	SPH REIT S$'000	Other subsidiaries S$'000	Total S$'000
2017			
Revenue	212,756		
Profit	157,156		
Other comprehensive income	1,904		
Total comprehensive income	159,060		
Attributable to non-controlling interests:			
Profit	46,508	(1,377)	45,131
Other comprehensive income	576	(631)	(55)
Total comprehensive income	47,084	(2,008)	45,076
Non-current assets	3,278,843		
Current assets	67,858		
Non-current liabilities	(565,516)		
Current liabilities	(360,125)		
Net assets	2,421,060		
Net assets attributable to non-controlling interests	718,895	16,031	734,926
Cash flows from operating activities	165,200		
Cash flows used in investing activities	(6,269)		
Cash flows used in financing activities*	(163,308)		
Net decrease in cash and cash equivalents	(4,377)		

* *Included S$41.9 million dividends paid to non-controlling interests.*

7. PROPERTY, PLANT AND EQUIPMENT

(a)

	Leasehold Land and Buildings S$'000	Plant and Equipment S$'000	Furniture and Fittings S$'000	Motor Vehicles S$'000	Total S$'000
Group					
2018					
Cost					
Beginning of financial year	300,140	736,554	20,869	2,070	1,059,633
Additions	1,155	4,087	1,283	580	7,105
Acquisition of business by a subsidiary [Note 17(b)]	–	92	84	–	176
Transfer from capital work-in-progress	6,584	7,924	3,843	–	18,351
Disposals/Write-offs	(378)	(64,511)	(3,550)	(814)	(69,253)
Currency translation differences	(175)	73	26	5	(71)
End of financial year	307,326	684,219	22,555	1,841	1,015,941
Accumulated depreciation and impairment					
Beginning of financial year	154,708	654,000	17,910	1,979	828,597
Depreciation	11,277	20,691	1,128	118	33,214
Disposals/Write-offs	(177)	(64,390)	(3,344)	(814)	(68,725)
Currency translation differences	(20)	53	23	4	60
End of financial year	165,788	610,354	15,717	1,287	793,146
Carrying amount					
End of financial year	141,538	73,865	6,838	554	222,795
Capital work-in-progress	116	1,616	391	–	2,123
Total	141,654	75,481	7,229	554	224,918
Capital work-in-progress					
Beginning of financial year	449	2,890	667	–	4,006
Additions	6,251	6,650	3,567	–	16,468
Transfer to property, plant and equipment	(6,584)	(7,924)	(3,843)	–	(18,351)
End of financial year	116	1,616	391	–	2,123

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

(b)

	Leasehold Land and Buildings S$'000	Plant and Equipment S$'000	Furniture and Fittings S$'000	Motor Vehicles S$'000	Total S$'000
Group					
2017					
Cost					
Beginning of financial year	237,087	737,741	20,350	2,041	997,219
Additions	110	2,375	497	101	3,083
Acquisition of a subsidiary	62,883	1,033	154	–	64,070
Acquisition of business by a subsidiary [Note 17(b)]	–	58	12	–	70
Transfer from capital work-in-progress	–	6,774	696	–	7,470
Disposals/Write-offs	(2)	(11,346)	(798)	(67)	(12,213)
Currency translation differences	62	(81)	(42)	(5)	(66)
End of financial year	300,140	736,554	20,869	2,070	1,059,633
Accumulated depreciation and impairment					
Beginning of financial year	146,353	614,020	17,558	1,995	779,926
Depreciation	8,347	28,440	981	55	37,823
Disposals/Write-offs	(1)	(11,142)	(643)	(67)	(11,853)
Impairment	–	22,744	41	–	22,785
Currency translation differences	9	(62)	(27)	(4)	(84)
End of financial year	154,708	654,000	17,910	1,979	828,597
Carrying amount					
End of financial year	145,432	82,554	2,959	91	231,036
Capital work-in-progress	449	2,890	667	–	4,006
Total	145,881	85,444	3,626	91	235,042
Capital work-in-progress					
Beginning of financial year	–	2,211	19	–	2,230
Additions	449	7,453	1,344	–	9,246
Transfer to property, plant and equipment	–	(6,774)	(696)	–	(7,470)
End of financial year	449	2,890	667	–	4,006

The Group and Company recognised an impairment charge of S$22.8 million in the financial year ended 31 August 2017 on the carrying amount of certain press lines arising from the consolidation and optimisation of printing press capacity.

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

(c)

	Plant and Equipment S$'000	Furniture and Fittings S$'000	Motor Vehicles S$'000	Total S$'000
Company				
2018				
Cost				
Beginning of financial year	632,497	12,654	1,663	646,814
Additions	930	4	267	1,201
Transfer from capital work-in-progress	7,632	3,842	–	11,474
Disposals/Write-offs	(60,893)	(720)	(657)	(62,270)
End of financial year	580,166	15,780	1,273	597,219
Accumulated depreciation and impairment				
Beginning of financial year	559,172	11,119	1,572	571,863
Depreciation	17,810	469	74	18,353
Disposals/Write-offs	(60,817)	(715)	(657)	(62,189)
End of financial year	516,165	10,873	989	528,027
Carrying amount				
End of financial year	64,001	4,907	284	69,192
Capital work-in-progress	1,166	373	–	1,539
Total	65,167	5,280	284	70,731
Capital work-in-progress				
Beginning of financial year	2,445	648	–	3,093
Additions	6,353	3,567	–	9,920
Transfer to property, plant and equipment	(7,632)	(3,842)	–	(11,474)
End of financial year	1,166	373	–	1,539

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

(d)

	Plant and Equipment S$'000	Furniture and Fittings S$'000	Motor Vehicles S$'000	Total S$'000
Company				
2017				
Cost				
Beginning of financial year	634,988	12,429	1,585	649,002
Additions	667	41	101	809
Transfer from capital work-in-progress	6,525	696	–	7,221
Disposals/Write-offs	(9,683)	(512)	(23)	(10,218)
End of financial year	632,497	12,654	1,663	646,814
Accumulated depreciation and impairment				
Beginning of financial year	520,184	11,226	1,558	532,968
Depreciation	25,777	256	37	26,070
Disposals/Write-offs	(9,533)	(404)	(23)	(9,960)
Impairment	22,744	41	–	22,785
End of financial year	559,172	11,119	1,572	571,863
Carrying amount				
End of financial year	73,325	1,535	91	74,951
Capital work-in-progress	2,445	648	–	3,093
Total	75,770	2,183	91	78,044
Capital work-in-progress				
Beginning of financial year	1,697	–	–	1,697
Additions	7,273	1,344	–	8,617
Transfer to property, plant and equipment	(6,525)	(696)	–	(7,221)
End of financial year	2,445	648	–	3,093

8. INVESTMENT PROPERTIES

	Group 2018 S$'000	2017 S$'000
Investment properties		
Beginning of financial year	**4,034,771**	3,963,000
Additions	**74,649**	14,385
Fair value change	**45,702**	57,386
End of financial year	**4,155,122**	4,034,771
Carrying amount of		
– Freehold investment properties	**2,988,500**	2,933,500
– Leasehold investment properties	**1,166,622**	1,101,271
	4,155,122	4,034,771

The fair value of the investment properties as at the reporting date was stated based on independent professional valuations using valuation techniques and assumptions set out in Note 30(e).

The Paragon on Orchard Road with a carrying amount of S$2,892 million (2017: S$2,846 million) is mortgaged to banks as security for a S$975 million loan facility granted to a subsidiary of the Group, SPH REIT [Note 20(a)].

The Seletar Mall with a carrying amount of S$488 million (2017: S$490 million) is mortgaged to a bank as security for a S$300 million loan facility granted to a subsidiary of the Group, The Seletar Mall Pte. Ltd. ("TSMPL") [Note 20(b)].

The following amounts are recognised in the income statement:

	Group 2018 S$'000	2017 S$'000
Rental income	**241,044**	241,597
Direct operating expenses arising from investment properties that generated rental income	**(52,470)**	(49,372)

9. SUBSIDIARIES

	Company	
	2018	2017
	S$'000	S$'000
Equity investments at cost	**457,144**	452,304
Allowance for impairment	**(17,204)**	(14,227)
	439,940	438,077

During the financial year, an impairment loss of S$3 million was recognised in respect of the Company's investment in a subsidiary following a review of the subsidiary's business.

In the previous financial year, the Company wrote back impairment losses of S$33 million due mainly to a subsidiary reverting to a net tangible asset position on recognition of gain on divestment of a joint venture. In addition, an impairment loss of S$14.2 million was recognised on certain subsidiaries following a review of their businesses. These resulted in a net write-back of impairment losses of S$18.8 million.

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

Details of significant subsidiaries are set out in Note 29. A list of other operating subsidiaries of the Group can be found on pages 200 and 201 of the Annual Report.

10. ASSOCIATES

	Group	
	2018	2017
	S$'000	S$'000
Investments in associates	**95,825**	68,792

The Group equity accounted for its associates based on their respective (consolidated) financial statements prepared in accordance with FRS, 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
MindChamps Preschool Limited ("MindChamps")	Business adjacency	Singapore	20% (2017: 22%)
Perennial Chinatown Point LLP ("PCP")	Related property business	Singapore	31% (2017: 27%)

A list of operating associates of the Group can be found on page 202 of the Annual Report.

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:

	MindChamps S$'000	PCP S$'000
2018		
Revenue	27,245	32,385
Profit/(Loss) after tax	4,091	14,436
Other comprehensive income	(895)	–
Total comprehensive income	3,196	14,436
Attributable to:		
– Non-controlling interests	163	–
– Associate's shareholders	3,033	14,436
Non-current assets	30,095	429,838
Current assets	45,837	37,759
Non-current liabilities	(7,375)	(293,187)
Current liabilities	(11,131)	(6,147)
Net assets	57,426	168,263
Attributable to:		
– Non-controlling interests	(195)	–
– Associate's shareholders	57,621	168,263

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

	MindChamps S$'000	PCP S$'000	Other associates S$'000	Total S$'000
2018				
Beginning of financial year	12,751	44,059	11,982	68,792
Group's share of:				
Profit/(Loss) after tax	607	4,646	(255)	4,998
Other comprehensive income	(179)	–	11	(168)
Total comprehensive income	428	4,646	(244)	4,830
Dividends received	–	(2,226)	(265)	(2,491)
Gain/(Loss) on dilution of interests	5,936	–	(55)	5,881
Reclassified from Investments, non-current	–	–	5,824	5,824
Group's contribution	3,956	5,143	3,890	12,989
End of financial year	23,071*	51,622	21,132	95,825

* *The carrying amount of interest in MindChamps includes goodwill on acquisition of S$11.5 million.*

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:

	MCPL# S$'000	MCTV# S$'000	MindChamps S$'000	PCP S$'000
2017				
Revenue	46,669	269,584	18,190	18,822
Profit/(Loss) after tax	659	(2,014)	3,491	7,984
Other comprehensive income	589	30	(5)	–
Total comprehensive income	1,248	(1,984)	3,486	7,984
Attributable to:				
– Non-controlling interests	–	(119)	300	–
– Associate's shareholders	1,248	(1,865)	3,186	7,984
Non-current assets	–	–	6,824	428,081
Current assets	–	–	9,419	33,552
Non-current liabilities	–	–	(3,921)	(294,915)
Current liabilities	–	–	(7,397)	(5,623)
Net assets	–	–	4,925	161,095
Attributable to:				
– Non-controlling interests	–	–	533	–
– Associate's shareholders	–	–	4,392	161,095

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:

	MCPL# S$'000	MCTV# S$'000	MindChamps S$'000	PCP S$'000	Other associates S$'000	Total S$'000
2017						
Beginning of financial year	28,558	22,761	12,617	–	14,217	78,153
Group's share of:						
Profit/(Loss) after tax	263	(377)	702	3,925	(186)	4,327
Other comprehensive income	236	6	(1)	–	24	265
Total comprehensive income	499	(371)	701	3,925	(162)	4,592
Dividends received	(2,933)	–	(567)	(2,735)	(372)	(6,607)
Impairment	(16,724)	(13,790)	–	–	(4,786)	(35,300)
Reclassified from Investments, non-current	–	–	–	11,993	–	11,993
Reclassified to Asset held for sale	(9,400)	(8,600)	–	–	–	(18,000)
Group's contribution	–	–	–	30,876	3,085	33,961
End of financial year	–	–	12,751*	44,059	11,982	68,792

On 25 August 2017, the Group entered into an agreement relating to the proposed divestment of its stake in Mediacorp Press Ltd ("MCPL") and Mediacorp TV Holdings Pte. Ltd. ("MCTV"). Consequently, MCPL and MCTV were re-classified from Associates to Asset held for sale [Note 12(c)].

* *The carrying amount of interest in MindChamps includes goodwill on acquisition of S$11.8 million.*

11. JOINT VENTURES

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Investments in joint ventures	**47,384**	8,696	**600**	–

The Group equity accounted for its joint ventures based on their respective (consolidated) financial statements prepared in accordance with FRS, 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% (2017: 50%)
The Woodleigh Mall Pte. Ltd. ("Woodleigh Mall")	Related property business	Singapore	50% (2017: 50%)

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

A list of operating joint ventures of the Group can be found on page 202 of the Annual Report.

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

	WR 3 Group S$'000	**Woodleigh Mall S$'000**
2018		
Revenue	–	–
Profit/(Loss)[1] after tax	(164)	(134)
Other comprehensive income	–	–
Total comprehensive income	**(164)**	**(134)**
[1] Includes:		
– depreciation and amortisation	1	1
Non-current assets	–	451,295
Current assets[2]	814,969	3,773
Non-current liabilities[3]	(785,439)	(420,452)
Current liabilities[4]	(3,963)	(2,246)
Net assets	**25,567**	**32,370**
[2] Includes cash and cash equivalents	368	2,056
[3] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(785,439)	(420,452)
[4] Includes current financial liabilities (excluding trade and other payables and provisions)	(19)	(3)

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:

	2018				2017
	WR 3 Group	**Woodleigh Mall**	**Other joint ventures**	**Total**	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**	S$'000
Beginning of financial year	**–***	**–***	**8,696**	**8,696**	12,417
Group's share of:					
Profit/(Loss) after tax	**(82)**	**(67)**	**(1,567)**	**(1,716)**	(3,765)
Other comprehensive income	**–**	**–**	**–**	**–**	(173)
Total comprehensive income	**(82)**	**(67)**	**(1,567)**	**(1,716)**	(3,938)
Dividends received	**–**	**–**	**(2,800)**	**(2,800)**	–
Gain on dilution of interest	**–**	**–**	**–**	**–**	298
Impairment	**–**	**–**	**–**	**–**	(159)
Fair value gain on interest-free loans	**10,620**	**5,569**	**–**	**16,189**	–
Group's contribution	**16,000^**	**9,000**	**2,015**	**27,015**	878
Divestment	**–**	**–**	**–**	**–**	(800)
End of financial year	**26,538**	**14,502**	**6,344**	**47,384**	8,696

* *As at 31 August 2017, the Group's interests in WR 3 was S$1 and Woodleigh Mall was S$1.*

^ *This represents a loan amount of S$16 million to WR 3 which was recognised as equity contribution to its wholly-owned subsidiary – The Woodleigh Residences Pte. Ltd.*

12. INVESTMENTS

(a) Non-current

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Available-for-sale financial assets				
– Equity securities	**348,634**	403,978	**–**	27,173
– Bonds	**8,456**	8,455	**–**	–
– Investment funds	**90,830**	94,281	**–**	–
	447,920	506,714	**–**	27,173
Financial assets at fair value through profit or loss				
Designated at fair value on initial recognition				
– Bonds and notes	**6,031**	7,014	**–**	–
	453,951	513,728	**–**	27,173

12. INVESTMENTS (CONT'D)

(b) Current

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Available-for-sale financial assets				
– Equity securities	**9,418**	14,070	**–**	–
– Bonds and notes	**24,971**	24,790	**–**	–
– Investment funds	**87,274**	309,089	**–**	–
	121,663	347,949	**–**	–
Financial assets at fair value through profit or loss				
Designated at fair value on initial recognition				
– Preference shares	**–**	10,332	**–**	–
Held for trading				
– Investment funds	**–**	5,089	**–**	–
	–	15,421	**–**	–
	121,663	363,370	**–**	–

During the financial year, the Group recognised an impairment loss of S$6.6 million (2017: S$3.4 million) on certain available-for-sale financial assets due to significant or prolonged decline in value [Note 26].

(c) Asset held for sale

As at 31 August 2017, the Group had entered into an agreement relating to the proposed divestment of its stake in Associates, MCPL and MCTV, which are part of segment assets under "Media". The Group recognised an impairment charge of S$30.5 million to write-down the carrying amounts to the total consideration of S$18 million. As the completion of the sale was in progress then, the interests in MCPL and MCTV were re-classified from Associates to Asset held for sale. The sale was completed in the financial year ended 31 August 2018.

13. INTANGIBLE ASSETS

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Arising from business combinations				
– Goodwill [Note 13(a)]	**115,099**	129,584	**–**	–
– Technology, trademarks, licences, mastheads and others [Note 13(b)]	**60,429**	74,309	**–**	–
Acquired separately				
– Technology, trademarks, licences, mastheads and others [Note 13(c)]	**500**	550	**44,071**	46,832
	176,028	204,443	**44,071**	46,832

13. INTANGIBLE ASSETS (CONT'D)

(a) Arising from business combinations
– Goodwill

	Group 2018 S$'000	Group 2017 S$'000
Cost		
Beginning of financial year	**189,479**	110,578
Acquisition of a subsidiary	**–**	78,930
Acquisition of business by a subsidiary [Note 17(b)]	**2,830**	–
Currency translation differences	**(45)**	(29)
End of financial year	**192,264**	189,479
Accumulated impairment		
Beginning of financial year	**59,895**	50,016
Impairment	**17,270**	9,879
End of financial year	**77,165**	59,895
Net book value	**115,099**	129,584

During the financial year, the Group recognised an impairment charge of S$17.3 million (2017: S$9.9 million) mainly for the online classifieds business due to challenging market conditions.

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]	
	2018	2017	**2018**	2017	**2018**	2017
	S$'000	S$'000	**%**	%	**%**	%
Carrying value of goodwill in:						
Singapore						
– Online	**26,686**	40,376	**13.5**	13.5	**1.3**	1.3
– Exhibition	**9,190**	9,190	**11.0**	11.0	**1.3**	1.3
– Aged Care	**78,885**	78,930	**8.5**	8.5	**1.3**	1.3
Multiple units with insignificant goodwill	**338**	1,088				
	115,099	129,584				

[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.*

13. INTANGIBLE ASSETS (CONT'D)

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

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

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets approved by the Board and management forecasts over a period of five years. Cash flows beyond the terminal year are extrapolated using the estimated terminal growth rates stated in the preceding table. 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.

For the Aged Care CGU, management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Group 2018 %
Change required for carrying amount to equal the recoverable amount	
Pre-tax discount rate	**0.2**
Revenue growth	**(0.3)**

Except for the above, 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 dates.

13. INTANGIBLE ASSETS (CONT'D)

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

	Technology S$'000	Trademarks, licences, mastheads and others S$'000	Total S$'000
Group			
2018			
Cost			
Beginning of financial year	**14,209**	**161,996**	**176,205**
Acquisition of business by a subsidiary [Note 17(b)]	**–**	**870**	**870**
Currency translation differences	**82**	**346**	**428**
End of financial year	**14,291**	**163,212**	**177,503**
Accumulated amortisation and impairment			
Beginning of financial year	**11,361**	**90,535**	**101,896**
Amortisation [Note 24]	**1,670**	**8,008**	**9,678**
Impairment	**1,028**	**4,058**	**5,086**
Currency translation differences	**69**	**345**	**414**
End of financial year	**14,128**	**102,946**	**117,074**
Net book value	**163**	**60,266**	**60,429**
2017			
Cost			
Beginning of financial year	14,076	138,707	152,783
Acquisition of a subsidiary	–	25,840	25,840
Acquisition of business by a subsidiary [Note 17(b)]	133	72	205
Currency translation differences	–	(2,623)	(2,623)
End of financial year	14,209	161,996	176,205
Accumulated amortisation and impairment			
Beginning of financial year	8,758	55,531	64,289
Amortisation [Note 24]	2,603	8,374	10,977
Impairment	–	27,776	27,776
Currency translation differences	–	(1,146)	(1,146)
End of financial year	11,361	90,535	101,896
Net book value	2,848	71,461	74,309

During the financial year, the Group recognised an impairment charge of S$5.1 million mainly for the exhibition business due to challenging market conditions.

In the previous financial year, the Group recognised an impairment charge of S$27.8 million mainly for the magazine business where performance deteriorated significantly amid unfavourable market conditions.

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

13. INTANGIBLE ASSETS (CONT'D)

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

	Group 2018 S$'000	Group 2017 S$'000
Cost		
Beginning of financial year	**791**	348
Additions	**–**	450
Currency translation differences	**7**	(7)
End of financial year	**798**	791
Accumulated amortisation and impairment		
Beginning of financial year	**241**	92
Amortisation [Note 24]	**50**	25
Impairment	**–**	125
Currency translation differences	**7**	(1)
End of financial year	**298**	241
Net book value	**500**	550

	Technology S$'000	Trademarks, licences, mastheads and others S$'000	Total S$'000
Company			
2018			
Cost			
Beginning and end of financial year	**178**	**55,580**	**55,758**
Accumulated amortisation			
Beginning of financial year	**178**	**8,748**	**8,926**
Amortisation	**–**	**2,761**	**2,761**
End of financial year	**178**	**11,509**	**11,687**
Net book value	**–**	**44,071**	**44,071**

13. INTANGIBLE ASSETS (CONT'D)

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

	Technology S$'000	Trademarks, licences, mastheads and others S$'000	Total S$'000
Company			
2017			
Cost			
Beginning of financial year	178	36,889	37,067
Additions	–	18,691	18,691
End of financial year	178	55,580	55,758
Accumulated amortisation			
Beginning of financial year	178	6,611	6,789
Amortisation	–	2,137	2,137
End of financial year	178	8,748	8,926
Net book value	–	46,832	46,832

14. TRADE AND OTHER RECEIVABLES

(a) Non-current

	Group		Company	
	2018 S$'000	2017 S$'000	**2018 S$'000**	2017 S$'000
Loan to a subsidiary [Note 14(a)(i)]	**–**	–	**280,000**	–
Loans to joint ventures [Note 14(a)(ii)]	**238,811**	–	**–**	–
Staff loans	**3,883**	4,506	**3,652**	4,497
Sundry debtors	**3,868**	4,429	**157**	153
	246,562	8,935	**283,809**	4,650

(i) The loan of S$280 million to a subsidiary is unsecured, interest-bearing and repayable in September 2021. The interest rate is 2.25% per annum as at the reporting date. The amount was utilised to provide shareholder's contribution to the joint ventures for the development of the Woodleigh Residences and the Woodleigh Mall. This included equity contribution of S$25 million [Note 11] and loans to joint ventures of S$255 million [Note 14(a)(ii)].

(ii) The loans to joint ventures of S$255 million are unsecured, interest-free and repayable in September 2021, subject to the subordination agreement under the bank term loan facilities undertaken by the joint ventures. The loans stated at amortised cost amounted to S$238.8 million. The unamortised fair value amount as at the reporting date was S$16.2 million.

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Current

	Group		Company	
	2018 S$'000	2017 S$'000	**2018 S$'000**	2017 S$'000
Trade receivables				
– Non-related parties	**77,313**	90,857	**53,202**	64,409
– Less: Allowance for impairment				
– non-related parties	**(4,706)**	(5,265)	**(1,938)**	(3,106)
	72,607	85,592	**51,264**	61,303
Amounts owing by				
– Subsidiaries [Note 14(b)(i)]	**–**	–	**1,874,676**	1,598,644
– Associates [Note 14(b)(ii)]	**49**	110	**–**	–
– Joint ventures [Note 14(b)(iii)]	**300**	168,408	**–**	168,408
	349	168,518	**1,874,676**	1,767,052
Loans to subsidiaries [Note 14(b)(iv)]	**–**	–	**448,075**	554,518
Accrued interest	**1,108**	1,130	**111**	63
Sundry debtors [Note 14(b)(v)]	**209,125**	49,119	**2,585**	1,546
Prepayments	**8,134**	8,246	**5,570**	5,831
Staff loans	**1,539**	1,816	**1,444**	1,652
	292,862	314,421	**2,383,725**	2,391,965

(i) The amounts owing by subsidiaries are non-trade, unsecured, interest-free and repayable on demand. The amounts included an allowance for impairment of S$3.2 million (2017: S$0.8 million).

(ii) The amounts owing by associates are non-trade, unsecured, interest-free and repayable on demand.

(iii) As at 31 August 2017, the amounts owing by joint ventures were non-trade, unsecured, interest-free and repayable on demand. The amount of S$168.4 million pertained to payment made by the Company on behalf of the joint ventures for the Group's share of part-payment of land tender price pending the finalisation of the joint ventures' funding arrangements. This was completed in the financial year ended 31 August 2018.

(iv) The loans to subsidiaries are non-trade, unsecured, interest-free and repayable on demand. The loans included an allowance for impairment of S$126.8 million (2017: S$79.9 million). During the financial year, an allowance for impairment loss of S$46.9 million (2017: S$6.2 million) was recognised in respect of loans to subsidiaries following a review of the subsidiaries' businesses.

(v) The amounts owing by sundry debtors included proceeds of S$189.3 million (2017: S$31 million) from the disposal of investments due after financial year-end.

15. DERIVATIVES

	Contract Notional Amount S$'000	Fair Value Assets S$'000	Fair Value Liabilities S$'000
Group			
2018			
Non-current			
Cash flow hedge			
– Interest rate swaps [Note 20(f)]	**445,000**	**–**	**2,814**
Equity option on investment		**200**	**–**
		200	**2,814**
Current			
Derivatives that do not qualify as hedges			
– Currency forwards	**142,034**	**39**	**1,940**
2017			
Non-current			
Cash flow hedge			
– Interest rate swaps [Note 20(f)]	280,000	–	7,365
Equity option on investment		200	–
		200	7,365
Current			
Cash flow hedge			
– Interest rate swaps [Note 20(f)]	270,000	–	1,250
Derivatives that do not qualify as hedges			
– Currency forwards	137,158	1,473	43
		1,473	1,293

16. INVENTORIES

	Group 2018 S$'000	Group 2017 S$'000	Company 2018 S$'000	Company 2017 S$'000
Raw materials and consumable stores	**23,388**	22,636	**20,968**	20,269
Allowance for write-down of inventories	**(752)**	(744)	**(687)**	(712)
	22,636	21,892	**20,281**	19,557

The cost of inventories recognised as an expense and included in materials, production and distribution costs in the income statement amounted to S$49 million (2017: S$57.5 million).

During the financial year, the Group wrote back an allowance for stock obsolescence amounting to S$25,000 as those stocks were utilised (2017: S$152,000).

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Cash held as fixed bank deposits	**188,043**	183,542	**92,160**	79,695
Cash and bank balances	**171,455**	129,105	**69,726**	70,772
	359,498	312,647	**161,886**	150,467

(a) Acquisition of a subsidiary

	Group At fair values* 2017 S$'000
Identifiable assets and liabilities	
Property, plant and equipment	64,125
Intangible assets (excluding goodwill)	25,840
Current assets (including cash)	11,496
Deferred tax liabilities	(11,862)
Current liabilities	(4,493)
Identifiable net assets acquired	85,106
Goodwill on acquisition	78,885
Total purchase consideration	163,991
Less: Cash and cash equivalents in subsidiary acquired	(6,807)
Net cash outflow on acquisition of subsidiary	157,184

Orange Valley Healthcare Pte. Ltd. ("OVH")

On 25 April 2017, the Group acquired the entire share capital of OVH and all the registered trademarks and intellectual property rights, for a total consideration of S$164 million. OVH operates nursing homes; provides a range of ancillary services like meals and catering, physiotherapy and rehabilitation; and supplies medical, nursing and healthcare equipment and consumables.

The fair values of leasehold buildings which were included under Property, plant and equipment were based on independent professional valuations using the Capitalisation approach. The fair values of intangible assets were determined by independent professionals using the Relief-from-Royalty method and Multi-period excess earnings method.

After accounting for cash acquired of S$6.8 million, the net cash outflow as of 31 August 2017 was S$157.2 million. The Group had recognised intangible assets of S$104.7 million (including goodwill). The acquisition of an established nursing home operator provided the Group an opportunity to enter into the aged care sector.

The acquired business contributed revenue of S$10.7 million and net loss of S$0.5 million for the period 25 April 2017 to 31 August 2017. If the acquisition had occurred on 1 September 2016, Group operating revenue and net profit would have increased by an additional S$22.2 million and S$1 million respectively.

* *Based on finalised purchase price allocation*

17. CASH AND CASH EQUIVALENTS (CONT'D)

(b) Acquisition of business by a subsidiary

	Group At fair values	
	2018 S$'000	2017 S$'000
Identifiable assets and liabilities		
Property, plant and equipment [Note 7(a)(b)]	**176**	70
Intangible assets (excluding goodwill) [Note 13(b)]	**870**	205
Current assets	**2,342**	54
Deferred tax liabilities [Note 19(a)(i)]	**–**	(35)
Current liabilities	**(708)**	(5)
Identifiable net assets acquired	**2,680**	289
Gain on acquisition	**–**	(289)
Less: Contribution by non-controlling interest	**(670)**	–
Goodwill on acquisition [Note 13(a)]	**2,830**	–
Total purchase consideration	**4,840**	–

2018

Han Language Centre ("Han")

On 1 November 2017, the Group acquired the business and assets of Han. Han is an established Chinese language tuition centre for primary and secondary school students. The consideration for the Group's 75% equity stake is S$4.8 million (including goodwill) and a non-controlling interest contributed S$0.7 million for the remaining 25% equity stake.

The fair values of intangible assets are determined by independent professionals using the Relief-from-Royalty method and Multi-period excess earnings method.

The net cash outflow as of 31 August 2018 was S$4.8 million. The Group has recognised intangible assets of S$3.7 million (including goodwill), subject to completion of the purchase price allocation exercise.

The acquired business contributed revenue of S$4.2 million and incurred net loss of S$2.6 million for the period 1 November 2017 to 31 August 2018. There is no material effect to the Group operating revenue and net profit had the acquisition occurred on 1 September 2017.

2017

Brand New Media (Singapore) Pte. Ltd. ("BNM")

On 3 January 2017, the Group acquired the distressed assets of BNM for a consideration of S$1. BNM specialises in video-led content marketing and responsive advertising that offers clients an end-to-end content creation and distribution solution.

The Group had recognised intangible assets of S$0.2 million and a gain on acquisition of S$0.3 million in the income statement.

The acquired business contributed revenue of S$0.8 million and net loss of S$0.3 million for the period 3 January 2017 to 31 August 2017. There was no material effect to the Group operating revenue and net profit had the acquisition occurred on 1 September 2016.

18. TRADE AND OTHER PAYABLES

(a) Non-current

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Deposits received	**38,241**	34,680	**–**	–
Collections in advance	**1,121**	2,876	**1,121**	2,876
	39,362	37,556	**1,121**	2,876

(b) Current

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Trade payables – non-related parties	**27,811**	28,241	**19,074**	17,788
Amounts owing to				
– Subsidiaries [Note 18(b)(i)]	**–**	–	**846,770**	885,113
– Associates [Note 18(b)(ii)]	**2,313**	3,070	**–**	–
– Joint ventures [Note 18(b)(iii)]	**–**	787	**–**	–
	2,313	3,857	**846,770**	885,113
Accrued expenses	**116,270**	119,755	**78,153**	79,903
Deposits received	**34,483**	34,187	**9,805**	10,336
Sundry creditors	**16,485**	16,095	**7,308**	7,215
Collections in advance	**33,165**	39,217	**12,127**	19,841
	230,527	241,352	**973,237**	1,020,196

(i) The amounts owing to subsidiaries are non-trade, unsecured and repayable on demand. Except for amounts owing to a subsidiary of S$53.3 million (2017: S$43.3 million) with interest rate of 1.42% (2017: ranged from 0.85% to 0.92%) per annum as at the reporting date, the amounts owing to other subsidiaries are interest-free.

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

(iii) As at 31 August 2017, the amounts owing to joint ventures are non-trade, unsecured, repayable on demand and interest-bearing. The interest rate was 1.93% per annum as at the reporting date.

19. INCOME TAXES

(a) Deferred taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown on the statements of financial position:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Deferred tax liabilities	**38,919**	49,190	**12,264**	13,564

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

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Hedging reserve	**104**	79	**–**	–
Fair value reserve	**(7,037)**	689	**–**	–
	(6,933)	768	**–**	–

Deferred tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and capital allowances of S$17.2 million (2017: S$11.5 million) and S$4.3 million (2017: S$3.4 million) respectively at the reporting date which can be carried forward and used to offset against future taxable income, subject to meeting of certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses have no expiry dates except for S$5.8 million (2017: S$5.9 million) which can be carried forward to a maximum of five years.

19. INCOME TAXES (CONT'D)

(a) Deferred taxes (cont'd)

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

(i) Deferred tax liabilities

	Accelerated Tax Depreciation S$'000	Fair Value Changes S$'000	Others S$'000	Total S$'000
Group				
2018				
Beginning of financial year	**24,545**	**9,584**	**19,277**	**53,406**
Recognised in income statement	**(2,825)**	**–**	**(904)**	**(3,729)**
Recognised in equity	**–**	**(7,037)**	**–**	**(7,037)**
Currency translation differences	**(106)**	**–**	**85**	**(21)**
End of financial year	**21,614**	**2,547**	**18,458**	**42,619**
2017				
Beginning of financial year	35,034	8,895	7,586	51,515
Acquisition of a subsidiary	68	–	11,784	11,852
Acquisition of business by a subsidiary [Note 17(b)]	–	–	35	35
Recognised in income statement	(10,557)	–	(128)	(10,685)
Recognised in equity	–	689	–	689
End of financial year	24,545	9,584	19,277	53,406
Company				
2018				
Beginning of financial year	**16,773**	**–**	**120**	**16,893**
Recognised in income statement	**(1,451)**	**–**	**(110)**	**(1,561)**
End of financial year	**15,322**	**–**	**10**	**15,332**
2017				
Beginning of financial year	23,206	–	120	23,326
Recognised in income statement	(6,433)	–	–	(6,433)
End of financial year	16,773	–	120	16,893

19. INCOME TAXES (CONT'D)

(a) Deferred taxes (cont'd)

(ii) Deferred tax assets

	Provisions S$'000	Fair Value Changes S$'000	Total S$'000
Group			
2018			
Beginning of financial year	**(4,109)**	**(107)**	**(4,216)**
Recognised in income statement	**413**	**(1)**	**412**
Recognised in equity	**–**	**104**	**104**
End of financial year	**(3,696)**	**(4)**	**(3,700)**
2017			
Beginning of financial year	(3,957)	(186)	(4,143)
Recognised in income statement	(349)	–	(349)
Recognised in equity	–	79	79
Currency translation differences	197	–	197
End of financial year	(4,109)	(107)	(4,216)
Company			
2018			
Beginning of financial year	**(3,329)**	**–**	**(3,329)**
Recognised in income statement	**261**	**–**	**261**
End of financial year	**(3,068)**	**–**	**(3,068)**
2017			
Beginning of financial year	(2,755)	–	(2,755)
Recognised in income statement	(574)	–	(574)
End of financial year	(3,329)	–	(3,329)

19. INCOME TAXES (CONT'D)

(b) Income tax expense

	Group	
	2018	2017
	S$'000	S$'000
Current year		
– Current tax	**50,570**	46,352
– Deferred tax	**(2,752)**	(11,704)
	47,818	34,648
Prior years		
– Current tax	**(745)**	958
– Deferred tax	**(565)**	670
	(1,310)	1,628
	46,508	36,276

The income tax expense on profit for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to the following factors:

	Group	
	2018	2017
	S$'000	S$'000
Profit before taxation	**370,505**	431,492
Tax calculated at corporate tax rate of 17%	**62,986**	73,354
Singapore statutory stepped income exemption	**(456)**	(571)
Income taxed at concessionary rate	**(340)**	(264)
Income not subject to tax	**(25,846)**	(46,278)
Expenses not deductible for tax purposes	**11,387**	12,501
Tax relief for contributions made to Institutes of Public Character	**(27)**	(30)
Effect of different tax rates in other countries	**241**	(422)
Tax rebates	**(228)**	(227)
Tax incentives	**(753)**	(1,827)
Others	**854**	(1,588)
(Over)/Under-provision in prior years	**(1,310)**	1,628
Tax charge	**46,508**	36,276

20. BORROWINGS

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Secured				
Term loans [Note 20(a) and 20(b)]	**1,192,662**	1,147,202	**–**	–
Unsecured				
Term loan [Note 20(c)]	**279,160**	–	**279,160**	–
Loans from non-controlling interest [Note 20(d)]	**50,538**	53,017	**–**	–
Other banking facilities [Note 20(e)]	**85,000**	299,520	**85,000**	296,000
	1,607,360	1,499,739	**364,160**	296,000
Borrowings are repayable:				
Within 1 year	**294,853**	971,695	**85,000**	296,000
Between 1 – 5 years	**1,312,507**	528,044	**279,160**	–
	1,607,360	1,499,739	**364,160**	296,000

(a) On 24 July 2013, SPH REIT established a term loan facility up to the amount of S$975 million, of which the amount drawn down was S$895 million (2017: S$850 million). As at the reporting date, the loan stated at amortised cost amounted to S$893.1 million (2017: S$847.4 million). The loan has various repayment dates of which S$210 million is repayable in July 2019, S$280 million in July 2020, S$45 million in June 2021, S$170 million in July 2021, S$135 million in March 2022 and S$55 million in July 2022.

The term loan 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.

After taking into account fixed interest rates and interest rate swap arrangements totalling S$625 million (2017: S$730 million), the effective interest rate as at the reporting date on the outstanding term loan was 2.85% (2017: 2.82%) per annum.

(b) On 5 June 2018 (2017: 2 June 2015), TSMPL established a term loan facility up to the amount of S$300 million which was fully drawn down. As at the reporting date, the loan stated at amortised cost amounted to S$299.6 million (2017: S$299.8 million). The loan is repayable in June 2021.

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

As at 31 August 2018, the effective interest rate on the outstanding term loan was 2.20% per annum (2017: 1.97% per annum after taking into account interest rate swap arrangements totalling S$100 million).

(c) On 12 September 2017, the Company established an unsecured term loan facility up to the amount of S$280 million which was fully drawn down. As at the reporting date, the loan stated at amortised cost amounted to S$279.2 million. The loan is repayable in September 2021. The effective interest rate as at the reporting date on the outstanding term loan was 2.25% per annum.

(d) As at 31 August 2018, TSMPL had outstanding unsecured loans of S$53.7 million (2017: S$53.7 million) from its non-controlling interest. The loans stated at amortised cost amounted to S$50.5 million (2017: S$53 million). The loans are interest-free and repayment is subject to the subordination agreement under the S$300 million term loan facility taken by TSMPL from a bank [Note 20(b)]. The unamortised fair value gain as at the reporting date was S$3.2 million (2017: S$0.7 million).

20. BORROWINGS (CONT'D)

The fair value of the loans was S$45.7 million (2017: S$53 million) determined from the cash flow analyses discounted at market borrowing rates of 2.25% (2017: 1.81%) per annum which management expected to be available to the Group.

(e) As at 31 August 2018, the other banking facilities included S$85 million (2017: S$296 million) [Note 30(b)] of unsecured facilities drawn down by the Company. The amounts are repayable in September 2018 (2017: September 2017).

(f) 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, SPH REIT (2017: SPH REIT 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, SPH REIT 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 2018, the fixed interest rate for SPH REIT was 1.44% to 2.65% (2017: 1.44% to 2.65%) per annum. As at 31 August 2017, the fixed interest rate for TSMPL was 1.82% per annum. The floating rates are referenced to Singapore dollar swap offer rate and repriced every three months.

The notional principal amounts of the outstanding interest rate swap contracts and their corresponding fair values as at 31 August 2018 are:

	Group	
	2018	2017
	S$'000	S$'000
Notional due:		
Within 1 year	**–**	270,000
Between 1 – 5 years	**445,000**	280,000
Fair values [Note 15]	**(2,814)**	(8,615)

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

	Borrowings S$'000
Group	
2018	
Beginning of financial year	**1,499,739**
Financing cash flows	
Proceeds from bank loans	**464,462**
Repayment of bank loans	**(356,333)**
	108,129
Non-cash changes	
Amortisation of transaction costs	**2,095**
Amortisation of fair value gain on interest-free loans	**996**
Fair value changes	**(3,474)**
Revaluation of a foreign currency denominated bank loan	**(125)**
	(508)
End of financial year	**1,607,360**

21. CAPITAL AND OTHER COMMITMENTS

(a) Commitments for capital expenditure and investments

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Authorised and contracted for				
– Property, plant and equipment	**4,707**	11,699	**3,361**	3,596
– Investment properties	**1,205**	3,476	**–**	–
– Investments	**23,212**	30,183	**–**	–
	29,124	45,358	**3,361**	3,596

(b) Operating lease commitments – where the Group and/or Company is a lessee

The future minimum lease payables under non-cancellable operating leases contracted for but not recognised as payables, are as follows:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Within 1 year	**11,666**	11,854	**252**	258
Between 1 – 5 years	**27,172**	31,350	**10**	268
After 5 years	**101,000**	110,093	**–**	–
	139,838	153,297	**262**	526

The Group and Company lease various commercial/residential space and plant and machinery under non-cancellable operating lease agreements with varying terms and renewal rights.

The operating lease rental expense of S$21.8 million (2017: S$18 million) was recognised in the income statement during the financial year.

(c) Operating lease commitments – where the Group is a lessor

The future minimum lease receivables under non-cancellable operating leases contracted for but not recognised as receivables, are as follows:

	Group	
	2018	2017
	S$'000	S$'000
Within 1 year	**216,444**	210,162
Between 1 – 5 years	**231,863**	266,113
	448,307	476,275

The Group leases to third parties various commercial/residential space under non-cancellable operating lease agreements with varying terms, escalation clauses and renewal rights.

22. OPERATING REVENUE

	Group 2018 S$'000	2017 S$'000
Media		
Sale of services – Advertisements	**445,360**	504,041
Sale of goods – Circulation	**150,648**	161,994
Others	**59,774**	59,392
	655,782	725,427
Property		
Rental and rental-related services	**242,417**	244,159
Others		
Sale of services – Advertisements	**18,234**	17,257
Sale of services – Multimedia, aged care and other services	**66,122**	45,672
	84,356	62,929
	982,555	1,032,515

23. STAFF COSTS

	Group 2018 S$'000	2017 S$'000
Salaries, bonuses and other costs	**309,217**	312,367
Employers' contribution to defined contribution plans	**38,958**	40,575
Share-based compensation expense	**3,610**	4,522
	351,785	357,464

24. OTHER OPERATING EXPENSES

	Group 2018 S$'000	2017 S$'000
Included in other operating expenses are:		
Audit fees#		
– Company's auditors	**1,305**	1,250
– Other auditors	**74**	71
Non-audit fees#		
– Company's auditors	**458**	41
Retrenchment and outplacement costs	**10,824**	6,702
Net foreign exchange differences from operations	**(206)**	805
Impairment/(Write-back of impairment) of trade receivables [Note 30(b)(ii)]	**306**	(1,277)
Bad debts recovery	**(15)**	(152)
(Profit)/Loss on disposal of property, plant and equipment	**(182)**	154
Amortisation of intangible assets [Note 13(b) and 13(c)]	**9,728**	11,002

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. Comparative figures for both Audit and Non-audit fees were re-presented accordingly.

25. FINANCE COSTS

	Group 2018 S$'000	2017 S$'000
Interest expense		
– Bank loans	**32,995**	24,785
– Loans from non-controlling interest	**1,009**	954
Cash flow hedges, reclassified from hedging reserve*	**3,509**	5,561
	37,513	31,300

* *In relation to interest rate swap arrangements in Note 20(f).*

26. NET INCOME FROM INVESTMENTS

	Group 2018 S$'000	2017 S$'000
Available-for-sale financial assets		
Interest income	**3,456**	3,471
Dividend income	**20,222**	25,464
Net foreign exchange differences	**769**	(600)
Transfer from fair value reserve on disposal of investments	**97,051**	26,686
Impairment of investments [Note 12]	**(6,627)**	(3,362)
	114,871	51,659
Financial assets at fair value through profit or loss		
Net fair value changes on investments		
– Designated upon initial recognition	**961**	1,919
– Held for trading	**104**	1,391
Net fair value changes on derivatives	**(3,020)**	(1,868)
	(1,955)	1,442
Deposits with financial institutions		
Interest income	**1,573**	1,390
Net foreign exchange differences	**686**	(626)
	2,259	764
	115,175	53,865

27. DIVIDENDS

	Company 2018 S$'000	Company 2017 S$'000
Tax-exempt dividends paid:		
– Final dividend of 3 cents per share in respect of previous financial year (2017: 8 cents per share)	**48,449**	129,184
– Special final dividend of 6 cents per share in respect of previous financial year (2017: 3 cents per share)	**96,899**	48,444
– Interim dividend of 6 cents per share (2017: 6 cents per share)	**96,961**	96,928
	242,309	274,556

The Directors have proposed a final dividend of 3 cents per share and a special final dividend of 4 cents per share for the financial year, amounting to a total of S$113 million. These dividends are tax-exempt.

These financial statements do not reflect these proposed dividends, which will be accounted for in shareholders' interests as an appropriation of retained profit in the financial year ending 31 August 2019 when they are approved at the next annual general meeting.

28. EARNINGS PER SHARE

	Group 2018 Basic S$'000	Group 2018 Diluted S$'000	Group 2017 Basic S$'000	Group 2017 Diluted S$'000
Profit after taxation attributable to shareholders of the Company	**281,110**	**281,110**	350,085	350,085

	Number of Shares '000	'000	Number of Shares '000	'000
Weighted average number of shares	**1,615,277**	**1,615,277**	1,615,083	1,615,083
Adjustment for assumed conversion of performance shares	**–**	**6,130**	–	5,426
Weighted average number of shares used to compute earnings per share	**1,615,277**	**1,621,407**	1,615,083	1,620,509

	Basic	Diluted	Basic	Diluted
Earnings per share (S$)	**0.17**	**0.17**	0.22	0.22

29. SIGNIFICANT SUBSIDIARIES OF THE GROUP

Name of Subsidiaries	Principal Activities	Country of Incorporation	Effective % of Equity held by the Group 2018 %	2017 %
Times Properties Private Limited	Letting properties and provision of property management services	Singapore	**100**	100
Orchard 290 Ltd	Holding investments and management of shopping centres and other commercial properties	Singapore	**100**	100
Singapore News and Publications Limited	Holding investments and properties	Singapore	**100**	100
Singapore Newspaper Services Private Limited	Holding investments and properties	Singapore	**100**	100
Lianhe Investments Pte. Ltd.	Holding investments for trading purposes	Singapore	**100**	100
SPH Multimedia Private Limited	Holding investments	Singapore	**100**	100
SPH Invest Ltd. (formerly SPH AsiaOne Ltd)	Holding investments	Singapore	**100**	100
The Seletar Mall Pte. Ltd.	Holding property investments and management of shopping centre	Singapore	**70**	70
SPH REIT	Holding property investments	Singapore	**70**	70

Note:
(i) The above companies are audited by KPMG LLP, Singapore.
(ii) A list of other operating subsidiaries of the Group can be found on pages 200 and 201 of the Annual Report.

30. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, particularly market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. Where appropriate, the Group's risk management policies seek to minimise potential adverse effects of these risks on the financial performance of the Group.

Matters pertaining to risk management strategies and execution require the decision and approval of the Board of Directors ("Board").

Financial risk management is mainly carried out by a central treasury department ("Treasury & Investment") in accordance with policies approved by the Board. Treasury & Investment analyses its investment portfolio and works closely with business units to identify, evaluate and hedge financial risks where appropriate. Guidelines for authority levels and exposure limits are in place to prevent unauthorised transactions. The Board is regularly updated on the Group's financial investments and hedging activities.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

The policies for managing these risks are summarised below.

(a) Market risk

(i) Currency risk

The currency risk of the Group arises from its operational purchases of raw materials, consumable stores and capital expenditure denominated in currencies other than the functional currency. In addition, currency risk also arises from the Group's foreign currency investments and from costs incurred by its overseas news bureaus. The Group also has investments in foreign subsidiaries, associates and joint ventures, whose net assets are exposed to currency translation risk.

Where appropriate, the Group enters into foreign exchange forward contracts and cross currency swaps to hedge against its currency risk resulting from anticipated sale and purchase transactions in foreign currencies, its foreign currency denominated investments and net assets of its foreign subsidiaries, associates and joint ventures.

The Group's currency exposure on its monetary financial assets and liabilities based on the information provided to key management is as follows:

	SGD S$'000	USD S$'000	Others S$'000	Total S$'000
Group				
2018				
Assets				
Investments	33,427	–	–	33,427
Trade and other receivables	332,552	191,325	3,634	527,511
Cash and cash equivalents	313,341	36,116	10,041	359,498
	679,320	227,441	13,675	920,436
Liabilities				
Trade and other payables	(219,421)	(11,778)	(4,404)	(235,603)
Borrowings	(1,607,360)	–	–	(1,607,360)
	(1,826,781)	(11,778)	(4,404)	(1,842,963)
Net (liabilities)/assets	(1,147,461)	215,663	9,271	(922,527)
Less: Net liabilities/(assets) denominated in the respective entities' functional currencies	1,147,461	11	(8,078)	1,139,394
Less: Firm commitments in foreign currencies	–	(914)	(5)	(919)
Less: Currency forwards*	–	(144,071)	–	(144,071)
Currency exposure	–	70,689	1,188	71,877

* *Entered into to manage risk of foreign currency fluctuations of non-monetary investments denominated in foreign currencies and USD proceeds from disposal of investments.*

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	SGD S$'000	USD S$'000	Others S$'000	Total S$'000
Group				
2017				
Assets				
Investments	33,245	–	–	33,245
Trade and other receivables	270,571	35,180	4,832	310,583
Cash and cash equivalents	288,725	13,513	10,409	312,647
	592,541	48,693	15,241	656,475
Liabilities				
Trade and other payables	(220,952)	(11,374)	(4,489)	(236,815)
Borrowings	(1,496,219)	–	(3,520)	(1,499,739)
	(1,717,171)	(11,374)	(8,009)	(1,736,554)
Net (liabilities)/assets	(1,124,630)	37,319	7,232	(1,080,079)
Less: Net liabilities/(assets) denominated in the respective entities' functional currencies	1,124,630	–	(9,652)	1,114,978
Less: Firm commitments in foreign currencies	–	(214)	–	(214)
Less: Currency forwards*	–	(135,800)	–	(135,800)
Currency exposure	–	(98,695)	(2,420)	(101,115)

* *Entered into to manage risk of foreign currency fluctuations of non-monetary investments denominated in foreign currencies.*

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Company's currency exposure on its monetary financial assets and liabilities based on the information provided to key management is as follows:

	SGD S$'000	USD S$'000	Others S$'000	Total S$'000
Company				
2018				
Assets				
Trade and other receivables	2,660,148	1,431	385	2,661,964
Cash and cash equivalents	159,014	2,276	596	161,886
	2,819,162	3,707	981	2,823,850
Liabilities				
Trade and other payables	(948,368)	(12,649)	(93)	(961,110)
Borrowings	(364,160)	–	–	(364,160)
	(1,312,528)	(12,649)	(93)	(1,325,270)
Net assets/(liabilities)	1,506,634	(8,942)	888	1,498,580
Less: Net (assets)/liabilities denominated in the Company's functional currency	(1,506,634)	–	–	(1,506,634)
Less: Firm commitments in foreign currencies	–	(914)	(5)	(919)
Currency exposure	–	(9,856)	883	(8,973)

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	SGD S$'000	USD S$'000	Others S$'000	Total S$'000
Company				
2017				
Assets				
Trade and other receivables	2,389,114	1,423	247	2,390,784
Cash and cash equivalents	136,968	13,248	251	150,467
	2,526,082	14,671	498	2,541,251
Liabilities				
Trade and other payables	(989,428)	(10,878)	(49)	(1,000,355)
Borrowings	(296,000)	–	–	(296,000)
	(1,285,428)	(10,878)	(49)	(1,296,355)
Net assets	1,240,654	3,793	449	1,244,896
Less: Net assets denominated in the Company's functional currency	(1,240,654)	–	–	(1,240,654)
Less: Firm commitments in foreign currencies	–	(214)	–	(214)
Currency exposure	–	3,579	449	4,028

A reasonably possible strengthening (weakening) of the USD by 5% (2017: 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.

	2018		2017	
	Profit after tax S$'000	**Other comprehensive income S$'000**	Profit after tax S$'000	Other comprehensive income S$'000
Group				
USD against SGD				
– strengthened	**2,934**	**–**	(4,096)	–
– weakened	**(2,934)**	**–**	4,096	–
Company				
USD against SGD				
– strengthened	**(409)**	**–**	149	–
– weakened	**409**	**–**	(149)	–

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(ii) Price risk

The Group is exposed to securities price risk arising from its investments which are classified either as available-for-sale or at fair value through profit or loss. To manage the price risk arising from its investments, the Group diversifies its portfolio across different markets and industries, where appropriate.

A change of 20% (2017: 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.

	2018		2017	
	Profit after tax S$'000	**Other comprehensive income S$'000**	Profit after tax S$'000	Other comprehensive income S$'000
Group				
Investments				
– prices increase	**1,206**	**103,944**	3,963	153,296
– prices decrease	**(1,206)**	**(103,944)**	(3,963)	(153,296)
Company				
Investments				
– prices increase	**–**	**–**	–	5,435
– prices decrease	**–**	**–**	–	(5,435)

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(iii) Interest rate risk

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

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

The Group's debt comprises mainly bank borrowings taken up by the Company and its subsidiaries to finance its operations. 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 SGD.

A change of 0.5% (2017: 0.5%) in interest rate at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2018		2017	
	Profit after tax S$'000	**Other comprehensive income S$'000**	Profit after tax S$'000	Other comprehensive income S$'000
Group				
Investments				
– interest rates increase	**–**	**–**	–	(614)
– interest rates decrease	**–**	**–**	–	614
Borrowings				
– interest rates increase	**(3,467)**	**–**	(1,430)	–
– interest rates decrease	**3,467**	**–**	1,430	–
Company				
Borrowings				
– interest rates increase	**(872)**	**–**	–	–
– interest rates decrease	**872**	**–**	–	–

30. 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. 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.

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 cash balances placed with banks. 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 2018 was S$85 million (2017: S$296 million) [Note 20(e)], and a subsidiary as at 31 August 2017 was S$3.5 million.

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

	Group		Company	
	2018 S$'000	2017 S$'000	**2018 S$'000**	2017 S$'000
By types of customers				
Advertisement	**49,398**	55,069	**43,029**	45,524
Circulation	**5,967**	10,953	**5,731**	10,400
Multimedia	**4,467**	4,683	**1,082**	919
Rental	**1,794**	2,924	**–**	–
Others	**10,981**	11,963	**1,422**	4,460
	72,607	85,592	**51,264**	61,303

As at 31 August 2018, 50% – 65% (2017: 40% – 65%) of the trade receivables were backed by bankers'/insurance guarantees and/or deposits from customers.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

(i) Financial assets that are neither past due nor impaired

Bank deposits and investments in bonds are neither past due nor impaired. Bank deposits are placed with reputable banks and financial institutions. The Group's bond portfolio is primarily invested in investment grade securities. Trade receivables that are neither past due nor impaired are substantially due from companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Past due 1 to 30 days	**12,671**	12,896	**6,134**	6,523
Past due 31 to 60 days	**4,768**	4,504	**2,317**	1,974
Past due 61 to 90 days	**1,724**	3,031	**827**	1,445
Past due over 90 days	**3,978**	7,362	**2,609**	4,797
	23,141	27,793	**11,887**	14,739

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Gross amount	**4,706**	5,265	**1,938**	3,106
Less: Allowance for impairment	**(4,706)**	(5,265)	**(1,938)**	(3,106)
	–	–	**–**	–
Beginning of financial year	**5,265**	7,948	**3,106**	5,958
Acquisition of a subsidiary	**–**	242	**–**	–
Allowance made/(written-back) [Note 24]	**306**	(1,277)	**(957)**	(1,661)
Allowance utilised	**(848)**	(1,633)	**(211)**	(1,191)
Currency translation difference	**(17)**	(15)	**–**	–
End of financial year	**4,706**	5,265	**1,938**	3,106

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuation in cash flows.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows.

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000
Group			
At 31 August 2018			
Net-settled interest rate swaps	**(2,209)**	**(866)**	**35**
Gross-settled currency forwards			
– Receipts	**142,034**	**–**	**–**
– Payments	**(143,935)**	**–**	**–**
Trade and other payables	**(197,362)**	**(19,023)**	**(19,218)**
Borrowings	**(329,418)**	**(309,621)**	**(1,062,615)**
	(530,890)	**(329,510)**	**(1,081,798)**
At 31 August 2017			
Net-settled interest rate swaps	(5,334)	(2,450)	(1,548)
Gross-settled currency forwards			
– Receipts	137,158	–	–
– Payments	(135,728)	–	–
Trade and other payables	(202,135)	(10,379)	(24,301)
Borrowings	(993,102)	(135,750)	(415,456)
	(1,199,141)	(148,579)	(441,305)
Company			
At 31 August 2018			
Trade and other payables	**(961,110)**	**–**	**–**
Borrowings	**(91,713)**	**(6,627)**	**(286,990)**
	(1,052,823)	**(6,627)**	**(286,990)**
At 31 August 2017			
Trade and other payables	(1,000,355)	–	–
Borrowings	(296,172)	–	–
	(1,296,527)	–	–

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Capital management

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

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

Management uses the "Return on Shareholders' Funds" as a measure of efficiency in managing capital. The "Return on Shareholders' Funds" is calculated as profit attributable to shareholders divided by shareholders' interests. The "Return on Shareholders' Funds" was 8.1% per annum for the current financial year ended 31 August 2018 (2017: 10% per annum) and is in line with the Group's objectives. The "Return on Shareholders' Funds" for the last five years was between 7.5% and 11%.

(e) Fair value measurements

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

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(iii) Inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2018				
Assets				
Investment properties	–	–	4,155,122	4,155,122
Financial assets at fair value through profit or loss	–	–	6,031	6,031
Available-for-sale financial assets	312,156	130,366	127,061	569,583
Derivatives	–	39	200	239
	312,156	130,405	4,288,414	4,730,975
Liabilities				
Derivatives	–	(4,754)	–	(4,754)

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2017				
Assets				
Investment properties	–	–	4,034,771	4,034,771
Financial assets at fair value through profit or loss	15,421	2,037	4,977	22,435
Available-for-sale financial assets	409,561	248,794	196,308	854,663
Derivatives	–	1,473	200	1,673
	424,982	252,304	4,236,256	4,913,542
Liabilities				
Derivatives	–	(8,658)	–	(8,658)

The Company has no available-for-sale financial assets as at 31 August 2018. As at 31 August 2017, the Company's available-for-sale financial assets with a carrying amount of S$27.2 million were measured at fair value using Level 1 valuation method.

The assessment of the fair value of unquoted financial instruments is performed on a quarterly basis by the Group's finance department. The determination of the fair value of investment properties is performed on an annual basis by external independent property valuers having appropriate recognised professional qualifications and experience in the category of property being valued. Management reviews the appropriateness of the valuation methodologies and assumptions adopted and addresses any significant issues that may arise.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

The fair value of investment properties and available-for-sale financial assets included in Level 3 is determined as follows:

Description	Valuation technique(s)	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment properties			
Completed – Retail, residential and commercial	Capitalisation approach	– Capitalisation rate: 3.6% to 6.0% (2017: 3.6% to 4.8%)	The estimated fair value varies inversely with the capitalisation rate.
	Discounted cashflow approach	– Discount rate: 6.5% to 8.0% (2017: 7.5%)	The estimated fair value varies inversely with the discount rate and terminal yield rate.
		– Terminal yield rate: 3.8% to 6.5% (2017: 3.8% to 5.1%)	
	Comparable sales method	– Comparable sales prices[+]: S$1,030psf to S$3,343psf (2017: S$966psf to S$3,343psf)	The estimated fair value varies with the adjusted comparable sales prices.
Available-for-sale financial assets			
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.
Asset held for sale			
Equity	Agreed sale consideration	N.A.	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

The Group recognises transfers between the levels of the fair value hierarchy at the event or change in circumstances that caused the transfer.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

Movements in Level 3 assets are as follows:

		Financial assets at fair value through profit or loss	Available-for-sale financial assets			
	Investment properties S$'000	Bonds S$'000	Equities S$'000	Bonds S$'000	Investment funds S$'000	Derivatives S$'000
Group						
2018						
Beginning of financial year	4,034,771	4,977	77,698	8,455	110,155	200
Additions	74,649	–	–	–	10,962	–
Disposals	–	–	(72,319)	–	(30,064)	–
Gains recognised in income statement	45,702	60	9,602	–	7,681	–
(Losses)/Gains recognised in other comprehensive income	–	–	(4,507)	1	2,435	–
Transferred from Level 2	–	2,037	13,886	–	–	–
Transferred to Level 2	–	(1,043)	(6,924)	–	–	–
End of financial year	4,155,122	6,031	17,436	8,456	101,169	200

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

Movements in Level 3 assets are as follows:

		Financial assets at fair value through profit or loss	Available-for-sale financial assets				
	Investment properties S$'000	Bonds S$'000	Equities S$'000	Bonds S$'000	Investment funds S$'000	Asset held for sale S$'000	Derivatives S$'000
Group							
2017							
Beginning of financial year	3,963,000	–	66,438	8,454	131,294	8,831	–
Additions	14,385	713	–	–	9,187	–	–
Disposals	–	–	–	–	(33,478)	(9,602)	–
Gains/(Losses) recognised in income statement	57,386	(49)	(801)	–	4,160	–	–
(Losses)/Gains recognised in other comprehensive income	–	–	(1,473)	1	(1,008)	771	–
Transferred from Level 2	–	4,313	14,529	–	–	–	200
Transferred to Level 2	–	–	(995)	–	–	–	–
End of financial year	4,034,771	4,977	77,698	8,455	110,155	–	200

Certain financial assets were transferred from Level 2 to Level 3, and from Level 3 to Level 2, due to lack of recent arm's length transactions and as observable market data becomes available respectively.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Financial assets and liabilities not measured at fair value but for which fair values are disclosed

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2018				
Liabilities				
Borrowings	**–**	**50,538**	**–**	**50,538**
2017				
Liabilities				
Borrowings	–	53,017	–	53,017

(g) Offsetting financial assets and liabilities

The disclosures set out in the tables below include financial assets and liabilities that are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statements of financial position.

	Gross amount of recognised financial assets/ (liabilities) S$'000	Gross amount of recognised financial assets/ (liabilities) offset in the statement of financial position S$'000	Net amount of financial assets/ (liabilities) presented in the statement of financial position S$'000	Related amount not offset in the statement of financial position S$'000	Net amount S$'000
Group					
2018					
Assets					
Currency forwards	**39**	**–**	**39**	**(39)**	**–**
Liabilities					
Currency forwards	**(1,940)**	**–**	**(1,940)**	**39**	**(1,901)**
Interest rate swaps	**(2,814)**	**–**	**(2,814)**	**–**	**(2,814)**
	(4,754)	**–**	**(4,754)**	**39**	**(4,715)**
2017					
Assets					
Currency forwards	1,473	–	1,473	(43)	1,430
Liabilities					
Currency forwards	(43)	–	(43)	43	–
Interest rate swaps	(8,615)	–	(8,615)	–	(8,615)
	(8,658)	–	(8,658)	43	(8,615)

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(h) Fair value

The basis for fair value measurement of financial assets and liabilities is set out in Notes 20(d) and 30(e). The fair values of other financial assets and liabilities approximate their carrying amounts.

(i) Financial instruments by category

	Loans and receivables S$'000	Available-for-sale financial assets S$'000	Financial assets/ (liabilities) at fair value through profit or loss S$'000	Derivatives used for hedging S$'000	Other financial liabilities at amortised cost S$'000	Total S$'000
Group						
2018						
Assets						
Investments	**–**	**569,583**	**6,031**	**–**	**–**	**575,614**
Trade and other receivables excluding non-financial instruments	**527,511**	**–**	**–**	**–**	**–**	**527,511**
Derivatives	**–**	**–**	**239**	**–**	**–**	**239**
Cash and cash equivalents	**359,498**	**–**	**–**	**–**	**–**	**359,498**
	887,009	**569,583**	**6,270**	**–**	**–**	**1,462,862**
Liabilities						
Trade and other payables excluding non-financial instruments	**–**	**–**	**–**	**–**	**(235,603)**	**(235,603)**
Borrowings	**–**	**–**	**–**	**–**	**(1,607,360)**	**(1,607,360)**
Derivatives	**–**	**–**	**(1,940)**	**(2,814)**	**–**	**(4,754)**
	–	**–**	**(1,940)**	**(2,814)**	**(1,842,963)**	**(1,847,717)**
2017						
Assets						
Investments	–	854,663	22,435	–	–	877,098
Trade and other receivables excluding non-financial instruments	310,583	–	–	–	–	310,583
Derivatives	–	–	1,673	–	–	1,673
Cash and cash equivalents	312,647	–	–	–	–	312,647
	623,230	854,663	24,108	–	–	1,502,001
Liabilities						
Trade and other payables excluding non-financial instruments	–	–	–	–	(236,815)	(236,815)
Borrowings	–	–	–	–	(1,499,739)	(1,499,739)
Derivatives	–	–	(43)	(8,615)	–	(8,658)
	–	–	(43)	(8,615)	(1,736,554)	(1,745,212)

30. FINANCIAL RISK MANAGEMENT (CONT'D)

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

	Loans and receivables S$'000	Available-for-sale financial assets S$'000	Other financial liabilities at amortised cost S$'000	Total S$'000
Company				
2018				
Assets				
Trade and other receivables excluding non-financial instruments	**2,661,964**	**–**	**–**	**2,661,964**
Cash and cash equivalents	**161,886**	**–**	**–**	**161,886**
	2,823,850	**–**	**–**	**2,823,850**
Liabilities				
Trade and other payables excluding non-financial instruments	**–**	**–**	**(961,110)**	**(961,110)**
Borrowings	**–**	**–**	**(364,160)**	**(364,160)**
	–	**–**	**(1,325,270)**	**(1,325,270)**
2017				
Assets				
Investments	–	27,173	–	27,173
Trade and other receivables excluding non-financial instruments	2,390,784	–	–	2,390,784
Cash and cash equivalents	150,467	–	–	150,467
	2,541,251	27,173	–	2,568,424
Liabilities				
Trade and other payables excluding non-financial instruments	–	–	(1,000,355)	(1,000,355)
Borrowings	–	–	(296,000)	(296,000)
	–	–	(1,296,355)	(1,296,355)

31. RELATED PARTY TRANSACTIONS

Key management personnel compensation and transactions are as follows:

	Group	
	2018	2017
	S$'000	S$'000
Remuneration and other short-term employee benefits	**22,583**	22,534
Employers' contribution to defined contribution plans	**889**	830
Share-based compensation expense	**1,729**	3,323
	25,201	26,687
Staff loans granted to key management personnel	**235**	277

The above includes total emoluments of the Company's directors of S$3.7 million (2017: S$4.4 million).

32. SEGMENTAL INFORMATION

(a) Operating segments

Management has determined the operating segments based on the reports provided to the Chief Executive Officer of the Company that are used to make strategic decisions.

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

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.

32. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

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

	Media S$'000	Property S$'000	Treasury and Investment S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
2018						
Operating revenue						
External sales	655,782	242,417	–	84,356	–	982,555
Inter-segmental sales	3,691	2,538	–	2,149	(8,378)	–
Total operating revenue	659,473	244,955	–	86,505	(8,378)	982,555
Result						
Segment result	92,066	182,843	100,895	(16,770)	–	359,034
Finance costs	–	(35,585)	(1,915)	(13)	–	(37,513)
Fair value change on investment properties	–	45,702	–	–	–	45,702
Share of results of associates and joint ventures	5	4,497	–	(1,220)	–	3,282
Profit/(Loss) before taxation	92,071	197,457	98,980	(18,003)	–	370,505
Taxation						(46,508)
Profit after taxation						323,997
Non-controlling interests						(42,887)
Profit attributable to Shareholders						281,110
Other information						
Segment assets	303,066	4,539,536	958,139	395,947	–	6,196,688
Segment assets includes:						
Associates/Joint ventures	12,823	92,663	–	37,723	–	143,209
Additions to:						
– property, plant and equipment	14,532	164	–	9,053	–	23,749
– investment properties	–	74,649	–	–	–	74,649
– intangible assets	–	–	–	3,700	–	3,700
Segment liabilities	151,165	1,616,703	87,676	26,459	–	1,882,003
Current tax liabilities						47,682
Deferred tax liabilities						38,919
Consolidated total liabilities						1,968,604
Depreciation	27,447	540	–	5,227	–	33,214
Amortisation of intangible assets	808	–	–	8,920	–	9,728
Impairment of goodwill	275	–	–	16,995	–	17,270
Impairment of intangible assets	449	–	–	4,637	–	5,086

32. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

	Media S$'000	Property S$'000	Treasury and Investment S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
2017						
Operating revenue						
External sales	725,427	244,159	–	62,929	–	1,032,515
Inter-segmental sales	4,223	2,512	–	3,547	(10,282)	–
Total operating revenue	729,650	246,671	–	66,476	(10,282)	1,032,515
Result						
Segment result	62,175	188,281	49,089	(8,932)	–	290,613
Finance costs	–	(29,235)	(2,051)	(14)	–	(31,300)
Fair value change on investment properties	–	57,386	–	–	–	57,386
Share of results of associates and joint ventures	(268)	3,925	–	(3,095)	–	562
Gain on divestment of a joint venture	–	–	–	149,690	–	149,690
Impairment of associates and a joint venture	(35,300)	–	–	(159)	–	(35,459)
Profit before taxation	26,607	220,357	47,038	137,490	–	431,492
Taxation						(36,276)
Profit after taxation						395,216
Non-controlling interests						(45,131)
Profit attributable to Shareholders						350,085
Other information						
Segment assets	346,191	4,322,917	999,819	437,483	–	6,106,410
Segment assets includes:						
Associates/Joint ventures	11,002	44,059	–	22,427	–	77,488
Additions to:						
– property, plant and equipment	11,259	621	–	64,589	–	76,469
– investment properties	–	14,385	–	–	–	14,385
– intangible assets	655	–	–	104,770	–	105,425
Segment liabilities	171,345	1,296,052	300,271	19,637	–	1,787,305
Current tax liabilities						46,591
Deferred tax liabilities						49,190
Consolidated total liabilities						1,883,086
Depreciation	35,473	567	–	1,783	–	37,823
Amortisation of intangible assets	2,261	–	–	8,741	–	11,002
Impairment of property, plant and equipment	22,785	–	–	–	–	22,785
Impairment of goodwill	1,879	–	–	8,000	–	9,879
Impairment of intangible assets	27,901	–	–	–	–	27,901

32. SEGMENTAL INFORMATION (CONT'D)

(b) Geographical segments

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

	Operating revenue		Non-current assets		Total assets	
	2018	2017	**2018**	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000	**S$'000**	S$'000
Singapore	**962,450**	1,009,437	**5,374,768**	5,049,234	**6,155,832**	6,064,032
Other countries	**20,105**	23,078	**25,222**	25,373	**40,856**	42,378
	982,555	1,032,515	**5,399,990**	5,074,607	**6,196,688**	6,106,410

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS

Applicable to 2019 financial statements

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 IFRS. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 31 August 2019 will be prepared in accordance with SFRS(I). This will therefore be the last set of financial statements prepared under the current FRS.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

In addition to the adoption of the new framework, the Group will also concurrently apply the following new SFRS(I)s which are effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;
- SFRS(I) 9 *Financial Instruments* which includes amendments arising from IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- requirements in SFRS(I) 2 *Share-based payment* arising from the amendments to IFRS 2 – *Classification and Measurement of Share-based Payment Transactions* issued by the IASB in June 2016;
- requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 – *Transfers of Investment Property* issued by the IASB in December 2016;
- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016;
- requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an Associate or Joint Venture at Fair Value* issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The Group does not expect the application of the above standards and interpretations to have a significant impact on the financial statements, except as described below.

Summary of quantitative impact

The Group is currently finalising the transition adjustments. The following reconciliations provide an estimate of the expected impacts on initial application of SFRS(I) 1, SFRS(I) 15 and SFRS(I) 9 on the Group's and the Company's financial position as at 31 August 2018 and 1 September 2018 and the Group's income statement and other comprehensive income for the year ended 31 August 2018.

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS (CONT'D)

Summary of quantitative impact (cont'd)

Consolidated statement of financial position

	As at 31 August 2018			As at 1 September 2018	
	Current framework S$'000	SFRS(I) 1 S$'000	SFRS(I) framework S$'000	SFRS(I) 9 S$'000	SFRS(I) framework S$'000
CAPITAL EMPLOYED					
Share capital	522,809	–	522,809	–	522,809
Treasury shares	(7,101)	–	(7,101)	–	(7,101)
Reserves	259,856	4,867	264,723	(12,426)	252,297
Retained profits	2,691,368	(39,136)	2,652,232	12,235	2,664,467
Shareholders' interests	3,466,932	(34,269)	3,432,663	(191)	3,432,472
Non-controlling interests	761,152	–	761,152	–	761,152
Total equity	**4,228,084**	**(34,269)**	**4,193,815**	**(191)**	**4,193,624**
EMPLOYMENT OF CAPITAL					
Non-current assets					
Property, plant and equipment	224,918	(34,269)	190,649	–	190,649
Investment properties	4,155,122	–	4,155,122	–	4,155,122
Associates	95,825	–	95,825	–	95,825
Joint ventures	47,384	–	47,384	–	47,384
Investments	453,951	–	453,951	–	453,951
Intangible assets	176,028	–	176,028	–	176,028
Trade and other receivables	246,562	–	246,562	–	246,562
Derivatives	200	–	200	–	200
	5,399,990	(34,269)	5,365,721	–	5,365,721
Current assets					
Inventories	22,636	–	22,636	–	22,636
Trade and other receivables	292,862	–	292,862	(191)	292,671
Investments	121,663	–	121,663	–	121,663
Derivatives	39	–	39	–	39
Cash and cash equivalents	359,498	–	359,498	–	359,498
	796,698	–	796,698	(191)	796,507
Total assets	6,196,688	(34,269)	6,162,419	(191)	6,162,228
Non-current liabilities					
Trade and other payables	39,362	–	39,362	–	39,362
Deferred tax liabilities	38,919	–	38,919	(2,546)	36,373
Borrowings	1,312,507	–	1,312,507	–	1,312,507
Derivatives	2,814	–	2,814	–	2,814
	1,393,602	–	1,393,602	(2,546)	1,391,056
Current liabilities					
Trade and other payables	230,527	–	230,527	–	230,527
Current tax liabilities	47,682	–	47,682	2,546	50,228
Borrowings	294,853	–	294,853	–	294,853
Derivatives	1,940	–	1,940	–	1,940
	575,002	–	575,002	2,546	577,548
Total liabilities	1,968,604	–	1,968,604	–	1,968,604
Net assets	**4,228,084**	**(34,269)**	**4,193,815**	**(191)**	**4,193,624**

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS (CONT'D)

Summary of quantitative impact (cont'd)

Statement of financial position for the Company

	As at 31 August 2018		
	Current framework S$'000	SFRS(I) 1 S$'000	SFRS(I) framework S$'000
CAPITAL EMPLOYED			
Share capital	522,809	–	522,809
Treasury shares	(7,101)	–	(7,101)
Reserves	7,783	–	7,783
Retained profits	1,518,369	(34,269)	1,484,100
Total equity	**2,041,860**	**(34,269)**	**2,007,591**
EMPLOYMENT OF CAPITAL			
Non-current assets			
Property, plant and equipment	70,731	(34,269)	36,462
Subsidiaries	439,940	–	439,940
Joint ventures	600	–	600
Intangible assets	44,071	–	44,071
Trade and other receivables	283,809	–	283,809
	839,151	(34,269)	804,882
Current assets			
Inventories	20,281	–	20,281
Trade and other receivables	2,383,725	–	2,383,725
Cash and cash equivalents	161,886	–	161,886
	2,565,892	–	2,565,892
Total assets	3,405,043	(34,269)	3,370,774
Non-current liabilities			
Trade and other payables	1,121	–	1,121
Deferred tax liabilities	12,264	–	12,264
Borrowings	279,160	–	279,160
	292,545	–	292,545
Current liabilities			
Trade and other payables	973,237	–	973,237
Current tax liabilities	12,401	–	12,401
Borrowings	85,000	–	85,000
	1,070,638	–	1,070,638
Total liabilities	1,363,183	–	1,363,183
Net assets	**2,041,860**	**(34,269)**	**2,007,591**

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS (CONT'D)

SFRS(I) 1

When the Group adopts SFRS(I) in 2019, the Group will apply SFRS(I) 1 with 1 September 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2019, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. Except as described 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.

(i) Currency translation reserve (CTR)

The Group considers that restating CTR to comply with current SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* may not be practicable as certain acquisitions and disposals were transacted at dates that preceded the statutory record keeping periods.

The Group plans to elect the optional exemption in SFRS(I) 1 to reset its cumulative CTR for all foreign operations to nil at the date of transition, and reclassify the cumulative CTR of S$4.9 million as at 1 September 2017 determined in accordance with SFRS(I) at that date to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

The Group expects the cumulative CTR to increase by S$4.9 million and retained earnings to decrease by the same amount as at 31 August 2018.

(ii) Fair value as deemed cost for certain printing presses classified as property, plant and equipment

The Group plans to elect the optional exemption in SFRS(I) 1 to measure certain printing presses held by the Company at the date of transition to SFRS(I) at fair value and use that fair value as its deemed cost in its SFRS(I) financial statements.

As the printing presses has declined significantly in value since its acquisition, the Group considers that the election of fair value at the date of transition as its deemed cost would result in more relevant financial information. The fair value of the printing presses was determined based on independent quotation, taking into consideration of the printing presses' current condition and age. The Group expects the carrying amount of property, plant and equipment and retained earnings of the Group and of the Company to decrease by S$40.9 million as at 1 September 2017. Consequently, the depreciation charges of the Group will reduce by S$6.6 million in the consolidated income statement for the financial year ended 31 August 2018 under the SFRS(I) framework.

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 plans to adopt SFRS(I) 15 in its financial statements for the year ending 31 August 2019, using the retrospective approach. As a result, the Group will apply all of the requirements of SFRS(I) 15 retrospectively, except as described below, and the comparative information presented in the FY2019 financial statements will be restated.

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS (CONT'D)

SFRS(I) 15 (cont'd)

The Group plans to use the practical expedients for completed contracts. This means that completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not restated.

Based on the Group's assessment of the impact on its financial statements, the Group does not expect significant changes to the basis of revenue recognition for its sales of goods and rendering of services. Transition adjustments are not expected to be material on its financial statements.

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.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 will generally be applied by the Group retrospectively, except as described below.

- The Group plans to take advantage of 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 earnings and reserves as at 1 September 2018.

- The following assessments have to be made on the basis of facts and circumstances that existed at 1 September 2018.

  - The determination of the business model within which a financial asset is held.

  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  - The designation of an investment in equity instruments that is not held for trading as at fair value through other comprehensive income (FVOCI).

  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss (FVTPL).

- If an investment in a debt security has low credit risk at 1 September 2018, the Group plans to assume that the credit risk on the asset has not increased significantly since its initial recognition.

- New hedge accounting requirements are applied prospectively. All hedging relationships designated under FRS 39 *Financial Instruments: Recognition and Measurement* at 31 August 2018 that meet the criteria for hedge accounting under SFRS(I) 9 at 1 September 2018 will be regarded as continuing hedging relationships.

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS (CONT'D)

SFRS(I) 9 (cont'd)

The information below reflects the Group's expectation of the implications arising from the adoption of SFRS(I) 9, however, the actual tax effect may change when the transition adjustments are finalised.

(i) Classification and measurement: financial assets

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under SFRS(I) 9.

For financial assets currently held at fair value, the Group expects to continue measuring most of these assets at fair value under SFRS(I) 9. The expected classification and measurement of these financial assets under SFRS(I) 9 is summarised below:

- Non-current available-for-sale (AFS) equity securities and investment funds amounting to S$439.5 million are expected to be classified as financial assets subsequently measured at FVOCI. Similar to AFS financial assets, the fair value changes of FVOCI financial assets are taken to other comprehensive income on re-measurement. However, any gain or loss on FVOCI equity instruments will not be reclassified to income statements upon divestment.

- Non-current AFS debt securities of S$8.5 million and non-current FVTPL debt securities of S$6 million are expected to be classified as FVOCI and FVTPL financial assets respectively.

- Current AFS financial assets of S$121.7 million are expected to be reclassified as FVTPL financial assets. With the change in classification from AFS to FVTPL, the fair value changes of S$12.4 million which were taken to OCI for the financial year would have been recognised directly in profit or loss under SFRS(I) 9.

(ii) Impairment

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss (ECL) model. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

Under SFRS(I) 9, loss allowances of the Group will be measured on either of the following bases:

- 12-month ECLs. These are ECLs that result from possible default events within the twelve months after the reporting date; or

- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group plans to apply the simplified approach and record lifetime ECL on all trade receivables and any contract assets arising from the application of SFRS(I) 15. The Group expects an increase in impairment for trade and other receivables of S$0.2 million as at 1 September 2018.

The Group is currently finalising the testing of its ECL model and the quantum of the final transition adjustments may be different upon finalisation.

(iii) Hedge accounting

The Group expects that all its existing hedges that are designated in effective hedging relationships will continue to qualify for hedge accounting under SFRS(I) 9.

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS (CONT'D)

Applicable to financial statements for the year 2020 and thereafter

The following new SFRS(I)s, amendments to and interpretations of SFRS(I)s are effective for the Group's annual periods beginning on or after 1 September 2019:

Applicable to 2020 financial statements

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Previously held interest in a joint operation* (Amendments to SFRS(I) 3 and SFRS(I) 11)
- *Income tax consequences of payments on financial instruments classified as equity* (Amendments to SFRS(I) 1-12)
- *Plan amendment, curtailment or settlement* (Amendments to SFRS(I) 1-19)
- *Borrowing costs eligible for capitalisation* (Amendments to SFRS(I) 1-23)

Applicable to 2022 financial statements

- SFRS(I) 17 *Insurance Contracts*

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28).

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the financial statements. The Group's preliminary assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group, is as described below.

SFRS(I) 16

SFRS(I)16 replaces existing lease accounting guidance. SFRS(I) 16 is effective for the Group's annual periods beginning on or after 1 September 2019, with early adoption permitted if SFRS(I) 15 is also applied. SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The Group plans to adopt the standard when it becomes effective in 2020 and expects to apply the standard using the modified retrospective approach. The Group also expects the ROU assets recognised at date of initial application to be equal to their lease liabilities.

The Group is likely to elect the practical expedient not to reassess whether a contract contains a lease at the date of initial application, 1 September 2019. Accordingly, existing lease contracts that are still effective on 1 September 2019 continue to be accounted for as lease contracts under SFRS(I) 16. The Group has performed a preliminary assessment of the impact on its financial statements based on its existing operating lease arrangements (refer to Note 21).

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS (CONT'D)

SFRS(I) 16 (cont'd)

Until 2019, the approximate financial impact of the standard is unknown due to factors that impact calculation of lease liabilities such as discount rate, expected term of leases including renewal options and exemptions for short-term leases. The Group will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard.

(i) The Group as a lessee

The Group expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. The operating lease commitments on an undiscounted basis amount to approximately 2.3% of the consolidated total assets and 7.1% of consolidated total liabilities. Under the new standard, remaining lease payments of the operating leases will be recognised at their present value discounted using appropriate discount rate. In addition, the nature of expenses related to those leases will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

(ii) The Group as a lessor

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively. However, SFRS(I) 16 requires more extensive disclosures to be provided by a lessor.

34. SUBSEQUENT EVENT

Acquisition of U.K. Student Accommodation Portfolio

On 7 September 2018, the Group's wholly-owned subsidiaries, Straits One (Jersey) Limited, Straits Two (Jersey) Limited and Straits Three (Jersey) Limited, entered into a sale and purchase agreement to acquire a portfolio of Purpose-Built Student Accommodation in the U.K. from Unite Group PLC for a cash consideration of approximately £180.5 million (approximately S$321 million). The portfolio comprises 14 buildings across 6 towns and cities in the U.K. and has a total capacity of 3,436 beds for student accommodation. The properties include 10 freehold assets and 4 leasehold assets, and are situated in established university towns and cities with large full-time student populations, including London, Birmingham, Bristol, Huddersfield, Plymouth and Sheffield.

This transaction was completed on 13 September 2018 and will be accounted for in the first quarter of financial year 2019.

Collaboration with Keppel Corporation Limited ("KCL") in the Pre-conditional Voluntary General Offer for M1 Limited ("M1")

The Group announced on 27 September 2018 that the Company is collaborating with KCL to undertake a pre-conditional voluntary general offer for M1 through a special purpose vehicle which will be majority-held by KCL. As the collaboration is still in the preliminary stages, meaningful disclosure of the impact to the financial statements would not be available at this juncture.

35. AUTHORISATION OF FINANCIAL STATEMENTS

On 15 October 2018, the Board of Directors of Singapore Press Holdings Limited authorised these financial statements for issue.

OPERATING COMPANIES OF THE GROUP

AS AT 31 AUGUST 2018

SUBSIDIARIES

Name of Subsidiary	Principal Activities	Country of Incorporation
Beerfest Asia Pte. Ltd.	Organising events, concerts and exhibitions	Singapore
Bizlink Exhibition Services Pte. Ltd.	Organising conventions, conferences and exhibitions	Singapore
Blu Inc Holdings (Malaysia) Sdn. Bhd.	Holding investments and providing management support services	Malaysia
Blu Inc Media (HK) Limited	Publishing magazines and providing editorial and other services	Hong Kong
Blu Inc Media Sdn. Bhd.	Publishing and distributing magazines and books	Malaysia
BNM Content Solutions Pte. Ltd.	Production of dramas, variety shows and documentaries	Singapore
BNM Content Solutions (Philippines) Corp.	Executing camera work, editing for videos, and sound mixing, for audio-video presentations and music recording	Philippines
CT Point Investments Pte. Ltd.	Holding investments	Singapore
Culcreative International Pte. Ltd.	Holding investments	Singapore
Digi Ventures Private Limited	Fund management and holding investments	Singapore
Exhibits Inc Pte. Ltd.	Organising conventions, conferences and exhibitions	Singapore
Fastco Pte Ltd	Development of software for interactive digital media and investment holding	Singapore
FastJobs Sdn. Bhd.	Providing recruitment and human resource services	Malaysia
Focus Publishing Ltd	Publishing magazines and providing editorial services	Singapore
Han Culture & Education Group Pte. Ltd.	Holding investments	Singapore
Han Curriculum & Enrichment Pte. Ltd.	Managing and developing curriculum and intellectual property	Singapore
Han Language Centre Pte. Ltd.	Operating tuition and enrichment centres	Singapore
Invest Healthcare Pte. Ltd.	Holding investments	Singapore
Invest Learning Pte. Ltd.	Holding investments	Singapore
Invest Media Pte. Ltd.	Holding investments	Singapore
Life-Medic Healthcare Supplies Pte. Ltd.	Trading of medical and healthcare equipment and consumables	Singapore
Moon Holdings Pte. Ltd.	Holding investments	Singapore
New Beginnings Management Consulting (Shanghai) Company Limited	Business management and consultancy services	The People's Republic of China
Orange Valley 3-T Rehab Pte. Ltd.	Providing rehabilitation services	Singapore
Orange Valley Nursing Homes Pte. Ltd.	Nursing home operator and home care services	Singapore
Orange Valley Properties Pte. Ltd.	Properties holding	Singapore
PE One Pte. Ltd.	Holding investments	Singapore
PT Shareinvestor Technologies Indonesia	Computer programming activity for online investor relations and related business	Indonesia
Quotz Pte. Ltd.	Providing online system for sales of vehicles and related services	Singapore
Red Anthill Ventures Pte. Ltd.	Holding investments	Singapore
SGCM Pte. Ltd.	Providing online classifieds services for cars	Singapore
Shareinvestor Pte Ltd	Providing online investor relations services, developing applications and operating a financial portal	Singapore
Shareinvestor.com Holdings Pte Ltd	Holding investments and providing management services	Singapore
SI Portal.com Sdn Bhd	Providing online investor relations services, developing applications and operating a financial portal	Malaysia
Sin Chew Jit Poh (Singapore) Limited	Holding investments and properties	Singapore

SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Activities	Country of Incorporation
Singapore Nutri-Diet Industries Pte. Ltd.	Provision of food services to customers	Singapore
Singapore Press Holdings (Overseas) Limited	Providing marketing and other services and holding investments	Singapore
SPH (Americas) Pte Ltd	Providing news reporting services	Singapore
SPH AlphaOne Pte. Ltd.	Holding investments	Singapore
SPH Buzz Pte. Ltd.	Franchising kiosks to third party operators	Singapore
SPH Data Services Pte Ltd	Licensing copyrights and trademarks	Singapore
SPH Digital Media Pte. Ltd.	Holding investments	Singapore
SPH Interactive International Pte. Ltd.	Licensing software, providing technical services and holding investments	Singapore
SPH Interactive Pte. Ltd.	Holding investments and licensing the right of use of software and providing technical services	Singapore
SPH Magazines Pte. Ltd.	Publishing magazines, providing online marketing services and editorial services and holding investments	Singapore
SPH Pacom Pte. Ltd.	Publishing, events management and holding investment	Singapore
SPH Radio Private Limited	Radio broadcasting	Singapore
SPH REIT Management Pte. Ltd.	Property fund management	Singapore
SPH Retail Property Management Services Pte. Ltd.	Managing shopping centres	Singapore
SPH Silver Care Pte. Ltd.	Holding investments	Singapore
SPH Ventures Pte. Ltd.	Holding investments	Singapore
Sphere Exhibits Malaysia Sdn. Bhd.	Management and promotion of events, exhibitions and meetings	Malaysia
Sphere Exhibits Pte. Ltd.	Organising conventions, conferences and exhibitions and holding investments	Singapore
SPHM Pte Ltd	Publishing and distributing magazines	Singapore
Straits Capitol Limited	Property management	United Kingdom
Straits Capitol Trust	Holding property investments	Singapore
Straits CM Pte. Ltd.	Property fund management	Singapore
Straits One Pte. Ltd.	Holding investments	Singapore
Straits One (Jersey) Limited	Holding property investments	Jersey
Straits Two Pte. Ltd.	Holding investments	Singapore
Straits Two (Jersey) Limited	Holding property investments	Jersey
Straits Three Pte. Ltd.	Holding investments	Singapore
Straits Three (Jersey) Limited	Holding property investments	Jersey
Straits Times Press Pte. Ltd.	Publishing and distributing of books	Singapore
StreetSine Technology Group Pte. Ltd.	Developing E-commerce applications and software consultancy	Singapore
StreetSine Singapore Pte. Ltd.	Web search portals in providing property data and analysis and development of E-commerce applications	Singapore
The Straits Times Press (1975) Limited	Holding investments	Singapore
TPR Holdings Pte. Ltd.	Holding investments	Singapore
Waterbrooks Consultants Pte. Ltd	Providing public relations and consultancy services	Singapore
WM 2 Pte. Ltd.	Holding investments	Singapore
WM 3 Pte. Ltd.	Holding investments	Singapore
WM 8 Pte. Ltd.	Holding investments	Singapore
WR 8 Pte. Ltd.	Holding investments	Singapore

OPERATING COMPANIES OF THE GROUP

AS AT 31 AUGUST 2018

ASSOCIATES

Name of Associates	Principal Activities	Country of Incorporation
AsiaOne Online Pte. Ltd.	Development of software for interactive digital media	Singapore
Brand New Media (Singapore) Pte. Ltd.	Television programme production and advertising services	Singapore
DC Frontiers Pte. Ltd.	Provision for research services	Singapore
Kyosei Ventures Pte. Ltd.	Providing online marketing and technology services	Singapore
Magzter Inc.	Self-service digital magazine store and newsstand	United States
MindChamps Preschool Limited	Provision of childcare, learning and other related services, and investment holding	Singapore
Perennial Chinatown Point LLP	Real estate investment	Singapore
RecomN Singapore Pte. Ltd.	Advertising activities and web portals	Singapore
SI.com (Thailand) Co. Ltd	Providing online investor relations services, developing applications and operating a financial portal	Thailand
Target Media Culcreative Pte Ltd	Deployment of in-lift digital displays and display content	Singapore
WISI Australia Pty Ltd	Providing online investor relations services and developing applications	Australia
ZBJ-SPH Pte. Ltd.	Providing of online market place for service providers	Singapore

JOINT VENTURES

Name of Joint Ventures	Principal Activities	Country of Incorporation
702Search (Thailand) B.V.	Investment holding and other activities	The Netherlands
703Search (Indonesia) B.V.	Investment holding and other activities	The Netherlands
Singapore Media Exchange Pte. Ltd.	Sale of advertising and digital advertising inventory	Singapore
SPH Plug and Play Pte. Ltd.	Holding investments	Singapore
The Woodleigh Mall Pte. Ltd.	Holding property investments	Singapore
The Woodleigh Residences Pte. Ltd.	Property developer	Singapore
WR 2 Pte. Ltd.	Holding investments	Singapore
WR 3 Pte. Ltd.	Holding investments	Singapore

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AS AT 31 AUGUST 2018

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Location	Tenure	Expiry Date of Lease	Land (Sq M)	Built-In (Sq M)	Existing Use	Effective Group Interest (%)
SINGAPORE						
News Centre 1000 Toa Payoh North	Leasehold	March 2, 2031	21,730	54,275	Industrial	100
Media Centre 82 Genting Lane	Leasehold	July 15, 2040	24,892	49,131	Industrial	100
Print Centre 2 Jurong Port Road	Leasehold	June 8, 2034	110,075	102,352	Industrial	100
Manhattan House 151 Chin Swee Road Units #01-39 to #01-48 and #01-51 to #01-56	Leasehold	October 15, 2068	–	554	Commercial	100
20A Yarwood Avenue	Leasehold	May 6, 2878	1,721	488	Residential	100
42 Nassim Road	Freehold	–	1,406	686	Residential	100
42A Nassim Road	Freehold	–	1,444	645	Residential	100
42B Nassim Road	Freehold	–	1,418	645	Residential	100
Paragon 290 Orchard Road	Freehold	–	17,355	94,307	Commercial	70
The Clementi Mall 3155 Commonwealth Avenue West	Leasehold	August 31, 2109	–	26,976	Commercial	70
The Rail Mall 380 to 400 & 422 to 484 (Even Numbers) Upper Bukit Timah Road	Leasehold	March 17, 2046	9,807	4,623.5	Commercial	70
The Woodleigh Mall & **The Woodleigh Residences** 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31 & 33 Bidadari Park Drive	Leasehold	September 17, 2116	25,441	95,392	Mixed Use; Commercial & Residential	50
The Seletar Mall 33 Sengkang West Avenue	Leasehold	April 17, 2111	8,790	26,370	Commercial	70
Orange Valley **Nursing Homes Pte Ltd** 11, Woodlands Avenue 1	Leasehold	September 30, 2033	2,000.4	3,597.94	Nursing	100
Orange Valley **Properties Pte Ltd**						
221, Clementi Avenue 4	Leasehold	July 15, 2031	2,345.6	4,221.649	Nursing	100
6, Simei Street 3	Leasehold	April 14, 2034	2,200	3,959.79	Nursing	100
HONGKONG						
Tower Two, Lippo Centre Unit 1308 13th Floor 89 Queensway, Hong Kong	Leasehold	February 14, 2059	–	368	Commercial	100
CHINA						
New Beginnings Room 1302, Block A, No. 868 East Longhua Road, Shanghai 200023, PRC	Leasehold	February 17, 2058	170	111	Commercial	100
Blu Inc Media China Unit 1902-1905, No. 425, Yishan Road, Xuhui District, Shanghai	Leasehold	August 27, 2054	647	461	Commercial	100

SHAREHOLDING STATISTICS

AS AT 8 OCTOBER 2018

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 – 99	313	0.53	12,092	0.00
100 – 1,000	8,136	13.81	7,285,070	0.46
1,001 – 10,000	36,866	62.57	172,099,512	10.77
10,001 – 1,000,000	13,542	22.98	609,800,383	38.15
1,000,001 and above	67	0.11	809,156,676	50.62
TOTAL	**58,924**	**100.00**	**1,598,353,733**	**100.00**

* *Shareholdings exclude 2,295,388 treasury shares.*

TWENTY LARGEST ORDINARY SHAREHOLDERS

	Name of Shareholder	No. of Shares	%*
1	DBS NOMINEES PTE LTD	212,883,856	13.32
2	CITIBANK NOMINEES SINGAPORE PTE LTD	193,255,285	12.09
3	DBSN SERVICES PTE LTD	64,836,900	4.06
4	HSBC (SINGAPORE) NOMINEES PTE LTD	51,790,353	3.24
5	RAFFLES NOMINEES (PTE) LTD	37,812,302	2.37
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	23,359,254	1.46
7	UOB KAY HIAN PTE LTD	19,412,161	1.21
8	LEE FOUNDATION STATES OF MALAYA	15,215,522	0.95
9	OCBC NOMINEES SINGAPORE PTE LTD	15,067,451	0.94
10	CHAN SIEW KIM ALICE	11,155,000	0.70
11	LEUNG KAI FOOK MEDICAL COMPANY PTE LTD	10,331,950	0.65
12	PHAY THONG HUAT PTE LTD	9,542,000	0.60
13	OCBC SECURITIES PRIVATE LTD	9,379,906	0.59
14	GAN THIAN CHIN	8,566,000	0.54
15	LEE FOUNDATION	8,210,940	0.51
16	BPSS NOMINEES SINGAPORE (PTE.) LTD.	6,938,214	0.43
17	TAN TIANG HIN JERRY	6,173,675	0.39
18	DB NOMINEES (SINGAPORE) PTE LTD	5,668,205	0.35
19	PHILLIP SECURITIES PTE LTD	5,196,415	0.33
20	YONG SIEW YOON	5,000,000	0.31
	TOTAL	**719,795,389**	**45.04**

* *Shareholdings exclude 2,295,388 treasury shares.*

DISTRIBUTION OF MANAGEMENT SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	9	50.00	48	0.00
100 – 1,000	0	0.00	0	0.00
1,001 – 10,000	0	0.00	0	0.00
10,001 – 1,000,000	3	16.67	2,193,317	13.41
1,000,001 and above	6	33.33	14,168,404	86.59
TOTAL	**18**	**100.00**	**16,361,769**	**100.00**

HOLDERS OF MANAGEMENT SHARES

	Name of Shareholder	No. of Shares	%
1	THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED	3,698,297	22.60
2	OVERSEA-CHINESE BANKING CORPORATION LTD	2,748,829	16.80
3	NTUC INCOME INSURANCE COOPERATIVE LIMITED	2,674,219	16.35
4	SINGAPORE TELECOMMUNICATIONS LIMITED	2,176,119	13.30
5	DBS BANK LTD	1,554,362	9.50
6	UNITED OVERSEAS BANK LTD	1,316,578	8.05
7	NATIONAL UNIVERSITY OF SINGAPORE	876,797	5.36
8	FULLERTON (PRIVATE) LIMITED	658,260	4.02
9	NANYANG TECHNOLOGICAL UNIVERSITY	658,260	4.02
10	CHIEF EXECUTIVE OFFICER	16	0.00
11	DIRECTORS* (FOUR EACH)	32	0.00
	TOTAL	**16,361,769**	**100.00**

* *Excluding the Chief Executive Officer.*

Note:
1. *Not less than 99.9% of the ordinary shares in the Company is held by the public and Rule 723 of the SGX Listing Manual has been complied with.*
2. *The Company has no subsidiary holdings.*

VOTING RIGHTS OF SHAREHOLDERS

The holders of management and ordinary shares shall be entitled to one (1) vote for each share, EXCEPT that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, the holders of the management shares shall be entitled either on a poll or by show of hands to two hundred (200) votes for each management share held.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

NOTICE IS HEREBY GIVEN that the Thirty-Fourth Annual General Meeting of Singapore Press Holdings Limited (the "**Company**") will be held at the Auditorium, 1000 Toa Payoh North, News Centre, 1st Storey, Annexe Block, Singapore 318994 on Monday, 3 December 2018 at 2.30 p.m. for the following business:

ROUTINE BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 August 2018 and the Auditor's Report thereon.

2. To declare a final dividend of 3 cents per share and a special dividend of 4 cents per share, on a tax-exempt basis, in respect of the financial year ended 31 August 2018.

3. To re-elect the following Directors who are retiring by rotation in accordance with Articles 116 and 117 of the Company's Constitution, and who, being eligible, offer themselves for re-election:

   (i) Lee Boon Yang
   (ii) Janet Ang Guat Har
   (iii) Tan Chin Hwee

4. To approve Directors' fees of up to S$1,450,000 for the financial year ending 31 August 2019 (2018: up to S$1,450,000).

5. To re-appoint the Auditor and to authorise the Directors to fix its remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:

   (i) "That pursuant to Section 161 of the Companies Act, Chapter 50 (the "**Companies Act**") and the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), and subject to the provisions of the Newspaper and Printing Presses Act, Chapter 206, authority be and is hereby given to the Directors of the Company to:

      (a) (i) issue shares of the Company whether by way of rights, bonus or otherwise; and/or

      (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

      at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

      (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(ii) "That the Directors of the Company be and are hereby authorised to grant awards ("**Awards**") in accordance with the provisions of the SPH Performance Share Plan 2016 (the "**SPH Performance Share Plan**") and to allot and issue from time to time such number of fully paid-up ordinary shares of the Company ("**Ordinary Shares**") as may be required to be delivered pursuant to the vesting of Awards under the SPH Performance Share Plan, provided that:

(a) the aggregate number of (1) new Ordinary Shares allotted and issued and/or to be allotted and issued, (2) existing Ordinary Shares (including Ordinary Shares held as treasury shares) delivered and/or to be delivered, and (3) Ordinary Shares released and/or to be released in the form of cash in lieu of Ordinary Shares, pursuant to Awards granted under the SPH Performance Share Plan, shall not exceed 5 per cent. of the total number of issued Ordinary Shares (excluding treasury shares and subsidiary holdings) from time to time;

(b) the aggregate number of Ordinary Shares under Awards to be granted pursuant to the SPH Performance Share Plan during the period (the "**Relevant Year**") commencing from this Annual General Meeting and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 1 per cent. of the total number of issued Ordinary Shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"); and

(c) if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used for the grant of Awards in subsequent years for the duration of the SPH Performance Share Plan,

and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST."

(iii) "That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Ordinary Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the SGX-ST; and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases or acquisitions of Ordinary Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of an Ordinary Share for the five consecutive trading days on which the Ordinary Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action which occurs after the relevant five day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Ordinary Shares from holders of Ordinary Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Ordinary Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means that number of issued Ordinary Shares representing 10 per cent. of the total number of the issued Ordinary Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

"**Maximum Price**", in relation to an Ordinary Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, in the case of a market purchase of an Ordinary Share and off-market purchase pursuant to an equal access scheme, 105 per cent. of the Average Closing Price of the Ordinary Share; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution."

By Order of the Board

Ginney Lim May Ling
Khor Siew Kim
Company Secretaries

Singapore,
5 November 2018

NOTES:

1. (a) A Member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting, provided that a member holding management shares is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting in respect of the management shares held by him. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A Member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

2. A proxy need not be a Member of the Company.

3. The instrument appointing a proxy or proxies must be lodged at the Company's Share Registration Office, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02, Singapore 068898 not less than 72 hours before the time fixed for the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Member of the Company (i) consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Member discloses the personal data of the Member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of warranty.

EXPLANATORY NOTES & STATEMENT PURSUANT TO ARTICLE 75 OF THE COMPANY'S CONSTITUTION

1. In relation to Ordinary Resolution No. 3(i):

   Lee Boon Yang* will, upon re-election, continue as Chairman of the Board, as Chairman of the Executive Committee and Remuneration Committee, and as a member of the Nominating Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Dr Lee and the other Directors or the Company.

2. In relation to Ordinary Resolution No. 3(ii):

   Janet Ang Guat Har* will, upon re-election, continue as a member of the Audit Committee and Board Risk Committee. She is considered an independent Director. There are no relationships (including immediate family relationships) between Ms Ang and the other Directors or the Company.

3. In relation to Ordinary Resolution No. 3(iii):

   Tan Chin Hwee* will, upon re-election, continue as a member of the Audit Committee and Remuneration Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Tan and the other Directors or the Company.

4. Ordinary Resolution No. 4, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is, during the financial year from 1 September 2018 to 31 August 2019. The amount of Directors' fees is computed based on the anticipated number of Board and Board Committee meetings, assuming full attendance by all the Directors. The amount also includes a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director, additional unscheduled Board meetings and/or for the formation of additional Board Committees. In order to align Directors' interests with that of shareholders, up to 25 per cent. of their fees may be used to acquire ordinary shares of the Company in their names from the open market.

   * *Details of the Director's current directorships in other listed companies and other principal commitments are set out on pages 23 to 25 of the Annual Report 2018.*

5. The effects of the Resolutions under the heading "Special Business" in the Notice of the Thirty-Fourth Annual General Meeting are:

   (a) Ordinary Resolution No. 6(i) is to authorise the Directors of the Company from the date of that meeting until the next Annual General Meeting, subject to the provisions of the Newspaper and Printing Presses Act, Chapter 206, to issue shares of the Company and/or to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which up to 10 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) may be issued other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time that Ordinary Resolution No. 6(i) is passed, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution No. 6(i) is passed, and (ii) any subsequent bonus issue, consolidation or subdivision of shares. For the avoidance of doubt, any consolidation or subdivision of shares of the Company will require shareholders' approval. As at 8 October 2018 (the "**Latest Practicable Date**"), the Company had 2,295,388 treasury shares and no subsidiary holdings.

   (b) Ordinary Resolution No. 6(ii) is to empower the Directors to grant awards, and to allot and issue new ordinary shares of the Company, pursuant to the SPH Performance Share Plan 2016. The total number of ordinary shares which may be delivered pursuant to awards granted under the SPH Performance Share Plan 2016 (whether in the form of ordinary shares or in the form of cash in lieu of ordinary shares) shall not exceed 5 per cent. of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time. In addition, Ordinary Resolution No. 6(ii) will provide that the total number of ordinary shares under awards to be granted pursuant to the SPH Performance Share Plan 2016 from this Annual General Meeting to the next Annual General Meeting (the "**Relevant Year**") shall not exceed 1 per cent. of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"), provided that if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used by the Directors to make grants of awards under the SPH Performance Share Plan 2016 in subsequent years, for the duration of the SPH Performance Share Plan 2016.

   (c) Ordinary Resolution No. 6(iii) is to renew the mandate to permit the Company to purchase or acquire issued ordinary shares of the Company on the terms and subject to the conditions of the Resolution.

   The Company may use internal sources of funds, or a combination of internal resources and external borrowings, to finance the purchase or acquisition of its ordinary shares. The amount of funding required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired and the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

   The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Buy Back Mandate on the audited financial statements of the Company and the Group for the financial year ended 31 August 2018, based on certain assumptions, are set out in paragraph 2.6 of the Letter to Shareholders dated 5 November 2018.

VOTING RIGHTS OF SHAREHOLDERS

The holders of management and ordinary shares shall be entitled to one (1) vote for each share, except that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, the holders of the management shares shall be entitled either on a poll or show of hands to two hundred (200) votes for each management share held in accordance with the provisions of the Newspaper and Printing Presses Act, Chapter 206.

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PROXY FORM

SINGAPORE PRESS HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
Co Regn No: 198402868E

IMPORTANT
1. *Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.*
2. *For CPF/SRS investors who have used their CPF/SRS monies to buy shares in Singapore Press Holdings Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.*

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the Member accepts and agrees to the personal data privacy terms set out in the accompanying Notice of Annual General Meeting.

Refreshments after Annual General Meeting
Coffee, tea and water will be served after the Annual General Meeting.

I/We, ________________________ (Name) ____________________ (NRIC/Passport/Co. Reg. No.)

of ____ (Address)

being a Member/Members of the abovenamed Company, hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

or failing him/her, or if no person is named above, the Chairman of the Annual General Meeting, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the Auditorium, 1000 Toa Payoh North, News Centre, 1st Storey, Annexe Block, Singapore 318994 on Monday, 3 December 2018 at 2.30 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting and at any adjournment thereof.

(Voting will be conducted by poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" in the relevant box provided below. Alternatively, if you wish to vote some of your shares "For" and some of your shares "Against" the relevant resolution, please insert the relevant number of shares (and, if you hold both ordinary shares and management shares, the relevant class of shares) in the relevant boxes provided below.)

No.	Resolutions	No. of votes For	No. of votes Against
	Routine Business		
1.	To receive and adopt the Directors' Statement and Audited Financial Statements and the Auditor's Report thereon		
2.	To declare a Final Dividend and a Special Dividend		
3.	To re-elect Directors pursuant to Articles 116 and 117 (i) Lee Boon Yang		
	(ii) Janet Ang Guat Har		
	(iii) Tan Chin Hwee		
4.	To approve Directors' fees for the financial year ending 31 August 2019		
5.	To re-appoint the Auditor and authorise the Directors to fix its remuneration		
	Special Business		
6.	(i) To authorise the Directors to issue shares and instruments convertible into shares pursuant to Section 161 of the Companies Act, Chapter 50		
	(ii) To authorise the Directors to grant awards and allot and issue ordinary shares pursuant to the SPH Performance Share Plan 2016		
	(iii) To approve the renewal of the Share Buy Back Mandate		

Dated this ____________ day of ____________ 2018.

Total Number of Ordinary Shares held	
Total Number of Management Shares held	

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

PROXY FORM

SINGAPORE PRESS HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
Co Regn No: 198402868E

IMPORTANT

Note:

1. Please insert the total number of ordinary shares and/or management shares ("**Shares**") held by you. If you have ordinary shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of ordinary shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have ordinary shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. (a) A Member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting, provided that a Member holding management shares is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting in respect of the management shares held by him. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A Member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. A proxy need not be a Member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02, Singapore 068898, not less than 72 hours before the time appointed for the Annual General Meeting.

5. Completion and return of an instrument appointing a proxy or proxies shall not preclude a Member from attending, speaking and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy or proxies, to the Annual General Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

7. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the Member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

This annual report was produced by the Corporate Communications & CSR Division

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ANNUAL REPORT 2018