

**OPENING REMARKS BY DR LEE BOON YANG, CHAIRMAN,
SINGAPORE PRESS HOLDINGS, AT SPH ANNUAL GENERAL
MEETING HELD ON FRIDAY, 29 NOVEMBER 2019**

Good afternoon, ladies and gentlemen

Welcome to the SPH Annual General Meeting 2019.

Before we commence the business of the meeting, let me provide a brief overview of SPH Group's performance in the past financial year ended 31 August.

Global trade tensions and political instabilities had adversely impacted the global economic prospects and caused volatility in financial markets over the past year. Against this challenging backdrop, SPH reported recurring earnings of S\$186.9 million for the year ended 31 August 2019 (FY 2019). Net profit attributable to shareholders fell S\$65.2 million or 23.4% to S\$213.2 million. Other information on the Group is set out in our Annual Report.

I will now briefly talk about SPH's developments in our four pillars of property, media, digital and aged care in the past financial year, and our strategies going forward –

Properties and Asset Management

Property is SPH's largest profit segment. We have expanded our Purpose-Built Student Accommodation (PBSA) portfolio to 5,059 beds across 20 assets in 10 cities in the United Kingdom (UK), establishing ourselves as a leading player in the PBSA sector in the UK.

We are purchasing a new PBSA asset, Galileo Residenz, in Bremen, Germany for €15.6 million (S\$23.4 million). This investment will mark a geographical diversification of our PBSA portfolio beyond the UK to enhance its resilience and increase the number of beds in the PBSA portfolio to 5,343. Germany has one of the largest student populations in Europe, with total numbers rising by more than 30% over the last 10 years to 2.87 million in 2018/2019. The deal is expected to be completed later this year.

SPH REIT acquired 85% in Figtree Grove Shopping Centre in December 2018. This mall, which is located 3.7km south-west of central Wollongong,

Australia, represents SPH REIT's first foray overseas and is a strategic fit to the SPH Group's portfolio of quality assets.

In July, we invested approximately US\$60 million for a 7.38% stake in the IPO of Prime US REIT, and in August, we exercised our option to acquire a 20% stake in the REIT manager, KBS US Prime Property Management Pte Ltd. Prime US REIT holds a portfolio of Grade A office properties in the US. The investment will add to our stream of recurring income and provide opportunities to build partnerships in the US market.

Earlier this month, SPH REIT announced its proposed acquisition of a 50% stake in Westfield Marion Shopping Centre in Adelaide, South Australia for A\$670 million (S\$627.9m). The transaction is SPH REIT's second acquisition in the Australian market, and will deepen its strategic presence in Australia. The deal is expected to be completed before the end of this year.

Media

We will continue to focus on digital innovations to transform our media business. Digital advertising revenue and circulation remain on the upswing.

While average daily print circulation copies decline 9.6% year-on-year, average daily digital circulation copies grew 32.3% to 279,500 in FY2019. Print and digital circulation copies grew 1.7% to 797,000 despite the continued challenges faced by the media industry.

We launched The Straits Times premium subscription packages to meet the reading needs of different subscribers. We attracted over 23,000 new subscriptions this year, with most new subscribers opting for the higher-value packages.

We also partnered with Samsung to introduce our first Chinese News Tablet app to provide a seamless digital experience on the Samsung Galaxy Tab A Wi-Fi tablet. A total of about 10,000 subscribers have signed up for the package as at mid-October 2019. The news tablet was subsequently rolled out for Berita Harian readers.

We will keep engaging our audiences with quality, creative products and content across multiple platforms to build loyalty.

Digital Business

We will grow our digital portfolio and build synergies with our existing media businesses.

In April, we partnered Keppel Corp to acquire and privatise M1. We will also leverage M1's mobile platform to improve our digital offerings to customers.

Aged Care

Orange Valley is one of Singapore's leading nursing home operators. We will leverage our skills and expertise in this area and capitalise on opportunities in the aged market globally, in line with our internationalisation strategy.

We recently announced that we have set up a joint venture fund with Bridge C Capital to invest in healthcare and aged care assets such as senior housing, nursing homes and medical office buildings in Japan, where there has been rising demand for elderly care facilities.

In closing, I would like to thank Ms Chong Siak Ching, who is retiring from the Board, for her contributions over the past nine years. I would also like to welcome our new director Mr Lim Ming Yan, who joined the Board on 3 June 2019.

We have come a long way with the support of all our stakeholders during the past 35 years. I would like to express my heartfelt gratitude to each and every one of you. While we aim to be the region's leading media company, we have, over the years, also made investments in digital initiatives and diversified into new businesses. We will continue on this transformation journey, diversify our business, increase recurring income and deliver sustainable returns to our shareholders. Thank you.