



SINGAPORE PRESS HOLDINGS LIMITED

Reg. No. 198402868E
(Incorporated in Singapore)

**ANNOUNCEMENT
UNAUDITED RESULTS* FOR THE PERIOD ENDED 31 MAY 2019**

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

Results for the Third Quarter ended 31 May 2019

	Group		
	3Q 2019	3Q 2018	Change
	S\$'000	S\$'000	%
Operating revenue	246,102	250,074	(1.6)
Other operating income	3,483	4,797	(27.4)
Total revenue	<u>249,585</u>	<u>254,871</u>	(2.1)
Materials, production and distribution costs	(32,720)	(34,951)	(6.4)
Staff costs	(85,249)	(87,360)	(2.4)
Premises costs	(21,414)	(16,864)	27.0
Depreciation	(7,074)	(6,587)	7.4
Other operating expenses	(37,806)	(31,015)	21.9
Impairment of goodwill and intangibles	(22,791)	(22,326)	2.1
Finance costs	(13,327)	(9,707)	37.3
Total costs	<u>(220,381)</u>	<u>(208,810)</u>	5.5
Operating profit [#]	29,204	46,061	(36.6)
Share of results of associates and joint ventures	10,795	255	NM
Net income from investments	3,956	21,895	(81.9)
Profit before taxation	43,955	68,211	(35.6)
Taxation	(7,575)	(12,115)	(37.5)
Profit after taxation	<u>36,380</u>	<u>56,096</u>	(35.1)
Attributable to:			
Shareholders of the Company	26,200	46,905	(44.1)
Non-controlling interests	10,180	9,191	10.8
	<u>36,380</u>	<u>56,096</u>	(35.1)

* Please refer to the attached auditors' review report.

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

NM Not Meaningful

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

	Group		
	3Q 2019	3Q 2018	Change
	S\$'000	S\$'000	%
Write-back of allowance/(Allowance) for stock obsolescence	3	(26)	NM
Share-based compensation expense	(714)	(782)	(8.7)
Reversal of provision for retrenchment and outplacement costs	-	1,280	NM
Impairment of trade receivables	(71)	(555)	(87.2)
Bad debts recovery	12	3	300.0
Write-back of impairment of property, plant and equipment	-	178	NM
Loss on disposal of property, plant and equipment	(20)	(8)	150.0
Amortisation of intangible assets	(2,034)	(2,449)	(16.9)
Impairment of goodwill	(22,000)	(17,240)	27.6
Impairment of intangible assets	(791)	(5,086)	(84.4)
Interest income from treasury and operations	1,697	2,602	(34.8)
Net profit on disposal of investments	-	14,762	NM
Net fair value changes on			
- Investments at fair value through profit or loss ("FVTPL")	1,610	(18)	NM
- Derivatives (foreign exchange forwards)	(838)	(2,153)	(61.1)
Net foreign exchange differences	659	816	(19.2)
Impairment of investments	-	(2,066)	NM
Net over-provision of prior years' taxation	1,082	483	124.0

1(a)(iii) Statement of Comprehensive Income

	Group		
	3Q 2019	3Q 2018	Change
	S\$'000	S\$'000	%
Profit after taxation	36,380	56,096	(35.1)
Other comprehensive income, net of tax			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Cash flow hedges (interest rate swaps)			
- net fair value changes	(2,018)	564	NM
- transferred to income statement	261	766	(65.9)
Net fair value changes on available-for-sale financial assets			
- net fair value changes	-	15,819	NM
- transferred to income statement	-	(12,092)	NM
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	(4,018)	580	NM
	(5,775)	5,637	NM
<u>Item that will not be re-classified subsequently to profit or loss</u>			
Net fair value changes on fair value through other comprehensive income ("FVOCI") financial assets	8,039	-	NM
Total comprehensive income	<u>38,644</u>	<u>61,733</u>	(37.4)
Attributable to:			
Shareholders of the Company	28,903	52,149	(44.6)
Non-controlling interests	9,741	9,584	1.6
	<u>38,644</u>	<u>61,733</u>	(37.4)

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 May 2019

	Group			Company		
	31 May 2019 S\$'000	31 Aug 2018 S\$'000	1 Sep 2017 S\$'000	31 May 2019 S\$'000	31 Aug 2018 S\$'000	1 Sep 2017 S\$'000
CAPITAL EMPLOYED						
Share capital	522,809	522,809	522,809	522,809	522,809	522,809
Treasury shares	(7,594)	(7,101)	(7,384)	(7,594)	(7,101)	(7,384)
Reserves	81,350	264,723	329,264	3,158	7,783	32,907
Retained profits	2,796,042	2,649,848	2,609,786	1,351,055	1,489,926	1,243,374
Shareholders' interests	3,392,607	3,430,279	3,454,475	1,869,428	2,013,417	1,791,706
Non-controlling interests	759,973	761,152	734,926	-	-	-
Total equity	4,152,580	4,191,431	4,189,401	1,869,428	2,013,417	1,791,706
EMPLOYMENT OF CAPITAL						
Non-current assets						
Property, plant and equipment	190,271	190,649	194,171	43,740	36,462	37,173
Investment properties	4,939,745	4,155,122	4,034,771	-	-	-
Subsidiaries	-	-	-	439,940	439,940	438,077
Associates	419,894	95,825	68,792	-	-	-
Joint ventures	26,675	39,174	8,696	600	600	-
Investments	261,794	453,951	513,728	-	-	27,173
Intangible assets	141,955	176,028	204,443	42,001	44,071	46,832
Trade and other receivables	249,660	246,562	8,935	283,255	283,809	4,650
Derivatives	968	200	200	-	-	-
	6,230,962	5,357,511	5,033,736	809,536	804,882	553,905
Current assets						
Inventories	24,821	22,636	21,892	22,430	20,281	19,557
Trade and other receivables	139,765	292,862	314,421	2,651,156	2,383,725	2,391,965
Investments	57,863	121,663	363,370	-	-	-
Asset held for sale	-	-	18,000	-	-	18,000
Derivatives	74	39	1,473	-	-	-
Cash and cash equivalents	206,026	359,498	312,647	70,433	161,886	150,467
	428,549	796,698	1,031,803	2,744,019	2,565,892	2,579,989
Total assets	6,659,511	6,154,209	6,065,539	3,553,555	3,370,774	3,133,894
Non-current liabilities						
Trade and other payables	28,703	39,362	37,556	470	1,121	2,876
Deferred tax liabilities	30,250	33,093	42,242	6,750	6,438	6,616
Borrowings	1,513,820	1,312,507	528,044	279,370	279,160	-
Derivatives	2,558	2,814	7,365	367	-	-
	1,575,331	1,387,776	615,207	286,957	286,719	9,492
Current liabilities						
Trade and other payables	231,919	230,527	241,352	934,230	973,237	1,020,196
Current tax liabilities	36,203	47,682	46,591	9,595	12,401	16,500
Borrowings	663,355	294,853	971,695	453,345	85,000	296,000
Derivatives	123	1,940	1,293	-	-	-
	931,600	575,002	1,260,931	1,397,170	1,070,638	1,332,696
Total liabilities	2,506,931	1,962,778	1,876,138	1,684,127	1,357,357	1,342,188
Net assets	4,152,580	4,191,431	4,189,401	1,869,428	2,013,417	1,791,706

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

Group Borrowings

Amount repayable in one year

As at 31 May 2019		As at 31 August 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
209,970	453,385	209,813	85,040

Amount repayable after one year

As at 31 May 2019		As at 31 August 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,183,101	330,719	982,849	329,658

Details of collateral

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

The total secured borrowings of S\$1,393.1 million as at 31 May 2019 (31 August 2018: S\$1,192.7 million) represented the secured borrowings stated at amortised cost.

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

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

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

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

Consolidated Statement of Cash Flows for the Third Quarter ended 31 May 2019

	3Q 2019	3Q 2018
	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	43,955	68,211
Adjustments for:		
Depreciation	7,074	6,587
Write-back of impairment of property, plant and equipment	-	(178)
Loss on disposal of property, plant and equipment	20	8
Share of results of associates and joint ventures	(10,795)	(255)
Net income from investments	(3,956)	(21,895)
Amortisation of intangible assets	2,034	2,449
Impairment of goodwill	22,000	17,240
Impairment of intangible assets	791	5,086
Finance costs	13,327	9,707
Share-based compensation expense	714	782
Other non-cash items	1,476	476
Operating cash flow before working capital changes	<u>76,640</u>	<u>88,218</u>
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	3,995	512
Trade and other receivables, current	3,550	(3,197)
Trade and other payables, current	(3,353)	(4,803)
Trade and other receivables, non-current	(263)	(148)
Trade and other payables, non-current	(5,259)	(1,401)
Others	(117)	722
	<u>75,193</u>	<u>79,903</u>
Income tax paid	(17,127)	(15,738)
Dividends paid	(88,794)	(96,961)
Dividends paid (net) by subsidiaries to non-controlling interests	(11,285)	(10,953)
Net cash used in operating activities	<u>(42,013)</u>	<u>(43,749)</u>

Consolidated Statement of Cash Flows for the Third Quarter ended 31 May 2019 (cont'd)

	3Q 2019	3Q 2018
	S\$'000	S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(5,716)	(3,962)
Proceeds from disposal of property, plant and equipment	35	210
Additions to investment properties	(41,764)	(3,506)
Acquisition of subsidiaries (net of cash acquired)	(232,380)	-
Acquisition of business by a subsidiary	-	(2,000)
Acquisition of interest in an associate	(39,840)	-
Acquisition of interests in joint ventures	-	(39)
Dividends received from associates	9,914	1,469
Proceeds from divestment of interests in subsidiaries	3,900	-
Decrease in amounts owing by associates/ joint ventures	225	57
(Decrease)/Increase in amounts owing to associates/ joint ventures	(149)	190
Purchase of investments, non-current	(5,919)	(7,251)
Purchase of investments, current	(59,910)	(75,945)
Proceeds from capital distribution/disposal of investments, non-current	3,830	59,694
Proceeds from disposal of investments, current	144,868	82,114
Dividends received	960	9,437
Interest received	1,209	1,215
Other investment income	212	1,308
Net cash (used in)/from investing activities	(220,525)	62,991
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans (net of transaction costs)	336,602	232,452
Repayment of bank loans	(197,125)	(232,938)
Interest paid	(14,316)	(8,942)
Share buy-back	-	(2,150)
Net cash from/(used in) financing activities	125,161	(11,578)
Net (decrease)/increase in cash and cash equivalents	(137,377)	7,664
Cash and cash equivalents at beginning of period	343,403	228,633
Cash and cash equivalents at end of period	206,026	236,297

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

Statements of Changes in Total Equity for the Third Quarter ended 31 May 2019

(a) Group

	← Attributable to Shareholders of the Company →								Non-controlling Interests	Total Equity	
	Share Capital	Treasury Shares	Capital Reserve	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Currency Translation Reserve	Retained Profits			Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 March 2019	522,809	(7,594)	(10,268)	2,748	(2,665)	88,964	(572)	2,858,430	3,451,852	761,449	4,213,301
Total comprehensive income for the quarter	-	-	-	-	(1,366)	8,039	(3,970)	26,200	28,903	9,741	38,644
Realised profit on disposal of FVOCI financial assets	-	-	-	-	-	(268)	-	268	-	-	-
Transactions with owners, recognised directly in equity											
<u>Contributions by and distributions to owners</u>											
Share-based compensation	-	-	-	714	-	-	-	-	714	-	714
Dividends	-	-	-	-	-	-	-	(88,794)	(88,794)	(11,285)	(100,079)
<u>Changes in ownership interest in a subsidiary without a change in control</u>											
Acquisition of additional interest in a subsidiary	-	-	(5)	-	(1)	-	-	(62)	(68)	68	-
Balance as at 31 May 2019	522,809	(7,594)	(10,273)	3,462	(4,032)	96,735	(4,542)	2,796,042	3,392,607	759,973	4,152,580

Statements of Changes in Total Equity for the Third Quarter ended 31 May 2019 (cont'd)

(a) Group (cont'd)

	← Attributable to Shareholders of the Company →								Non-controlling Interests	Total Equity	
	Share Capital	Treasury Shares	Capital Reserve	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Currency Translation Reserve	Retained Profits			Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 March 2018	522,809	(3,603)	(10,261)	6,497	(2,502)	338,160	1,300	2,567,274	3,419,674	756,480	4,176,154
Total comprehensive income for the quarter	-	-	-	-	926	3,727	591	46,905	52,149	9,584	61,733
Transactions with owners, recognised directly in equity											
<u>Contributions by and distributions to owners</u>											
Share-based compensation	-	-	-	782	-	-	-	-	782	-	782
Share buy-back – held as treasury shares	-	(2,150)	-	-	-	-	-	-	(2,150)	-	(2,150)
Dividends	-	-	-	-	-	-	-	(96,961)	(96,961)	(10,953)	(107,914)
<u>Changes in ownership interest in subsidiaries without a change in control</u>											
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	29	29	(29)	-
Change in contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	(943)	(943)
Balance as at 31 May 2018	522,809	(5,753)	(10,261)	7,279	(1,576)	341,887	1,891	2,517,247	3,373,523	754,139	4,127,662

Statements of Changes in Total Equity for the Third Quarter ended 31 May 2019 (cont'd)

(b) Company

	Share Capital	Treasury Shares	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Retained Profits	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 March 2019	522,809	(7,594)	2,748	(164)	(1)	1,434,736	1,952,534
Total comprehensive income for the quarter	-	-	-	(140)	1	5,113	4,974
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Share-based compensation	-	-	714	-	-	-	714
Dividends	-	-	-	-	-	(88,794)	(88,794)
Balance as at 31 May 2019	522,809	(7,594)	3,462	(304)	-	1,351,055	1,869,428
Balance as at 1 March 2018	522,809	(3,603)	6,497	-	24,073	1,138,015	1,687,791
Total comprehensive income for the quarter	-	-	-	-	(5,935)	30,757	24,822
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Share-based compensation	-	-	782	-	-	-	782
Share buy-back – held as treasury shares	-	(2,150)	-	-	-	-	(2,150)
Dividends	-	-	-	-	-	(96,961)	(96,961)
Balance as at 31 May 2018	522,809	(5,753)	7,279	-	18,138	1,071,811	1,614,284

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

Performance Shares

- (a) At the annual general meeting of the Company held on 1 December 2016, the Company's shareholders approved the adoption of the SPH Performance Share Plan 2016 ("the 2016 Share Plan"). This replaced the SPH Performance Share Plan ("the Share Plan") which was terminated.
- (b) As at 31 May 2019, the number of shares granted and outstanding (being contingent award) under the 2016 Share Plan was 3,594,631 (31 May 2018: 4,479,906 (including shares granted and outstanding under the Share Plan)). Movements in the number of performance shares during the current quarter are summarised below:

<u>Outstanding as at 01.03.19</u> (‘000)	<u>Lapsed</u> (‘000)	<u>Outstanding as at 31.05.19</u> (‘000)
3,595	-	3,595

Share Buy Back

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

Share Capital and Treasury Shares

As at 31 May 2019, the Company had 1,598,079,180 ordinary shares, 16,361,769 management shares and 2,569,941 treasury shares (31 May 2018: 1,598,853,733 ordinary shares, 16,361,769 management shares and 1,795,388 treasury shares).

The treasury shares held represent 0.2% (31 May 2018: 0.1%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 31 May 2019 and 31 May 2018.

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

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

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

There was no sale, transfer, cancellation and/or use of treasury shares during the current quarter.

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 May 2019.

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

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

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

Please refer to the attached auditors' review report.

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

Accounting Policies

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 August 2018, except for the adoption of the SFRS(I) framework as described above and the new/revised SFRS(I) applicable for the financial period beginning 1 September 2018 as follows:

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

SFRS(I) 1

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

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

SFRS(I) 15

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

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

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

SFRS(I) 9

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

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

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

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

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

Impact on the comparatives for the Third Quarter and Year-To-Date ended 31 May 2019

Income Statement

	3Q 2018	YTD 3Q 2018
	S\$'000	S\$'000
Decrease in depreciation	(1,651)	(4,953)
Increase in taxation	281	843
Decrease in share of results of associates and joint ventures	(1,908)	(4,874)

Statements of Financial Position

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

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

Earnings Per Share for the Third Quarter ended 31 May 2019

	Group	
	3Q 2019	3Q 2018
(a) Based on the weighted average number of shares on issue (S\$)	0.02	0.03
(b) On fully diluted basis (S\$)	0.02	0.03

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 May 2019	31 Aug 2018	31 May 2019	31 Aug 2018
Net asset value per share based on total number of issued shares at the end of period/year (S\$)	2.10	2.12	1.16	1.25

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

Review of Results for the Third Quarter ended 31 May 2019 ("3Q 2019") compared with the Third Quarter ended 31 May 2018 ("3Q 2018")

7.1 Income Statement

- 7.1.1 Group operating revenue comprised mainly advertisement and circulation revenue (print and digital), rental income from retail malls and student accommodation, and income from other businesses (including aged care, events and exhibitions and education). The decrease in group operating revenue of S\$4 million (1.6%), from S\$250.1 million in 3Q 2018 to S\$246.1 million in 3Q 2019, was mainly due to lower print advertisement revenue of S\$16.3 million (16.7%), lower circulation revenue of S\$2.8 million (7.3%), and absence of contribution from Shareinvestor.com holdings of S\$2.2 million with the divestment in November 2018. The decline was cushioned by rental revenue of S\$14.3 million from the Purpose-Built Student Accommodation ("PBSA") portfolio and S\$4.2 million from SPH REIT's retail asset, Figtree Grove Shopping Centre ("Figtree") in Australia.

Other operating income included sales of production waste and other scrap materials, distribution service fees for third party periodicals, and income from branding events. Other operating income fell S\$1.3 million (27.4%), from S\$4.8 million in 3Q 2018 to S\$3.5 million in 3Q 2019, mainly due to interest income on shareholders' loans for The Woodleigh Residences and The Woodleigh Mall (collectively "Woodleigh development") in 3Q 2018.

Total revenue of S\$249.6 million in 3Q 2019 was lower by S\$5.3 million (2.1%) compared to S\$254.9 million in 3Q 2018.

7.1.2 Materials, production and distribution costs included newsprint and other material costs, factory overheads and distribution costs for the media business, and production costs and supplies for the events and exhibitions and aged care businesses. The reduction in materials, production and distribution costs by S\$2.2 million (6.4%), from S\$35 million in 3Q 2018 to S\$32.7 million in 3Q 2019, was in line with lower revenue of the media business.

Staff costs comprised salaries, bonuses, allowances, employers' contribution to defined contribution plans and share-based compensation expense. Staff costs was lower by S\$2.1 million (2.4%), from S\$87.4 million in 3Q 2018 to S\$85.2 million in 3Q 2019. This was due to lower headcount and bonus provision.

Premises costs relate mainly to rental expenses, property tax, building maintenance costs and utility charges, and are primarily incurred for the retail malls, student accommodation, media and aged care businesses. The increase in premises costs of S\$4.6 million (27%), from S\$16.9 million in 3Q 2018 to S\$21.4 million in 3Q 2019, was attributed mainly to the PBSA portfolio and Figtree assets acquired in the current year.

Depreciation increased by S\$0.5 million (7.4%), from S\$6.6 million in 3Q 2018 to S\$7.1 million in 3Q 2019 due to additions to fixed assets, mainly digital press and furniture and fittings.

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 was higher by S\$6.8 million (21.9%), from S\$31 million in 3Q 2018 to S\$37.8 million in 3Q 2019, mainly due to professional fees incurred in 3Q 2019 in connection with the voluntary general offer for M1 shares ("M1 transaction") and PBSA portfolio acquisitions, and the absence of a reversal of provision for retrenchment costs in 3Q 2018.

Impairment charges on goodwill and intangibles of S\$22.8 million recognised in 3Q 2019 primarily related to the Aged Care business. The recent increase in build-own-lease (BOL) nursing home bed capacity coming on stream has impacted the original business projections of Orange Valley. As such, the Group has decided to take an impairment amounting to S\$21.5 million in the quarter. Notwithstanding the impairment, the occupancy rate of Orange Valley and the average bill size continue to grow steadily. The charges of S\$22.3 million recorded in 3Q 2018 related mainly to the online classifieds business.

Finance costs increased by S\$3.6 million (37.3%), from S\$9.7 million in 3Q 2018 to S\$13.3 million in 3Q 2019, due to interest costs on loan facilities taken up to fund the acquisition of the PBSA portfolio and Figtree in the current year.

Overall, total costs grew by S\$11.6 million (5.5%) from S\$208.8 million in 3Q 2018 to S\$220.4 million in 3Q 2019.

7.1.3 As a result of the foregoing, operating profit of S\$29.2 million in 3Q 2019 was S\$16.9 million (36.6%) lower compared to S\$46.1 million in 3Q 2018.

7.1.4 The share of results of associates and joint ventures improved by S\$10.5 million from S\$0.3 million in 3Q 2018 to S\$10.8 million in 3Q 2019. This was due to a S\$10.4 million share of property divestment gain recognised by an associate Perennial Chinatown Point LLP ("Chinatown Point").

- 7.1.5 Investment income comprised fair value changes on investments and derivatives, foreign exchange differences, and dividend and interest income from the investment portfolio. The Treasury and Investment portfolio had been largely divested by August 2018. Investment income fell by S\$17.9 million, from S\$21.9 million in 3Q 2018 to S\$4 million in 3Q 2019. This was due to the absence of a S\$9.4 million gain from the share exchange and capital reduction of Qoo10 (“Qoo10 transaction”) and S\$7.7 million of dividend income from M1 recognised in 3Q 2018.
- 7.1.6 Taxation charge of S\$7.6 million in 3Q 2019 was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. This included an amount of S\$1.1 million for over-provision of taxation in respect of prior years.
- 7.1.7 Consequently, net profit attributable to shareholders of S\$26.2 million in 3Q 2019 was S\$20.7 million (44.1%) lower compared to S\$46.9 million in 3Q 2018.

7.2 Statements of Financial Position

Non-current assets

- 7.2.1 Non-current assets comprised property, plant and equipment, investment properties, interests in associates and joint ventures, investments, intangible assets, trade and other receivables, and derivatives. The increase in non-current assets by S\$873.5 million (16.3%) from S\$5,357.5 million as at 31 August 2018 to S\$6,231 million as at 31 May 2019 was mainly due to additions to investment properties and associates, partially offset by reduction in joint ventures, non-current investments and intangible assets.
- 7.2.2 Investment properties comprised mainly retail malls and student accommodation assets. The increase in investment properties by S\$784.6 million (18.9%), from S\$4,155.1 million as at 31 August 2018 to S\$4,939.7 million as at 31 May 2019, arose from acquisition of the PBSA portfolio (S\$601.7 million) and Figtree (S\$196.9 million, net of S\$12.9 million acquisition costs which was subsequently expensed).
- 7.2.3 Associates increased by S\$324.1 million (338.2%) from S\$95.8 million as at 31 August 2018 to S\$419.9 million as at 31 May 2019. The increase was attributed to SPH’s 20% stake in Konnectivity Pte Ltd (“Konnectivity”) of S\$308 million as at 31 May 2019 in conjunction with the M1 transaction. In addition, Chinatown Point recorded a S\$13.9 million fair value gain on investment property and a S\$10.4 million divestment gain which were recognised in the share of results of associates of the Group.
- 7.2.4 Joint ventures decreased by S\$12.5 million (31.9%) from S\$39.2 million as at 31 August 2018 to S\$26.7 million as at 31 May 2019, mainly due to finance and marketing costs of The Woodleigh Residences.
- 7.2.5 Non-current investments refer to equities securities, debt securities and investment funds. Non-current investments decreased by S\$192.2 million (42.3%) from S\$454 million as at 31 August 2018 to S\$261.8 million as at 31 May 2019. This was due to the reclassification of the Group’s stake in M1 to interest in associate by an amount of S\$197.9 million which represented the fair value of M1 shares as at 31 August 2018.

- 7.2.6 Intangible assets included goodwill, technology, trademarks, licences and mastheads that are acquired mainly through business acquisitions. Intangible assets decrease of S\$34.1 million (19.4%) from S\$176 million as at 31 August 2018 to S\$142 million as at 31 May 2019 was due to impairment of goodwill and intangibles of S\$22.8 million, amortisation of intangible assets of S\$6.1 million and divestment of Shareinvestor.com Holdings of S\$5.4 million.
- 7.2.7 Derivatives (foreign exchange forwards) of S\$1 million as at 31 May 2019 represents the fair value changes on contracts that the Group entered into to minimise its foreign currency exposure, mainly relating to Figtree.

Current assets

- 7.2.8 Current assets comprised inventories, trade and other receivables, investments, derivatives, and cash and cash equivalents. The decrease in current assets of S\$368.1 million (46.2%) from S\$796.7 million as at 31 August 2018 to S\$428.5 million as at 31 May 2019 was mainly due to lower trade and other receivables, current investments, and cash.
- 7.2.9 Inventories comprised newsprint and other materials for the media business, supplies for the aged care business and inventories for the book publishing business. The increase of S\$2.2 million (9.7%) from S\$22.6 million as at 31 August 2018 to S\$24.8 million as at 31 May 2019, was attributed to higher newsprint inventory holdings.
- 7.2.10 Trade and other receivables decreased by S\$153.1 million (52.3%), from S\$292.9 million as at 31 August 2018 to S\$139.8 million as at 31 May 2019. This was mainly due to receipt of proceeds from the disposal of portfolio investments due after 31 August 2018.
- 7.2.11 Current investments refer to equities securities, debt securities and investment funds. Current investments decreased by S\$63.8 million (52.4%), from S\$121.7 million as at 31 August 2018 to S\$57.9 million as at 31 May 2019, due to further disposal of portfolio investments.
- 7.2.12 Cash and cash equivalents decreased by S\$153.5 million (42.7%) from S\$359.5 million as at 31 August 2018 to S\$206 million as at 31 May 2019. Details of the movements are set out in the Consolidated Statement of Cash Flows in paragraph 8(b).

Non-current liabilities

- 7.2.13 Non-current liabilities comprised trade and other payables, deferred tax liabilities, borrowings, and derivatives. The increase in non-current liabilities by S\$187.6 million (13.5%) from S\$1,387.8 million as at 31 August 2018 to S\$1,575.3 million as at 31 May 2019 was attributed to increase in non-current borrowings.
- 7.2.14 Trade and other payables decreased by S\$10.7 million (27.1%), from S\$39.4 million as at 31 August 2018 to S\$28.7 million as at 31 May 2019 due to lower rental deposits from retail tenants.

- 7.2.15 Non-current borrowings increased by S\$201.3 million (15.3%), from S\$1,312.5 million as at 31 August 2018 to S\$1,513.8 million as at 31 May 2019. The increase arose from S\$200.1 million of long-term facilities taken up in relation to the acquisition of Figtree.
- 7.2.16 Derivatives (interest rate swaps) of S\$2.6 million as at 31 May 2019 and S\$2.8 million as at 31 August 2018 resulted from fair value changes on contracts that the Group entered into to hedge against its interest rate risk exposure.

Current liabilities

- 7.2.17 Current liabilities comprised trade and other payables, current tax liabilities, borrowings and derivatives. The increase in current liabilities by S\$356.6 million (62%) from S\$575 million as at 31 August 2018 to S\$931.6 million as at 31 May 2019 was due to increase in current borrowings.
- 7.2.18 Current borrowings increased by S\$368.5 million (125%), from S\$294.9 million as at 31 August 2018 to S\$663.4 million as at 31 May 2019, due to draw-down of S\$661.5 million of short-term credit facilities primarily to fund the acquisition of the PBSA portfolio, partially offset by repayment of S\$282.1 million during the period.
- 7.2.19 Derivatives (foreign exchange forwards) of S\$0.1 million as at 31 May 2019 and S\$1.9 million as at 31 August 2018 represent the fair value changes on contracts that the Group entered into to minimise its foreign currency exposure.
- 7.2.20 As at 31 May 2019, the Group is in a net current liabilities position of S\$503.1 million due to draw-down of short-term credit facilities pending long-term financing arrangements. On 31 May 2019, the Group obtained a 4 year term loan facility of £205 million to partially repay the short-term credit facilities which were used to fund the acquisition of the PBSA portfolio. The loan was drawn down on 19 June 2019.

7.3 Statement of Cash Flows

3Q 2019

- 7.3.1 Net cash used in operating activities of S\$42 million was due to payment of dividends of S\$100.1 million and income tax of S\$17.1 million, partially offset by cash inflow from operating activities of S\$75.2 million.
- 7.3.2 Net cash used in investing activities of S\$220.5 million was due to additions to investment properties of S\$41.8 million and acquisition of subsidiaries of S\$232.4 million mainly relating to the PBSA portfolio; and cash injection into Konnectivity of S\$39.8 million. This was partially offset by net proceeds from the disposal and purchase of treasury investments of S\$82.9 million and dividends received from associates of S\$9.9 million.
- 7.3.3 Net cash from financing activities of S\$125.2 million was attributed to net draw-down of S\$139.5 million of loan facilities for acquisition of the PBSA portfolio and interest payment of S\$14.3 million.

8(a)(i) Performance for the Year-To-Date ended 31 May 2019

Results for the Year-To-Date ended 31 May 2019

	Group		Change %
	YTD 3Q 2019 S\$'000	YTD 3Q 2018 S\$'000	
Operating revenue	723,745	742,532	(2.5)
Other operating income	12,419	19,919	(37.7)
Total revenue	<u>736,164</u>	<u>762,451</u>	(3.4)
Materials, production and distribution costs	(99,573)	(106,078)	(6.1)
Staff costs	(251,594)	(264,810)	(5.0)
Premises costs	(61,251)	(51,873)	18.1
Depreciation	(20,263)	(19,734)	2.7
Other operating expenses	(93,926)	(103,419)	(9.2)
Impairment of goodwill and intangibles	(22,791)	(22,326)	2.1
Finance costs	(36,258)	(27,585)	31.4
Total costs	<u>(585,656)</u>	<u>(595,825)</u>	(1.7)
Operating profit [#]	150,508	166,626	(9.7)
Fair value change on investment properties	(12,864)	-	NM
Share of results of associates and joint ventures	20,174	(1,847)	NM
Net income from investments	6,389	43,562	(85.3)
Profit before taxation	164,207	208,341	(21.2)
Taxation	(28,228)	(31,654)	(10.8)
Profit after taxation	<u>135,979</u>	<u>176,687</u>	(23.0)
Attributable to:			
Shareholders of the Company	111,815	147,301	(24.1)
Non-controlling interests	24,164	29,386	(17.8)
	<u>135,979</u>	<u>176,687</u>	(23.0)

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

NM Not Meaningful

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

	Group		Change
	YTD 3Q	YTD 3Q	
	2019	2018	
	S\$'000	S\$'000	%
(Allowance)/Write-back of allowance for stock obsolescence	(344)	93	NM
Share-based compensation expense	(2,628)	(3,105)	(15.4)
Retrenchment and outplacement costs	-	(10,332)	NM
Impairment of trade receivables	(218)	(961)	(77.3)
Bad debts recovery	17	16	6.3
Write-back of impairment of property, plant and equipment	-	178	NM
Profit on disposal of property, plant and equipment	98	147	(33.3)
Amortisation of intangible assets	(6,102)	(7,733)	(21.1)
Impairment of goodwill	(22,000)	(17,240)	27.6
Impairment of intangible assets	(791)	(5,086)	(84.4)
Gain on divestment of interests in subsidiaries	396	-	NM
(Loss)/Gain on divestment of interests in associates	(426)	5,966	NM
Interest income from treasury and operations	5,480	8,391	(34.7)
Net profit on disposal of investments	-	29,248	NM
Net fair value changes on			
- Investments at fair value through profit or loss ("FVTPL")	963	(1,236)	NM
- Derivatives (foreign exchange forwards)	(52)	1,279	NM
Net foreign exchange differences	185	(203)	NM
Impairment of investments	-	(2,263)	NM
Net over-provision of prior years' taxation	1,266	1,677	(24.5)

8(a)(iii) Statement of Comprehensive Income

	Group		
	YTD 3Q 2019 S\$'000	YTD 3Q 2018 S\$'000	Change %
Profit after taxation	135,979	176,687	(23.0)
Other comprehensive income, net of tax			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Capital reserves			
- share of capital reserves of an associate	20	-	NM
Cash flow hedges (interest rate swaps)			
- net fair value changes	(3,709)	3,241	NM
- transferred to income statement	1,174	2,999	(60.9)
Net fair value changes on available-for-sale financial assets			
- net fair value changes	-	28,593	NM
- transferred to income statement	-	(24,661)	NM
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	(6,089)	1,994	NM
	(8,604)	12,166	NM
<u>Item that will not be re-classified subsequently to profit or loss</u>			
Net fair value changes on fair value through other comprehensive income ("FVOCI") financial assets	61,185	-	NM
Total comprehensive income	<u>188,560</u>	<u>188,853</u>	(0.2)
Attributable to:			
Shareholders of the Company	165,144	157,463	4.9
Non-controlling interests	23,416	31,390	(25.4)
	<u>188,560</u>	<u>188,853</u>	(0.2)

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

Consolidated Statement of Cash Flows for the Year-To-Date ended 31 May 2019

	YTD 3Q 2019 S\$'000	YTD 3Q 2018 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	164,207	208,341
Adjustments for:		
Depreciation	20,263	19,734
Write-back of impairment of property, plant and equipment	-	(178)
Profit on disposal of property, plant and equipment	(98)	(147)
Fair value change on investment properties	12,864	-
Share of results of associates and joint ventures	(20,174)	1,847
Gain on divestment of interests in subsidiaries	(396)	-
Loss/(Gain) on divestment of interests in associates	426	(5,966)
Net income from investments	(6,389)	(43,562)
Amortisation of intangible assets	6,102	7,733
Impairment of goodwill	22,000	17,240
Impairment of intangible assets	791	5,086
Finance costs	36,258	27,585
Share-based compensation expense	2,628	3,105
Other non-cash items	1,136	(1,101)
Operating cash flow before working capital changes	239,618	239,717
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	(2,185)	4,121
Trade and other receivables, current	(4,932)	(1,640)
Trade and other payables, current	1,643	(24,540)
Trade and other receivables, non-current	720	453
Trade and other payables, non-current	(10,659)	696
Others	(4,482)	2,146
	219,723	220,953
Income tax paid	(42,693)	(42,901)
Dividends paid	(201,728)	(242,309)
Dividends paid (net) by subsidiaries to non-controlling interests	(42,151)	(32,261)
Net cash used in operating activities	(66,849)	(96,518)

Consolidated Statement of Cash Flows for the Year-To-Date ended 31 May 2019 (cont'd)

	YTD 3Q 2019 S\$'000	YTD 3Q 2018 S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(20,312)	(18,487)
Proceeds from disposal of property, plant and equipment	205	437
Additions to investment properties	(579,767)	(5,415)
Acquisition of subsidiaries (net of cash acquired)	(232,380)	-
Acquisition of business by a subsidiary	-	(4,840)
Acquisition of interests in associates	(53,593)	(11,205)
Acquisition of interests in joint ventures	-	(25,639)
Dividends received from associates	11,491	2,488
Proceeds from divestment of interests in subsidiaries	4,715	-
Proceeds from divestment of interest in associates	6	17
Decrease/(Increase) in amounts owing by associates/ joint ventures	297	(86,533)
Decrease in amounts owing to associates/ joint ventures	(1,109)	(1,920)
Purchase of investments, non-current	(18,024)	(31,210)
Purchase of investments, current	(234,664)	(132,602)
Proceeds from capital distribution/disposal of investments, non-current	14,646	81,023
Proceeds from capital distribution/disposal of investments, current	461,638	129,582
Dividends received	2,118	12,136
Interest received	3,175	4,016
Other investment income	(2,953)	4,681
Net cash used in investing activities	(644,511)	(83,471)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans (net of transaction costs)	861,598	555,332
Repayment of bank loans	(282,125)	(446,333)
Interest paid	(34,953)	(25,517)
Share buy-back	(3,593)	(2,150)
Proceeds from partial divestment of interests in subsidiaries	-	22,307
Proceeds from capital contribution by non-controlling interest	16,961	-
Net cash from financing activities	557,888	103,639
Net decrease in cash and cash equivalents	(153,472)	(76,350)
Cash and cash equivalents at beginning of period	359,498	312,647
Cash and cash equivalents at end of period	206,026	236,297

9. Earnings Per Share for the Year-To-Date ended 31 May 2019

	Group	
	YTD 3Q 2019	YTD 3Q 2018
(a) Based on the weighted average number of shares on issue (S\$)	0.07	0.09
(b) On fully diluted basis (S\$)	0.07	0.09

10. Review of Results for the Year-To-Date ended 31 May 2019 (“YTD 3Q 2019”) compared with the Year-To-Date ended 31 May 2018 (“YTD 3Q 2018”)

10.1 Income Statement

10.1.1 Group operating revenue comprised mainly advertisement and circulation revenue (print and digital), rental income from retail malls and student accommodation, and income from other businesses (including aged care, events and exhibitions and education). The decrease in group operating revenue of S\$18.8 million (2.5%), from S\$742.5 million in YTD 3Q 2018 to S\$723.7 million in YTD 3Q 2019, was due to lower print advertisement revenue of S\$40.3 million (13.8%), lower circulation revenue of S\$10.2 million (8.9%) and decline in contribution from Shareinvestor.com holdings by S\$4.9 million (79.5%) with the divestment in November 2018. The reduction was cushioned by rental revenue from the PBSA portfolio of S\$26.8 million, Figtree of S\$7.4 million and The Rail Mall of S\$3.7 million.

Other operating income included sales of production waste and other scrap materials, distribution service fees for third party periodicals, and income from branding events. Other operating income was lower by S\$7.5 million (37.7%), from S\$19.9 million in YTD 3Q 2018 to S\$12.4 million in YTD 3Q 2019, mainly due to the absence of a S\$5.9 million gain arising from the dilution of interest on the IPO listing of MindChamps Preschool (“MindChamps transaction”) in YTD 3Q 2018.

Total revenue of S\$736.2 million in YTD 3Q 2019 was lower by S\$26.3 million (3.4%) compared to S\$762.5 million in YTD 3Q 2018.

10.1.2 Materials, production and distribution costs included newsprint and other material costs, factory overheads and distribution costs for the media business, and production costs and supplies for the events and exhibitions and aged care businesses. The reduction in materials, production and distribution costs by S\$6.5 million (6.1%), from S\$106.1 million in YTD 3Q 2018 to S\$99.6 million in YTD 3Q 2019, was in line with lower revenue of the media business.

Staff costs comprised salaries, bonuses, allowances, employers’ contribution to defined contribution plans and share-based compensation expense. Staff costs was lower by S\$13.2 million (5%), from S\$264.8 million in YTD 3Q 2018 to S\$251.6 million in YTD 3Q 2019. This was due to lower headcount and bonus provision.

Premises costs relate mainly to rental expenses, property tax, building maintenance costs and utility charges, and are primarily incurred for the retail malls, student accommodation, media and aged care businesses. The increase in premises costs of S\$9.4 million (18.1%), from S\$51.9 million in YTD 3Q 2018 to S\$61.3 million in YTD 3Q 2019, was attributed mainly to the PBSA portfolio and Figtree.

Depreciation was relatively flat at S\$20.3 million in YTD 3Q 2019 compared to S\$19.7 million in YTD 3Q 2018 due to additions to fixed assets, mainly digital press and furniture and fittings.

Other operating expenses included business promotion expenses, articles and news agencies' fees, computer system maintenance and software licence fees, amortisation of intangibles assets, foreign exchange differences and other expenses in line with business activities. Other operating expenses decreased S\$9.5 million (9.2%), from S\$103.4 million in YTD 3Q 2018 to S\$93.9 million in YTD 3Q 2019. This was mainly due to the absence of retrenchment costs of S\$10.3 million that was incurred in YTD 3Q 2018.

Impairment charges on goodwill and intangibles of S\$22.8 million recognised in YTD 3Q 2019 primarily related to the Aged Care business. The charges of S\$22.3 million recorded in YTD 3Q 2018 related mainly to the online classifieds business.

Finance costs increased by S\$8.7 million (31.4%), from S\$27.6 million in YTD 3Q 2018 to S\$36.3 million in YTD 3Q 2019, due to interest costs on loan facilities taken up to fund the acquisition of the PBSA portfolio and Figtree, and to provide equity funding for the Woodleigh development.

Overall, total costs fell by S\$10.2 million (1.7%) from S\$595.8 million in YTD 3Q 2018 to S\$585.7 million in YTD 3Q 2019.

- 10.1.3 As a result of the foregoing, operating profit of S\$150.5 million in YTD 3Q 2019 was S\$16.1 million (9.7%) lower compared to S\$166.6 million in YTD 3Q 2018.
- 10.1.4 Fair value change on investment properties of S\$12.9 million relates mainly to expensing of stamp duty for the acquisition of Figtree.
- 10.1.5 The share of results of associates and joint ventures was a profit of S\$20.2 million in YTD 3Q 2019 against a loss of S\$1.9 million in YTD 3Q 2018. This was due to a S\$13.9 million fair value gain on investment property and a S\$10.4 million divestment gain, both recognised by Chinatown Point.
- 10.1.6 Investment income comprised fair value changes on investments and derivatives, foreign exchange differences, and dividend and interest income from the investment portfolio. Investment income fell by S\$37.2 million (85.3%), from S\$43.6 million in YTD 3Q 2018 to S\$6.4 million in YTD 3Q 2019. This was due to the absence of gains on disposal of investments and the Qoo10 transaction, and M1 dividend income recognised in YTD 3Q 2018.
- 10.1.7 Taxation charge of S\$28.2 million in YTD 3Q 2019 was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. This included an amount of S\$1.3 million for over-provision of taxation in respect of prior years.
- 10.1.8 Consequently, net profit attributable to shareholders of S\$111.8 million in YTD 3Q 2019 was S\$35.5 million (24.1%) lower compared to S\$147.3 million in YTD 3Q 2018.

10.2 Statement of Cash Flows

YTD May 2019

- 10.2.1 Net cash used in operating activities of S\$66.8 million was due to payment of dividends of S\$243.9 million and income tax of S\$42.7 million, partially offset by cash inflow from operating activities of S\$219.7 million.
- 10.2.2 Net cash used in investing activities of S\$644.5 million was due to additions to investment properties of S\$579.8 million and acquisition of subsidiaries of S\$232.4 million mainly relating to the PBSA portfolio and Figtree; cash injection into Konnectivity of S\$51.6 million; and additions to property, plant and equipment of S\$20.3 million. This was partially offset by net proceeds from the disposal and purchase of treasury investments of S\$223.6 million and dividends received from associates of \$11.5 million.
- 10.2.3 Net cash from financing activities of S\$557.9 million was attributed to S\$579.5 million of loan facilities mainly related to acquisition of the PBSA portfolio and Figtree. In addition, the non-controlling interest of Figtree contributed capital of S\$17 million for its share of the investment. This was partially offset by interest payment of S\$35 million.

11. **Segmental information (of the group) for the Year-To-Date ended 31 May 2019**

Business Segments

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

Group Segmental Information

YTD 3Q 2019

	Media S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue						
External sales	439,733	220,745	-	63,267	-	723,745
Inter-segmental sales	2,812	1,696	-	1,210	(5,718)	-
Total operating revenue	442,545	222,441	-	64,477	(5,718)	723,745
Result						
Segment result	52,590	164,323	5,708	(29,466)	-	193,155
Finance costs	-	(36,157)	(101)	-	-	(36,258)
Fair value change on investment properties	-	(12,864)	-	-	-	(12,864)
Share of results of associates and joint ventures	(472)	17,502	-	3,144	-	20,174
Profit/(Loss) before taxation	52,118	132,804	5,607	(26,322)	-	164,207

YTD 3Q 2018

	Media S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue						
External sales	497,472	181,777	-	63,283	-	742,532
Inter-segmental sales	2,716	1,869	-	1,626	(6,211)	-
Total operating revenue	500,188	183,646	-	64,909	(6,211)	742,532
Result						
Segment result	76,725	142,883	29,649	(11,484)	-	237,773
Finance costs	-	(26,077)	(1,495)	(13)	-	(27,585)
Share of results of associates and joint ventures	96	(1,130)	-	(813)	-	(1,847)
Profit/(Loss) before taxation	76,821	115,676	28,154	(12,310)	-	208,341

Group Segmental Review

Media

Revenue for the Media business declined S\$57.7 million (11.6%) from S\$497.5 million in YTD 3Q 2018 to S\$439.7 million in YTD 3Q 2019. Print advertisement revenue decreased by S\$40.3 million (13.8%) with the Newspaper business accounting for S\$32.8 million (12.3%) of the reduction. On the digital front, Newspaper digital advertisement revenue showed encouraging growth of S\$1.9 million (11%) year-on-year. Circulation revenue fell S\$10.2 million (8.9%) as daily average newspaper print sales decreased by 70,173 copies (12.4%), while daily average newspaper digital sales increased by 26,194 copies (12.8%) excluding copies relating to a barter agreement which has ended. In addition, contribution from Shareinvestor.com holdings declined by S\$4.9 million (79.5%) with the divestment in November 2018.

Profit before tax was S\$24.7 million (32.2%) lower year-on-year, from S\$76.8 million in YTD 3Q 2018 to S\$52.1 million in YTD 3Q 2019. The decline in revenue by S\$57.7 million (11.6%) was cushioned by reduction in staff costs and bonus provision of S\$15.7 million (6.9%), and materials, production and distribution cost of S\$5.9 million (5.7%), together with the absence of retrenchment costs of S\$10.3 million taken up in YTD 3Q 2018.

Property

Revenue for the Property segment grew by S\$39 million (21.4%), from S\$181.8 million in YTD 3Q 2018 to S\$220.7 million in YTD 3Q 2019, mainly through asset acquisitions. The increase comprised mainly revenue contribution of S\$26.8 million from the PBSA portfolio, S\$7.4 million from Figtree and S\$3.7 million from The Rail Mall.

Profit before tax increased by S\$17.1 million (14.8%), from S\$115.7 million in YTD 3Q 2018 to S\$132.8 million in YTD 3Q 2019. The PBSA portfolio recorded profit of S\$13.8 million, and the share of results from Chinatown Point included S\$13.9 million fair value gain and S\$10.4 million divestment gain on the investment property. However, these were partially offset by the fair value change on investment properties of S\$12.9 million mainly relating to the stamp duty expense for Figtree, and share of marketing costs of S\$4 million and higher financing costs of S\$3.3 million for the Woodleigh development.

Treasury and Investment

Profit before tax was S\$22.5 million (80.1%) lower year-on-year, from S\$28.2 million in YTD 3Q 2018 to S\$5.6 million in YTD 3Q 2019, with the Treasury and Investment portfolio largely divested by August 2018.

Others

Revenue for the Others segment was stable at S\$63.3 million.

Loss before tax widened by S\$14 million (113.8%), from S\$12.3 million in YTD 3Q 2018 to S\$26.3 million in YTD 3Q 2019. The increase in losses was due to the absence of gains of S\$9.4 million and S\$5.9 million respectively from the Qoo10 transaction and the MindChamps transaction recognised in YTD 3Q 2018. In addition, YTD 3Q 2019 included impairment charges on goodwill and intangibles of S\$22.8 million primarily related to the Aged Care business (YTD 3Q 2018 : S\$22.3 million related mainly to the online classifieds business).

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

No forecast was made previously.

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

13.1 The Media business continues to be challenged on various fronts including the ongoing trade tensions and the slowing of the Singapore economy, but the Group remains focused on its digital transformation strategy. There is improved recurring income from the Property segment which has expanded its portfolio following recent acquisitions.

13.2 With the recent issuance of perpetual securities, the Group is well-placed to take advantage of growth opportunities.

14. Dividends

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Record Date

Not applicable.

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

No interim dividend has been declared or recommended in the current reporting period.

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.

BY ORDER OF THE BOARD

Ginney Lim May Ling
Khor Siew Kim

Company Secretaries

Singapore,
12 July 2019



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

We, Lee Boon Yang and Ng Yat Chung, being two directors of Singapore Press Holdings Limited (“the Company”), do hereby confirm on behalf of the directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the third quarter ended 31 May 2019 to be false or misleading in any material respect.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Lee Boon Yang'.

LEE BOON YANG
Chairman

A handwritten signature in black ink, appearing to read 'Ng Yat Chung'.

NG YAT CHUNG
Director

Singapore,
12 July 2019



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Report on review of Condensed Interim Financial Information

The Board of Directors
Singapore Press Holdings Limited

Introduction

We have reviewed the accompanying financial statements of Singapore Press Holdings Limited (the “Company”) and its Subsidiaries (the “Group”), which comprised the statements of financial position of the Group and the Company as at 31 May 2019, and the consolidated statements of income, comprehensive income, changes in total equity and cash flows of the Group for the three-month and nine-month periods then ended, and certain explanatory notes (the “Condensed Interim Financial Information”). Management is responsible for the preparation and presentation of this Condensed Interim Financial Information in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

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

Conclusion

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



Restriction on use

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

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
12 July 2019