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

ANNOUNCEMENT
AUDITED RESULTS FOR THE YEAR ENDED 31 August 2020

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

Results for the Year ended 31 August 2020

	Group		
	2020	**2019**	**Change**
	S$'000	S$'000	%
Operating revenue	865,662	959,255	(9.8)
Other operating income	88,987	18,414	383.3
Total revenue	954,649	977,669	(2.4)
Materials, production and distribution costs	(119,748)	(134,856)	(11.2)
Staff costs	(328,429)	(333,309)	(1.5)
Premises costs	(112,941)	(84,960)	32.9
Depreciation	(40,628)	(27,381)	48.4
Other operating expenses	(148,340)	(136,676)	8.5
Allowance on trade receivables	(9,844)	(690)	NM
Allowance on cash and cash equivalents	(1,956)	-	NM
Impairment of goodwill and intangibles	(17,451)	(23,603)	(26.1)
Finance costs	(65,065)	(49,272)	32.1
Total costs	(844,402)	(790,747)	6.8
Operating profit	110,247	186,922	(41.0)
Fair value change on investment properties	(232,013)	82,407	NM
Share of results of associates and joint ventures	3,418	19,119	(82.1)
Net income from investments	17,382	9,834	76.8
Gain on divestment of a property	25,712	-	NM
Impairment of an associate	(10,008)	-	NM
(Loss)/Profit before taxation	(85,262)	298,282	NM
Taxation	(27,240)	(38,736)	29.7
(Loss)/Profit after taxation	(112,502)	259,546	NM
Attributable to:			
Shareholders of the Company	**(83,676)**	**213,211**	**NM**
Non-controlling interests	(28,826)	46,335	NM
	(112,502)	259,546	NM

NM Not Meaningful

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

	Group		
	2020	**2019**	**Change**
	S$'000	S$'000	%
Write-back of allowance/(Allowance) for stock obsolescence	204	(1,054)	NM
Share-based compensation expense	(2,601)	(3,336)	(22.0)
Retrenchment costs	(17,416)	-	NM
Bad debts recovery	19	46	(58.7)
Impairment of property, plant and equipment	(4,458)	-	NM
Profit on disposal of property, plant and equipment	507	75	576.0
Amortisation of intangible assets	(7,740)	(8,062)	(4.0)
Impairment of goodwill	(11,688)	(22,146)	(47.2)
Impairment of intangible assets	(5,763)	(1,457)	295.5
(Loss)/Gain on divestment of interests in subsidiaries	(98)	396	NM
Gain/(Loss) on divestment of interests in associates	477	(426)	NM
Interest income from treasury and operations	9,586	7,155	34.0
Net fair value changes on			
- Investments at fair value through profit or loss ("FVTPL")	5,108	3,190	60.1
- Derivatives (foreign exchange forwards)	(100)	(407)	(75.4)
Net foreign exchange differences	1,884	884	113.1
Net (under)/over-provision of prior years' taxation	(55)	2,300	NM

1(a)(iii) Statement of Comprehensive Income

	Group 2020 S$'000	Group 2019 S$'000	Change %
(Loss)/Profit after taxation	(112,502)	259,546	NM
Other comprehensive income, net of tax			
Items that may be re-classified subsequently to profit or loss			
Capital reserves			
- share of capital reserves of an associate	-	20	NM
Cash flow hedges (interest rate swaps)			
- net fair value changes	(10,808)	(5,444)	98.5
- transferred to income statement	2,966	1,514	95.9
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	57,298	(13,327)	NM
	49,456	(17,237)	NM
Item that will not be re-classified subsequently to profit or loss			
Net fair value changes on fair value through other comprehensive income ("FVOCI") financial assets	35,696	70,153	(49.1)
Total comprehensive income	(27,350)	312,462	NM
Attributable to:			
Shareholders of the Company	**(10,573)**	**267,550**	**NM**
Non-controlling interests	(16,777)	44,912	NM
	(27,350)	312,462	NM

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

Statements of Financial Position as at 31 August 2020

	Group		Company	
	31 Aug 2020	**31 Aug 2019**	**31 Aug 2020**	**31 Aug 2019**
	S$'000	S$'000	S$'000	S$'000
CAPITAL EMPLOYED				
Share capital	522,809	522,809	522,809	522,809
Treasury shares	(20,734)	(13,226)	(20,734)	(13,226)
Reserves	139,779	82,618	1,845	3,260
Retained profits	2,671,666	2,896,255	1,693,580	1,780,434
Shareholders' interests	3,313,520	3,488,456	2,197,500	2,293,277
Perpetual securities	452,493	150,512	452,493	150,512
Non-controlling interests	1,185,933	1,068,180	-	-
Total equity	**4,951,946**	**4,707,148**	**2,649,993**	**2,443,789**
EMPLOYMENT OF CAPITAL				
Non-current assets				
Property, plant and equipment	225,626	188,023	43,175	43,194
Investment properties	6,420,294	5,014,896	-	-
Subsidiaries	-	-	430,528	436,798
Associates	358,055	366,012	-	-
Joint ventures	14,933	21,995	195	600
Investments	423,564	352,797	-	-
Intangible assets	131,754	141,197	38,550	41,311
Trade and other receivables	246,250	251,337	2,311,924	2,069,297
Derivatives	200	2,065	-	-
	7,820,676	6,338,322	2,824,372	2,591,200
Current assets				
Inventories	20,063	23,472	18,542	21,491
Trade and other receivables	144,295	147,408	1,308,294	761,108
Investments	-	43,733	-	-
Derivatives	-	20	-	-
Cash and cash equivalents	864,693	554,435	671,091	119,816
	1,029,051	769,068	1,997,927	902,415
Total assets	8,849,727	7,107,390	4,822,299	3,493,615
Non-current liabilities				
Trade and other payables	55,736	40,475	515	105
Deferred tax liabilities	42,052	34,431	5,930	7,363
Borrowings	2,191,173	1,646,008	648,412	146,810
Derivatives	13,933	2,339	2,548	1,096
	2,302,894	1,723,253	657,405	155,374
Current liabilities				
Trade and other payables	285,540	228,328	798,176	752,225
Current tax liabilities	22,622	36,099	2,277	8,169
Borrowings	1,286,045	411,001	714,448	134,058
Derivatives	680	1,561	-	-
	1,594,887	676,989	1,514,901	894,452
Total liabilities	3,897,781	2,400,242	2,172,306	1,049,826
Net assets	**4,951,946**	**4,707,148**	**2,649,993**	**2,443,789**

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

Group Borrowings

	As at 31 August 2020		**As at 31 August 2019**	
	Secured S$'000	**Unsecured** S$'000	**Secured** S$'000	**Unsecured** S$'000
Amount repayable in one year	515,607	761,678	279,625	131,376
Amount repayable after one year	1,494,566	637,720	1,454,932	191,076

Details of collateral

The total secured borrowings of S$2,010.2 million as at 31 August 2020 (31 August 2019: S$1,734.6 million) represented the secured borrowings stated at amortised cost.

The secured borrowings comprised S$995 million for SPH REIT, S$300 million for The Seletar Mall Pte Ltd ("TSMPL"), £205 million for Straits Capitol Trust ("SCT"), A$105 million for Figtree Holding Trust ("FHT"), A$200 million for Marion Sub Trust ("MST") and ¥3.2 billion for Straits Himawari TMK One TMK ("TMK1") and Straits Himawari TMK Two TMK ("TMK2") (31 August 2019: S$995 million for SPH REIT, S$300 million for TSMPL, £205 million for SCT and A$105 million for FHT).

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

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

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

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

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

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

The above borrowings exclude lease liabilities of S$67.6 million (31 August 2019: Nil) recognised on right-of-use assets following the adoption of SFRS(I) 16 *Leases*.

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

Consolidated Statement of Cash Flows for the Year ended 31 August 2020

	2020 S$'000	2019 S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(85,262)	298,282
Adjustments for:		
Depreciation	40,628	27,381
Profit on disposal of property, plant and equipment	(507)	(75)
Fair value change on investment properties	232,013	(82,407)
Share of results of associates and joint ventures	(3,418)	(19,119)
Gain on divestment of a property	(25,712)	-
Loss/(Gain) on divestment of interests in subsidiaries	98	(396)
(Gain)/Loss on divestment of interests in associates	(477)	426
Net income from investments	(17,382)	(9,834)
Amortisation of intangible assets	7,740	8,062
Impairment of an associate	10,008	-
Impairment of goodwill	11,688	22,146
Impairment of intangible assets	5,763	1,457
Impairment of property, plant and equipment	4,458	-
Allowance on trade receivables	9,844	690
Finance costs	65,065	49,272
Share-based compensation expense	2,601	3,336
Other non-cash items	2,124	1,489
Operating cash flow before working capital changes	259,272	300,710
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	3,409	(836)
Trade and other receivables, current	(23,164)	(6,094)
Trade and other payables, current	7,712	(5,696)
Trade and other receivables, non-current	732	365
Trade and other payables, non-current	(853)	1,113
Others	6,496	(2,697)
	253,604	286,865
Income tax paid	(32,263)	(49,317)
Net cash from operating activities	**221,341**	**237,548**

Consolidated Statement of Cash Flows for the Year ended 31 August 2020(cont'd)

	2020 S$'000	2019 S$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(12,236)	(25,786)
Proceeds from disposal of property, plant and equipment	25,915	547
Additions to investment properties	(780,428)	(580,884)
Acquisition of subsidiaries (net of cash acquired)	(720,429)	(231,907)
Acquisition of interests in associates	(660)	(73,739)
Distributions received from associates	14,215	87,222
Proceeds from divestment of interests in subsidiaries	3,401	4,715
Proceeds from divestment of interest in an associate	-	6
(Increase)/Decrease in amounts owing by associates/ joint ventures	(813)	268
Increase/(Decrease) in amounts owing to associates/ joint ventures	269	(1,072)
Purchase of investments, non-current	(10,819)	(99,421)
Purchase of investments, current	(150,778)	(279,595)
Proceeds from capital distribution/disposal of investments, non-current	41,202	15,148
Proceeds from capital distribution/disposal of investments, current	190,577	516,470
Dividends received	5,264	2,423
Interest received	5,017	3,386
Other investment income	1,246	(3,408)
Net cash used in investing activities	**(1,389,057)**	**(665,627)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings (net of transaction costs)	2,472,754	1,278,196
Repayment of borrowings	(1,187,968)	(808,169)
Payment for lease liabilities	(15,432)	-
Interest paid	(58,775)	(46,769)
Share buy-back	(9,349)	(9,225)
Proceeds from perpetual securities issued (net of transaction costs)	298,396	148,824
Proceeds from perpetual securities issued by a subsidiary (net of transaction costs)	-	298,202
Proceeds from capital contribution by non-controlling interests	162,823	16,961
Dividends paid	(128,842)	(201,728)
Dividends paid to non-controlling interests	(30,545)	(53,276)
Distributions to perpetual securities holders	(25,088)	-
Net cash from financing activities	**1,477,974**	**623,016**
Net increase in cash and cash equivalents	**310,258**	**194,937**
Cash and cash equivalents at beginning of financial year	554,435	359,498
Cash and cash equivalents at end of financial year	**864,693**	**554,435**

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

Statements of Changes in Total Equity for the Year ended 31 August 2020

(a) Group

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

Statements of Changes in Total Equity for the Year ended 31 August 2019 (cont'd)

(a) Group (cont'd)

	← Attributable to Shareholders of the Company →											
	Share Capital	**Treasury Shares**	**Capital Reserve**	**Share-based Compensation Reserve**	**Hedging Reserve**	**Fair Value Reserve**	**Currency Translation Reserve**	**Retained Profits**	**Total**	**Perpetual Securities**	**Non-controlling Interests**	**Total Equity**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 September 2018	522,809	(7,101)	(10,261)	7,783	(1,958)	255,468	1,265	2,662,095	3,430,100	-	761,140	4,191,240
Total comprehensive income for the year	-	-	20	-	(3,402)	70,153	(12,432)	213,211	267,550	-	44,912	312,462
Realised profit on disposal of FVOCI financial assets	-	-	-	-	-	(220,362)	-	220,362	-	-	-	-
Transactions with owners, recognised directly in equity												
Contributions by and distributions to owners												
Share-based compensation	-	-	-	3,336	-	-	-	-	3,336		-	3,336
Treasury shares re-issued	-	3,100	-	(6,949)	-	-	-	3,818	(31)	-	-	(31)
Share buy-back – held as treasury shares	-	(9,225)	-	-	-	-	-	-	(9,225)	-	-	(9,225)
Issue of perpetual securities	-	-	-	-	-	-	-	-	-	148,824	297,890	446,714
Dividends and distribution	-	-	-	-	-	-	-	(203,416)	(203,416)	1,688	(53,276)	(255,004)
Changes in ownership interest in a subsidiary without a change in control												
Acquisition of additional interest in a subsidiary	-	-	(37)	-	(6)	-	-	188	145	-	(145)	-
Dilution of interest in a subsidiary	-	-	-	-	-	-	-	(3)	(3)	-	61	58
Changes in ownership interest in subsidiaries												
Disposal of interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	(74)	(74)
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	17,672	17,672
Balance as at 31 August 2019	**522,809**	**(13,226)**	**(10,278)**	**4,170**	**(5,366)**	**105,259**	**(11,167)**	**2,896,255**	**3,488,456**	**150,512**	**1,068,180**	**4,707,148**

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

(b) Company

	Share Capital	Treasury Shares	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Retained Profits	Total	Perpetual securities	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 September 2019	522,809	(13,226)	4,170	(910)	-	1,780,434	2,293,277	150,512	2,443,789
Total comprehensive income for the year	-	-	-	(1,205)	-	57,150	55,945	-	55,945
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Share-based compensation	-	-	2,601	-	-	-	2,601	-	2,601
Treasury shares re-issued	-	1,841	(2,811)	-	-	1,176	206	-	206
Share buy-back – held as treasury shares	-	(9,349)	-	-	-	-	(9,349)	-	(9,349)
Issue of perpetual securities	-	-	-	-	-	-	-	298,396	298,396
Dividends and distribution	-	-	-	-	-	(145,180)	(145,180)	3,585	(141,595)
Balance as at 31 August 2020	**522,809**	**(20,734)**	**3,960**	**(2,115)**	**-**	**1,693,580**	**2,197,500**	**452,493**	**2,649,993**
Balance as at 1 September 2018	522,809	(7,101)	7,783	-	-	1,489,926	2,013,417	-	2,013,417
Total comprehensive income for the year	-	-	-	(910)	-	490,106	489,196	-	489,196
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Share-based compensation	-	-	3,336	-	-	-	3,336	-	3,336
Treasury shares re-issued	-	3,100	(6,949)	-	-	3,818	(31)	-	(31)
Share buy-back – held as treasury shares	-	(9,225)	-	-	-	-	(9,225)	-	(9,225)
Issue of perpetual securities	-	-	-	-	-	-	-	148,824	148,824
Dividends and distribution	-	-	-	-	-	(203,416)	(203,416)	1,688	(201,728)
Balance as at 31 August 2019	**522,809**	**(13,226)**	**4,170**	**(910)**	**-**	**1,780,434**	**2,293,277**	**150,512**	**2,443,789**

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

Performance Shares

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

(b) As at 31 August 2020, the number of shares granted and outstanding (being contingent award) under the 2016 Share Plan was 4,605,458 (31 August 2019: 3,590,502). Movements in the number of performance shares during the financial year are summarised below:

Outstanding as at 01.09.19 ('000)	Adjusted# ('000)	Granted* ('000)	Vested ('000)	Lapsed ('000)	Outstanding as at 31.08.20 ('000)
3,591	(413)	2,155	(709)	(19)	4,605

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

* Included a special sign-on bonus of SPH shares

Share Buy Back

Under the Share Buy Back Mandate (first approved by the Shareholders on 16 July 1999 and last renewed at the Annual General Meeting on 29 November 2019), the Company bought back 5,637,600 ordinary shares during the financial year. These shares are held as treasury shares. The amount paid, including brokerage fees, totalled S$9.3 million and was deducted against shareholders' equity.

Share Capital and Treasury Shares

As at 31 August 2020, the Company had 1,590,574,197 ordinary shares, 16,361,769 management shares and 10,074,924 treasury shares (31 August 2019: 1,595,502,880 ordinary shares, 16,361,769 management shares and 5,146,241 treasury shares).

The treasury shares held represent 0.6% (31 August 2019: 0.3%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 31 August 2020 and 31 August 2019.

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

As at 31 August 2020, the Company had 1,590,574,197 ordinary shares, 16,361,769 management shares (31 August 2019: 1,595,502,880 ordinary shares,16,361,769 management shares).

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

During the financial year, the Company transferred 708,917 treasury shares for the fulfillment of share awards vested under the SPH PSP. The total value of the treasury shares transferred was S$1.8 million.

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

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

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

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

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

Please refer to the attached auditors' report.

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

Accounting Policies

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 August 2019, except for the adoption of the Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 *Leases* applicable for the financial period beginning 1 September 2019, and early adoption of the Amendments to SFRS(I) 3 *Definition of a Business*.

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group and the Company applied SFRS(I) 16 on 1 September 2019, using the modified retrospective approach, with no restatement of comparative information. The Group and the Company applied the practical expedient to grandfather the definition of a lease on transition. This means that they will apply SFRS(I) 16 to all contracts entered into before 1 September 2019 and identified as leases in accordance with SFRS(I) 1-17 *Leases* and SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*.

On 1 September 2019, the Group recognised ROU assets of S$93.1 million, financial lease receivables of S$3.8 million from sub-lease arrangements, and lease liabilities of S$96.6 million.

Amendments to SFRS(I) 3 *Definition of a Business*

The Group has elected to early adopt the Amendments to SFRS(I) 3 *Definition of a Business*, effective for periods beginning on or after 1 January 2020. The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

On 20 December 2019, the Group acquired all the shares in 17 companies in the UK for a consideration of £411 million (including discharge of the companies' debt owing to a financial institution of £131.9 million). Arising from the acquisition, the Group acquired a portfolio of PBSA properties and a property management services operator. Based on the concentration test, substantially all of the fair values of the gross assets is concentrated in investment properties. As such, the transaction was accounted for as an asset acquisition.

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

(Loss)/Earnings Per Share

	Group	
	2020	**2019**
(a) Based on the weighted average number of shares on issue (S$)	(0.07)	0.13
(b) On fully diluted basis (S$)	(0.07)	0.13

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

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

Net Asset Value Per Share

	Group		Company	
	31 Aug 2020	**31 Aug 2019**	**31 Aug 2020**	**31 Aug 2019**
Net asset value per share based on total number of issued shares at the end of year (S$)	2.06	2.16	1.37	1.42

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

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

Review of Results for the Year ended 31 August 2020 ("FY2020") compared with the Year ended 31 August 2019 (FY2019).

7.1 Income Statement

7.1.1 Group operating revenue comprised mainly advertisement and circulation revenue (print and digital), rental income from retail malls and student accommodation, and income from other businesses (including aged care, exhibitions and education). The decrease in group operating revenue of S$93.6 million (9.8%), from S$959.3 million in FY2019 to S$865.7 million in FY2020, was driven by lower advertisement revenue of S$122.5 million (31.4%) from the media business. Circulation revenue was flat year-on-year as revenue was boosted by tablet subscriptions. Rental income increased by S$31.8 million (10.7%) contributed mainly by the PBSA portfolio and Westfield Marion.

Other operating income included sales of production waste and other scrap materials, distribution service fees for third party periodicals, income from branding events and grant income. Operating income increased by S$70.6 million (383.3%), from S$18.4 million in FY2019 to S$89 million in FY2020, contributed by grant income from Jobs Support Scheme ("JSS") of S$33.4 million and other Covid-19 related grants of S$35.1 million comprising mainly property tax rebates.

Total revenue of S$954.6 million in FY2020 was lower by S$23 million (2.4%) compared to S$977.7 million in FY2019.

7.1.2 Materials, production and distribution costs included newsprint and other material costs, factory overheads and distribution costs for the media business, and production costs and supplies for exhibitions and aged care businesses. The reduction in materials, production and distribution costs by S$15.1 million (11.2%), from S$134.9 million in FY2019 to S$119.7 million in FY2020, arose from reduction in newsprint costs.

Staff costs comprised salaries, bonuses, allowances, employers' contribution to defined contribution plans and share-based compensation expense. The decrease in staff costs of S$4.9 million (1.5%), from S$333.3 million in FY2019 to S$328.4 million in FY2020 was due to lower headcount and bonus provision.

Premises costs relate mainly to rental expenses, property tax, building maintenance costs and utility charges, and are primarily incurred for the retail malls, student accommodation, media and aged care businesses. The increase in premises costs of S$28 million (32.9%), from S$85 million in FY2019 to S$112.9 million in FY2020 was mainly due to S$28.3 million of property tax rebates being passed onto tenants. FY2020 saw higher premises costs of S$5.3 million (37.1%) from the PBSA portfolio due to increased scale of operations, and S$12.6 million from Westfield Marion which was acquired in December 2019. These were substantially offset by lower rental expense of S$16.7 million (85.1%) with rental expenses being replaced by depreciation expense recognised for right-of-use (ROU) assets and finance charges on lease liabilities following the adoption of SFRS (I) 16 *Leases*.

Depreciation increased by S$13.2 million (48.4%) from S$27.4 million in FY2019 to S$40.6 million in FY2020 mainly due to the depreciation of ROU assets.

Other operating expenses included business promotion expenses, articles and news agencies' fees, computer system maintenance and software licence fees, amortisation of intangibles assets, foreign exchange differences and other expenses in line with business activities. The other operating expenses increased by S$11.7 million (8.5%), from S$136.7 million in FY2019 to S$148.3 million in FY2020. This was mainly due to retrenchment costs of S$17.4 million and impairment charges on property, plant and equipment of S$4.5 million recorded this year, partially offset by lower business promotion cost of S$8.4 million.

Allowance on trade receivables of S$9.8 million recognised in FY2020 relates mainly to retail mall tenants' assistance relief mandated by the Australia authorities.

Allowance on cash and cash equivalents of S$2 million recognised in FY2020 relates to expected credit loss on bank balances.

Impairment of goodwill and intangibles of S$17.5 million recognised in FY2020 was attributed mainly to the aged care and student accommodation businesses due to possible slowdown in growth in view of the on-going Covid-19 situation. The charges in FY2019 primarily related to the aged care business.

Finance costs increased by S$15.8 million (32.1%), from S$49.3 million in FY2019 to S$65.1 million in FY2020, due to interest costs on the S$500 million 3.2% Notes issued in January 2020 ("Notes"), loan facilities taken up to fund the acquisition of new assets in the PBSA portfolio and Westfield Marion, and on lease liabilities.

Overall, total costs increased by S$53.7 million (6.8%) from S$790.7 million in FY2019 to S$844.4 million in FY2020.

7.1.3 As a result of the foregoing, operating profit of S$110.2 million in FY2020 was S$76.7 million (41%) lower compared to S$186.9 million in FY2019.

7.1.4 Fair value loss on investment properties of S$232 million in FY2020 largely arose from reduction in property valuation of retail malls (S$196.5 million) and PBSA portfolio (S$31.9 million). Fair value gain on investment properties of S$82.4 million in FY2019 was mainly attributed to PBSA portfolio (S$35 million), retail malls (S$31.6 million) and bungalows (S$15 million).

7.1.5 Share of results of associates and joint ventures was lower by S$15.7 million (82.1%), from S$19.1 million in FY2019 to S$3.4 million in FY2020, as last year included a S$13.9 million fair value gain and S$10.4 million divestment gain from Perennial Chinatown Point LLP ("Chinatown Point"). This was partially cushioned by an increase in share of profits of S$7.8 million from Konnectivity Pte Ltd ("Konnectivity") this year.

7.1.6 Investment income comprised fair value changes on investments and derivatives, foreign exchange differences, and dividend and interest income from the investment portfolio. Investment income increased by S$7.5 million (76.8%) from S$9.8 million in FY2019 to S$17.4 million in FY2020, mainly due to higher dividend and interest income.

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

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

7.1.9 Loss before taxation was S$85.3 million in FY2020 against profit before taxation of S$298.3 million in FY2019. Excluding fair value change on investment properties, property divestment gains, impairment of goodwill, intangibles and associate, retrenchment costs, and Covid-19 related income and costs, the Group would have recorded profit before taxation of S$125.7 million in FY2020, S$89.5 million (41.6%) lower year-on-year.

7.1.10 Taxation charge of S$27.2 million in FY2020 was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. This included the amount of S$0.1 million for under-provision of taxation in respect of prior years.

7.1.11 Consequently, net loss attributable to shareholders was S$83.7 million in FY2020 as compared to net profit of S$213.2 million in FY2019.

7.2 Statements of Financial Position

Equity

7.2.1 Equity comprised share capital, treasury shares, reserves and retained profits of the Company's shareholders, perpetual securities and non-controlling interests. The increase in equity by S$244.8 million (5.2%) from S$4,707.1 million as at 31 August 2019 to S$4,951.9 million as at 31 August 2020 was attributed to S$300 million of perpetual securities issued by the Company and S$162.8 million contribution from non-controlling interests due to the issuance of SPH REIT units. This was partially offset by S$184.5 million of dividends and distribution paid during the year.

Non-current assets

7.2.2 Non-current assets comprised property, plant and equipment, investment properties, interests in associates and joint ventures, investments, intangible assets, trade and other receivables, and derivatives. The increase in non-current assets by S$1,482.4 million (23.4%) from S$6,338.3 million as at 31 August 2019 to S$7,820.7 million as at 31 August 2020 was mainly due to increases in investment properties.

7.2.3 Property, plant and equipment comprised leasehold land and buildings, plant and equipment, furniture and fittings, and motor vehicles. The increase in property, plant and equipment by S$37.6 million (20%), from S$188 million as at 31 August 2019 to S$225.6 million as at 31 August 2020, was attributed to additions of S$12.5 million and the recognition of ROU assets of S$65.1 million following the adoption of SFRS(I) 16 Leases, partially offset by depreciation of S$40.6 million.

7.2.4 Investment properties comprised mainly retail malls, student accommodation and aged care assets. The increase in investment properties by S$1,405.4 million (28%), from S$5,014.9 million as at 31 August 2019 to S$6,420.3 million as at 31 August 2020, arose from acquisitions of PBSA assets of S$755.3 million in the United Kingdom and Germany, retail asset Westfield Marion of S$627.7 million in Australia, aged care assets of S$76.3 million in Japan, additions of S$57.4 million mainly for the PBSA portfolio and currency translation gain of S$120.7 million on the Australia and United Kingdom properties. The increase was partly offset by fair value loss on investment properties of S$232 million.

7.2.5 Investments refer to equity securities, debt securities and investment funds. Non-current investments increased by S$70.8 million (20.1%) from S$352.8 million as at 31 August 2019 to S$423.6 million as at 31 August 2020, due to remeasurement gains of S$35.7 million on portfolio investments and reclassification from current investments of S$42.4 million for equities held for strategic purposes or securities with fixed fund life or maturity.

Current assets

7.2.6 Current assets comprised inventories, trade and other receivables, investments, derivatives, and cash and cash equivalents. The increase in current assets of S$260 million (33.8%) from S$769.1 million as at 31 August 2019 to S$1,029.1 million as at 31 August 2020 was due to increase in cash and cash equivalents.

7.2.7 Investments refer to equity securities, debt securities and investment funds. Current investments decreased from S$43.7 million as at 31 August 2019 to nil as at 31 August 2020 due to reclassification to non-current investments during the year.

7.2.8 Cash and cash equivalents increased by S$310.3 million (56%) from S$554.4 million as at 31 August 2019 to S$864.7 million as at 31 August 2020. Details of the movements are set out in the Consolidated Statement of Cash Flows in paragraph 1(c) and paragraph 7.3.

Non-current liabilities

7.2.9 Non-current liabilities comprised trade and other payables, deferred tax liabilities, borrowings, and derivatives. The increase in non-current liabilities by S$579.6 million (33.6%) from S$1,723.3 million as at 31 August 2019 to S$2,302.9 million as at 31 August 2020 was attributed to increase in non-current borrowings.

7.2.10 Trade and other payables increased by S$15.3 million (37.7%), from S$40.5 million as at 31 August 2019 to S$55.7 million as at 31 August 2020, due to deferred income relating to the joint venture to develop and operate data centre facilities.

7.2.11 Borrowings increased by S$545.2 million (33.1%), from S$1,646 million as at 31 August 2019 to S$2,191.2 million as at 31 August 2020. The increase relates mainly to the net proceeds of S$498 million from the issuance of Notes by the Company, bank loans of S$185.4 million (A$200 million) taken up to partially fund the acquisition of Westfield Marion, bonds of S$40.9 million (¥3.2 billion) to fund the acquisition of aged care assets in Japan, and currency translation loss of S$64.4 million. In addition, long-term lease liabilities of S$58.9 million was recognised following the adoption of SFRS(I) *16 Leases*. The increase was offset by reclassification of S$286.1 million of loans repayable within one year to current borrowings.

7.2.12 Derivatives (interest rate swaps) of S$13.9 million as at 31 August 2020 and S$2.4 million as at 31 August 2019 resulted from fair value changes on contracts that the Group entered into to hedge its interest rate risk exposure.

Current liabilities

7.2.13 Current liabilities comprised trade and other payables, current tax liabilities, borrowings and derivatives. The increase in current liabilities by S$917.9 million (135.6%) from S$677 million as at 31 August 2019 to S$1,594.9 million as at 31 August 2020 was due to increase in trade and other payables and current borrowings.

7.2.14 Trade and other payables increased by S$57.2 million (25.1%), from $228.3 million as at 31 August 2019 to S$285.5 million as at 31 August 2020, due mainly to higher payables and deferred income arising from the additions of PBSA assets and Westfield Marion, and deferred grant liabilities.

7.2.15 Current tax liabilities decreased by S$13.5 million (37.3%), from S$36.1 million as at 31 August 2019 to S$22.6 million as at 31 August 2020, in line with the Group's results.

7.2.16 Borrowings increased by S$875 million (212.9%), from S$411 million as at 31 August 2019 to S$1,286 million as at 31 August 2020. The increase was mainly due to the draw-down of short-term facilities (net of repayments) of S$577.5 million to fund the acquisition of PBSA and aged care assets, and as cash reserves; and reclassification of S$286.1 million of loans repayable within one year from non-current borrowings.

7.2.17 As at 31 August 2020, the Group is in a net current liabilities position of S$565.8 million mainly due to the maturity of loans within the next 12 months. This included term loans of S$300 million and S$215 million taken up by TSMPL and SPH REIT respectively which will be re-financed on maturity. The Group has various financing options for these loan amounts, and adequate unutilised credit facilities and marketable securities available for use.

7.3 Statement of Cash Flows

7.3.1 Net cash from operating activities of S$221.3 million was due to cash inflow from operating activities of S$253.6 million, partially offset by income tax paid of S$32.3 million.

7.3.2 Net cash used in investing activities of S$1,389.1 million was due to additions to investment properties of S$780.4 million and acquisition of subsidiaries of S$720.4 million relating to Westfield Marion and the PBSA portfolio. This was partially offset by net proceeds from the disposal and purchase of investments of S$68.2 million, and proceeds from disposal of property, plant and equipment of S$25.9 million mainly related to the divestment of 60% effective interest in Media Centre.

7.3.3 Net cash from financing activities of S$1,478 million was attributed to net proceeds from borrowings of S$1,284.8 million from the issuance of Notes and bonds, and loans drawn-down to fund the acquisition of Westfield Marion, PBSA and aged care assets, and as cash reserves. In addition, perpetual securities of S$298.4 million was issued by the Company. This was partially offset by payment of dividends of S$159.4 million.

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

Business Segments

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

Group Segmental Information
2020

	Media	Property	Others	Eliminations	Consolidated
	S$'000	S$'000	S$'000	S$'000	S$'000
Operating revenue					
External sales	445,145	327,174	93,343	-	865,662
Inter-segmental sales	3,442	2,967	1,109	(7,518)	-
Total operating revenue	448,587	330,141	94,452	(7,518)	865,662
Result					
Segment result	(9,403)	212,292	(10,195)	-	192,694
Finance costs	(2,030)	(52,623)	(10,412)	-	(65,065)
Fair value change on investment properties	-	(228,592)	(3,421)	-	(232,013)
Share of results of associates and joint ventures	69	(6,840)	10,189	-	3,418
Gain on divestment of a property	-	-	25,712	-	25,712
Impairment of an associate	-	-	(10,008)	-	(10,008)
(Loss)/Profit before Taxation	(11,364)	(75,763)	1,865	-	(85,262)
Taxation					(27,240)
Loss after taxation					(112,502)
Non-controlling interests					28,826
Loss attributable to Shareholders					(83,676)
Other information					
Segment assets	236,302	6,932,310	1,681,115	-	8,849,727
Segment assets includes:					
Associates/Joint ventures	1,410	30,637	340,941	-	372,988
Additions to:					
- property, plant and equipment	19,270	1,369	4,416		25,055
- investment properties	-	1,440,367	76,295		1,516,662
- intangible assets	-	15,475	-		15,475
Segment liabilities	157,375	2,700,825	974,907	-	3,833,107
Current tax liabilities					22,622
Deferred tax liabilities					42,052
Consolidated total liabilities					3,897,781
Depreciation	29,458	829	10,341	-	40,628
Impairment of property, plant and equipment	4,375	-	83	-	4,458
Amortisation of intangible assets	65	375	7,300	-	7,740
Impairment of goodwill	-	-	11,688	-	11,688
Impairment of intangible assets	-	5,371	392	-	5,763
Allowance on cash and cash equivalents	-	-	1,956	-	1,956

With effect from FY2020, the Treasury and Investment segment has been reported under the Others segment as it is not significant to be reported separately. The following tables show the revised comparative segment results for FY2019 and the previously reported results for F2019.

2019 (Comparative results for the combined Others segment)

	Media S$'000	**Property** S$'000	**Others** S$'000	**Eliminations** S$'000	**Consolidated** S$'000
Operating revenue					
External sales	576,881	296,512	85,862	-	959,255
Inter-segmental sales	5,433	3,188	1,501	(10,122)	-
Total operating revenue	582,314	299,700	87,363	(10,122)	959,255
Result					
Segment result	55,657	214,644	(24,273)	-	246,028
Finance costs	-	(49,171)	(101)	-	(49,272)
Fair value change on investment properties	-	82,407	-	-	82,407
Share of results of associates and joint ventures	(990)	15,118	4,991	-	19,119
Profit/(Loss) before taxation	54,667	262,998	(19,383)	-	298,282
Taxation					(38,736)
Profit after taxation					259,546
Non-controlling interests					(46,335)
Profit attributable to Shareholders					213,211
Other information					
Segment assets	249,067	5,810,383	1,047,940	-	7,107,390
Segment assets includes:					
Associates/Joint ventures	10,078	35,602	342,327	-	388,007
Additions to:					
- property, plant and equipment	22,340	511	2,935	-	25,786
- investment properties	-	814,020	-	-	814,020
- intangible assets	-	2,015	256	-	2,271
Segment liabilities	124,250	2,178,429	27,033	-	2,329,712
Current tax liabilities					36,099
Deferred tax liabilities					34,431
Consolidated total liabilities					2,400,242
Depreciation	21,218	489	5,674	-	27,381
Amortisation of intangible assets	373	-	7,689	-	8,062
Impairment of goodwill	146	-	22,000	-	22,146
Impairment of intangible assets	666	-	791	-	1,457

2019 (Previously reported results)

	Media S$'000	Property S$'000	Treasury and Investment S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
Operating revenue						
External sales	576,881	296,512	-	85,862	-	959,255
Inter-segmental sales	5,433	3,188	-	1,501	(10,122)	-
Total operating revenue	582,314	299,700	-	87,363	(10,122)	959,255
Result						
Segment result	55,657	214,644	8,062	(32,335)	-	246,028
Finance costs	-	(49,171)	(101)	-	-	(49,272)
Fair value change on investment properties	-	82,407	-	-	-	82,407
Share of results of associates and joint ventures	(990)	15,118	-	4,991	-	19,119
Profit/(Loss) before taxation	54,667	262,998	7,961	(27,344)	-	298,282
Taxation						(38,736)
Profit after taxation						259,546
Non-controlling interests						(46,335)
Profit attributable to Shareholders						213,211
Other information						
Segment assets	249,067	5,810,383	347,871	700,069	-	7,107,390
Segment assets includes:						
Associates/Joint ventures	10,078	35,602	-	342,327	-	388,007
Additions to:						
- property, plant and equipment	22,340	511	-	2,935	-	25,786
- investment properties	-	814,020	-	-	-	814,020
- intangible assets	-	2,015	-	256	-	2,271
Segment liabilities	124,250	2,178,429	1,031	26,002	-	2,329,712
Current tax liabilities						36,099
Deferred tax liabilities						34,431
Consolidated total liabilities						2,400,242
Depreciation	21,218	489	-	5,674	-	27,381
Amortisation of intangible assets	373	-	-	7,689	-	8,062
Impairment of goodwill	146	-	-	22,000	-	22,146
Impairment of intangible assets	666	-	-	791	-	1,457

Geographical segments

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

	Operating revenue		Non-current assets		Total assets	
	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000
Singapore	**746,248**	894,348	**5,445,270**	5,518,216	**6,387,767**	6,240,561
United Kingdom	**57,207**	36,372	**1,417,096**	608,960	**1,455,218**	634,505
Other countries	**62,207**	28,535	**958,310**	211,146	**1,006,742**	232,324
	865,662	959,255	**7,820,676**	6,338,322	**8,849,727**	7,107,390

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

Group Segmental Review

Media

Revenue for the Media business declined S$131.7 million (22.8%), from S$576.9 million in FY2019 to S$445.1 million in FY2020. Media advertisement revenue fell by S$122.5 million (31.4%) led by decline of S$99.1 million (32.9%) in newspaper print advertisement revenue. In addition, the magazine and radio businesses also saw advertisement revenue fall by S$13.6 million (38.7%) and S$3.9 million (24.3%) respectively. Circulation revenue was flat year-on-year as revenue was boosted by tablet subscriptions. The daily average newspaper digital sales increased by 130,598 copies (52.5%) while the daily average newspaper print sales decreased by 61,382 copies (12.6%).

Loss before taxation was S$11.4 million against a profit of S$54.7 million last year. The revenue decline of S$131.7 million (22.8%) was partially cushioned by grant income from JSS of S$28.1 million and reduction in costs of S$42.3 million (7.6%). The cost savings were mainly due to lower materials, production and distribution costs of S$30 million (22.8%), premises costs of S$8.2 million (12.4%), staff costs of S$15.1 million (5.4%) and business promotion cost of S$ 6.4 million (21%). However, this year also included retrenchment costs of S$16.6 million and impairment charges on production equipment of S$4.4 million.

Property

Revenue for the Property segment rose by S$30.7 million (10.3%), from S$296.5 million in FY2019 to S$327.2 million in FY2020. The acquisition of Westfield Marion in December 2019 contributed revenue of S$37.5 million in FY2020. The PBSA portfolio revenue increased by S$22.1 million (60.6%) due to a full year revenue for FY2019 acquisitions and new acquisitions in FY2020. Revenue and results of the local retail malls were impacted by the rental waivers of S$33.8 million granted to tenants to cushion Covid-19 impact.

Loss before taxation was S$75.8 million against a profit of S$263 million last year. This year included fair valuation loss on investment properties of S$228.6 million while last year recorded gains of S$82.4 million. In addition, FY2020 results included S$5.4 million impairment charges on the intangibles of PBSA portfolio while FY2019 results included S$13.9 million fair value gain and S$10.4 million property divestment gain from Chinatown Point associate.

Others

Revenue for the Others segment grew by S$7.5 million (8.7%), from S$85.9 million in FY2019 to S$93.3 million in FY2020. The aged care business recorded revenue increase of S$26.3 million (93.6%) boosted by the sale of personal protective equipment while the exhibitions business saw revenue decline of S$17.4 million (65.8%) with the deferment of shows as a result of the Covid-19 outbreak.

Profit before taxation was S$1.9 million against a loss of S$19.4 million last year. The improvement was driven by divestment gain on Media Centre of S$25.7 million. The results included impairment charges of S$22.1 million mainly attributed to the aged care business and investment in associate MindChamps, and allowance on cash and cash equivalents of S$2 million. This year also included fair value loss on investment properties of S$3.4 million from the overseas aged care business. FY2019 included impairment charges of S$22.8 million primarily related to the aged care business.

10. **Breakdown of Sales**

		Group		
		2020	**2019**	**Change**
		S$'000	S$'000	%
(a)	Operating revenue reported for first half year	471,434	477,643	(1.3)
(b)	Profit after tax before deducting non-controlling interests reported for the first half year	101,737	99,598	2.1
(c)	Operating revenue reported for second half year	394,228	481,612	(18.1)
(d)	(Loss)/Profit after tax before deducting non-controlling interests reported for the second half year	(214,239)	159,948	NM

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

No forecast was made previously.

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

12.1 The Media business continues to be challenged with the decline in print advertisements as Covid-19 intensified the structural decline in the advertisement sector. The digital transformation strategy is seeing progress in terms of improved circulation growth from digital subscriptions. Media will continue with its digital transformation roadmap and a disciplined approach to cost management.

12.2 In the Property segment, tenants in the retail malls in Singapore and Australia have been affected by lower footfall due to strict social distancing measures. The Group will continue to monitor the Covid-19 situation and work closely with tenants to overcome the challenges ahead, while operating the retail malls with precautionary safe distancing measures.

12.3 The Group will progressively take over and manage in-house the entire PBSA portfolio in FY2021. Amid the Covid-19 outbreak, the Group has been proactive in rolling out various measures to protect the residents and PBSA staff and will continue to observe the evolving situation in UK closely. Armed with full operating capabilities, SPH will continue to look for new opportunities in this sector.

12.4 The Group expanded its footprint overseas with the S$66 million acquisition of aged care assets in Japan consisting of a total of 365 beds across five assets in FY2020. Undergirded by the secular trend of a worldwide aging population, the Group will continue to develop Aged Care as a key business pillar while monitoring the Covid-19 situation before considering further investments.

13. Dividends

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Final Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend Rate	5.5 cents per share	1 cent per share
Tax Rate	Tax exempt	Tax exempt

(c) Date payable

The date the dividend is payable: 18 December 2020.

(d) Record Date

The Share Transfer Books and Register of Members of the Company will be closed on 4 December 2020, 5.00 p.m. for preparation of dividend warrants. Duly stamped and completed transfers received by our Share Transfer Office, Tricor Barbinder Share Registration Services, 80 Robinson Road #02-00 Singapore 068898, up to 5.00 p.m. on 4 December 2020 will be registered to determine shareholders' entitlements to the dividend. In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will distribute the dividend to holders of the securities accounts.

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

Not applicable.

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

Total Net Annual Dividend

	2020	**2019**
	S$'000	S$'000
Ordinary	40,202	193,504
Preference	-	-
Total	40,202	193,504

The amount of S$40,202,000 (Last year: S$193,504,000) included S$409,000 (Last year: S$1,963,000) relating to management shares.

* This may be increased depending on the number of issued shares existing as at the books closure date on 4 December 2020.

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

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

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

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

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

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

BY ORDER OF THE BOARD

Ginney Lim May Ling
Khor Siew Kim

Company Secretaries

Singapore,
13 October 2020

KPMG

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Independent Auditors' Report on the Full Financial Statements

Members of the Company
Singapore Press Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Singapore Press Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 August 2020, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in total equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages # to #.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 August 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Valuation of investment properties
(Refer to Note 3, 8 and 31(e) to the financial statements)

Risk:

The Group owns a portfolio of investment properties in Singapore, United Kingdom, Australia and Japan. Investment properties represent the single largest category of assets on the statement of financial position, at S$6.4 billion as at 31 August 2020.

These investment properties are stated at their fair values based on independent external valuations. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied, i.e. a small change in the assumptions can have a significant impact to the valuation.

On 11 March 2020, the World Health Organisation declared the Covid-19 outbreak to be pandemic, with many governments taking stringent steps to help contain and delay the spread of the virus. Arising from this, the Group experienced disruption to its business operations due to a significant increase in economic uncertainty evidenced by more volatile asset prices and currency exchange rates in countries in which the Group operates in. These unprecedented volatilities and the uncertainties in the recovery trajectories of the world economies in the near term in turn increased the level of subjectivity and judgement involved.

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

Our response:

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

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

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

Our findings:

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

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

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

Valuation of goodwill and intangible assets

(Refer to Note 3 and 13 to the financial statements)

Risk:

Intangible assets of S$131.8 million as at 31 August 2020 comprise mainly goodwill, trademarks, licences and technology acquired from business combinations. Impairment charge of S$17.5 million was recorded for goodwill and intangible assets.

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

Our response:

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

Our findings:

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

Valuation of unquoted investments
(Refer to Note 3, 12 and 31(e) to the financial statements)

Risk:

The Group's investment portfolio of S$423.6 million as at 31 August 2020 included unquoted investments of S$180.4 million, measured at Level 3 of the fair value hierarchy. The Level 3 investments are measured using non-observable market data (i.e. recent transacted price, indicative price for equity participation and underlying net asset value of the investee companies) and hence, the valuation of these investments involves significant judgement.

Certain Level 3 investments' underlying businesses were in sectors at risk due to the impact of Covid-19. The determination of the fair value of such investments would be challenging in such unprecedented circumstances.

Our response:

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

Our findings:

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

Liquidity risk management
(Refer to Note 2(a) to the financial statements)

Risk:

The Group's financial statements are prepared on a going concern basis. As at 31 August 2020, the Group is in a net current liability position of S$565.8 million arising from certain bank loans being due in 2021. The Group has various financing options for these loan amounts, unutilised credit facilities and non-current marketable securities to address short term liquidity needs. The Group is also working on long-term funding arrangements.

The current economic uncertainties due to the impact of Covid-19 and challenging market conditions may pose a risk to the Group in its ability to exercise its options to address short term liquidity needs.

Our response:

We evaluated management's assessment of the use of going concern basis of accounting based on the sources of liquidity and funding available to the Group. We evaluated the cash flow forecasts prepared by management for the next 12 months from the reporting date, and assessed if these forecasts are reasonable by reviewing management's stress-tested forecasts. We challenged the appropriateness of the key assumptions used by management.

Our findings:

We found management's assessment of the sources of liquidity and funding to support the going concern basis of accounting in the preparation of the financial statements to be appropriate. Adequate disclosure of the pertinent information has also been set out in Note 2(a) to the financial statements.

Accounting for significant acquisitions
(Refer to Note 30(a) to the financial statements)

Risk:

During the year, the Group acquired Student Castle Investments Holdco Limited and its subsidiaries for a purchase consideration of S$743.6 million (£411 million) (including discharge of the companies' debt owing to a financial institution of S$233.8 million (£131.9 million). The Group engaged an external valuer to perform the purchase price allocation.

The Group has elected to early adopt the Amendments to SFRS(I) 3 *Definition of a Business*, effective for periods beginning on or after 1 January 2020. Based on the concentration test, substantially all of the fair values of the gross assets are concentrated in investment properties. As such, the transaction was accounted for as an asset acquisition. Judgement is required to determine whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

There is also significant judgement involved in the purchase price allocation, including determining the purchase consideration, the appropriate valuation methodology to be used for determining the fair values of the identifiable assets and liabilities acquired and in estimating the underlying assumptions to be applied in such valuations, and the related deferring tax considerations on such fair value differences.

The valuations are highly sensitive to key assumptions applied, i.e. a small change in the assumptions can have a significant impact to the valuation, in particular in relation to the valuation of investment properties and intangible assets of trademark and technology.

Our response:

We considered management's assessment of the concentration test and its accounting of the acquisition. We examined the terms and conditions of the acquisition, independent valuation reports of the investment properties, and the purchase price allocation report. We evaluated the qualifications, competency and objectivity of the external valuers, and involved our valuation specialists in the review of the valuation methodologies and key assumptions used by the valuer in the valuation of the intangible assets. We tested the reasonableness of key assumptions (i.e. projected cash flows, discount rate, estimated useful life) used by the external valuer in the valuation of the intangible assets by considering historical performance, market data and forecast. We also considered the adequacy of disclosures for the acquisition.

Our findings:

Concentration test performed based on the fair values of the identifiable assets acquired and the accounting for the acquisition is in accordance with the SFRS(I) 3 *Business Combinations* (including the early adopted amendments as set out above). Valuation of investment properties are supported by independent valuation reports, and valuation of intangible assets was based on valuation methodologies which were noted to be in line with generally accepted valuation practices and the underlying key valuation assumptions were within range of market data. We also found the disclosures of this acquisition to be appropriate.

Other information

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

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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
13 October 2020

\# *The page numbers are as stated in the Independent Auditors' Report dated 13 October 2020 included in Singapore Press Holdings Limited's Annual Report for the financial year ended 31 August 2020.*