FINANCIAL CONTENTS

The Directors present this statement to the members together with the audited financial statements of Singapore Press Holdings Limited and its subsidiaries (the "Group") for the financial year ended 31 August 2018 and the statement of financial position of Singapore Press Holdings Limited (the "Company") as at 31 August 2018.

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company, as set out on pages 109 to 199, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2018, and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

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

DIRECTORS

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

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

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

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

DIRECTORS' INTERESTS IN SHARES

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

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

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Direct Interests			Deemed Interests		
	1 Sept 2017	**31 Aug 2018**	**21 Sept 2018**	1 Sept 2017	**31 Aug 2018**	**21 Sept 2018**
Singapore News and Publications Limited						
<u>Management Shares</u>						
Ng Yat Chung	1^	**1^**	**1^**	–	**–**	**–**
The Straits Times Press (1975) Limited						
<u>Management Shares</u>						
Ng Yat Chung	1^	**1^**	**1^**	–	**–**	**–**
SPH REIT						
<u>Units</u>						
Lee Boon Yang	300,000	**300,000**	**300,000**	–	**–**	**–**

* *Represents performance shares granted in financial year 2018.*
\# *The number of shares represents the shares required if awarded at 100% of the grant.*
\## *The shares awarded at the vesting date could range from 0% to 150% depending on the level of achievement against the pre-set performance conditions.*
^ *Held as nominee for Singapore Press Holdings Limited.*

SHARE OPTIONS IN THE COMPANY

Singapore Press Holdings Group (1999) Share Option Scheme ("1999 Scheme")

4. (a) The 1999 Scheme which was approved by shareholders at an Extraordinary General Meeting held on 16 July 1999 has fully terminated on 16 December 2015.

   (b) During the financial year:

   (i) no options to take up unissued shares of the Company were granted; and

   (ii) no shares were issued by virtue of the exercise of options to take up unissued shares of the Company.

   (c) There were no unissued shares of the Company under option as at the end of the financial year.

PERFORMANCE SHARES IN THE COMPANY

5. (a) The SPH Performance Share Plan was approved by shareholders at an Extraordinary General Meeting held on 5 December 2006 ("the Share Plan").

At the annual general meeting of the Company held on 1 December 2016, the Company's shareholders approved the adoption of the SPH Performance Share Plan 2016 ("the 2016 Share Plan"). This replaced the Share Plan, which was terminated, except that awards granted prior to such termination and are still outstanding continue to be valid.

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

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

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

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

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

The Share Plan

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

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

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

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

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

PERFORMANCE SHARES IN THE COMPANY (CONT'D)

The 2016 Share Plan

(j) During the financial year, 1,783,180 performance shares were granted subject to the terms and conditions of the 2016 Share Plan as follows:

Category	No. of Persons	No. of Performance Shares Granted
Executive Director	1	378,600[1]
Employee	121	1,404,580[2]
	122	1,783,180

[1] 93,000 granted with non-market conditions, and 285,600 granted with both market and non-market conditions.
[2] 871,880 granted with non-market conditions, and 532,700 granted with both market and non-market conditions.

The aggregate number of performance shares granted since the commencement of the 2016 Share Plan on 1 December 2016 to 31 August 2018 is 3,570,905 performance shares.

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

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

(l) The aggregate number of performance shares comprised in awards granted under the 2016 Share Plan which are outstanding as at 31 August 2018 is 2,746,330 performance shares.

OTHER INFORMATION ON AWARDS

6. Details of the awards granted to a Director under the SPH PSP are as follows:

Name of Director	Aggregate awards outstanding as at 1.9.17	Aggregate awards granted since commencement to 31.8.18	Aggregate awards released during the financial year under review	Aggregate awards outstanding as at 31.8.18
Ng Yat Chung	–	Up to 562,320	–	Up to 562,320

In respect of the SPH PSP:

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

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

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

AUDIT COMMITTEE

7. The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50, and the Listing Manual of the Singapore Exchange Securities Trading Limited.

   Its functions include reviewing the audit plans and audit reports of the internal and external auditors, the auditors' evaluation of the internal accounting controls, and the scope of the internal audit function; reviewing the statement of financial position of the Company and financial statements of the Group before submitting them to the Board for approval; reviewing any interested person transaction; reviewing the independence, objectivity and cost effectiveness of the external auditors and the nature and extent of non-audit services supplied by them; reviewing the assistance given by the Company's Management to the internal and external auditors; and overseeing any internal investigation into cases of fraud and irregularities.

   It also recommends to the Board the appointment of external auditors, serves as a channel of communications between the Board and the auditors, and performs such other functions as may be agreed by the Audit Committee and the Board.

AUDITORS

8. The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Directors

Lee Boon Yang
Chairman

Ng Yat Chung
Director

Singapore,
15 October 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
SINGAPORE PRESS HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Press Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 August 2018, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in total equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 109 to 199.

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

Basis for opinion

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

Key audit matters

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

Valuation of investment properties

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

Risk:

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

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied, i.e. a small change in the assumptions can have a significant impact to the valuation.

Our response:

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

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

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

Our findings:

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

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

Valuation of unquoted investments

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

Risk:

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

Our response:

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

Our findings:

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

Valuation of goodwill and intangible assets

(Refer to Note 13 to the financial statements)

Risk:

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

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

Our response:

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

Our findings:

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

Other information

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

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
15 October 2018

STATEMENTS OF FINANCIAL POSITION

AS AT 31 AUGUST 2018

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

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

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

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

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED
31 AUGUST 2018

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

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

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

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

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

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

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

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

1. GENERAL INFORMATION

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

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

The principal activities of the Group consist of:

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

The principal activities of the Company consist of:

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

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

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

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

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

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

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

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

(b) Group accounting

(i) Subsidiaries

- **Consolidation**

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting (cont'd)

(i) Subsidiaries (cont'd)

- **Acquisitions**

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

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

  Acquisition-related costs are expensed as incurred.

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

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

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

- **Disposals**

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

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

- **Transactions with non-controlling interests**

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting (cont'd)

(ii) Associates/Joint ventures

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

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

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

In applying the equity method of accounting, the Group's share of the post-acquisition results of associates/joint ventures is included in its consolidated income statement. The Group's share of the post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associates/joint ventures are adjusted against the carrying amount of the investments in the consolidated statement of financial position. When the Group's share of losses in an associate/joint venture equals or exceeds its interest in the associate/joint venture, including any unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associate/joint venture.

Adjustments are made to the financial statements of associates/joint ventures, where necessary, to ensure consistency of accounting policies with those of the Group.

Unrealised gains on transactions between the Group and its associates/joint ventures are eliminated to the extent of the Group's investments in the associates/joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The investment in the associate/joint venture is derecognised when the Group ceases to have significant influence or joint control respectively. Any amounts previously recognised in other comprehensive income in respect of that entity are transferred to the income statement. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value is recognised in the income statement.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

(iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rates at the reporting date;
- Income and expenses are translated at average exchange rates; and
- All resulting exchange differences are taken to other comprehensive income and transferred to the income statement upon the disposal of the foreign operation as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rates at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Impairment of non-financial assets

(i) Goodwill

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

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

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

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

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

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

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

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

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

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, plant and equipment

(i) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the expected useful lives of the assets. The estimated useful lives for this purpose are:

Leasehold land and buildings	25 – 50 years
Plant and equipment	1 – 20 years
Furniture and fittings	1 – 10 years
Motor vehicles	3 – 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the income statement when the changes arise.

No depreciation is charged on capital work-in-progress.

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the income statement when incurred.

(iv) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment properties

Investment properties comprise retail, office and residential buildings that are held for long-term rental yields.

Investment properties are initially recognised at cost and subsequently measured at fair value. Any gains or losses arising from the changes in their fair values are taken to the income statement.

The cost of an investment property includes capitalisation of borrowing costs [Note 2(g)] for the purchase, renovation and extension of the investment property while these activities are in progress. For this purpose, the interest rates applied to funds provided for the development are based on the actual interest rates payable on the borrowings for such development.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are written-off to the income statement. The cost of maintenance, repairs and minor improvements is charged to the income statement when incurred.

Properties that are being constructed or developed for future use as investment properties are classified as investment properties. Where the fair value of the investment property under construction or development cannot be reliably measured, the property is measured at cost until the earlier of the date the construction is completed or the date at which fair value becomes reliably measurable.

On disposal of an investment property, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

(g) Borrowing costs

Borrowing costs are recognised in the income statement using the effective interest method except for those costs that are directly attributable to borrowings acquired specifically for the construction or development of properties. This includes those costs on borrowings acquired specially for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development [Note 2(f)].

(h) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are included in the Company's statement of financial position at cost less accumulated impairment losses. On disposal of these investments, the difference between disposal proceeds and the carrying amount of the investments is recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets on initial recognition.

- **Financial assets at fair value through profit or loss**

  This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within twelve months after the reporting date. Financial assets designated at fair value through profit or loss comprise securities that otherwise would have been classified as available-for-sale.

- **Loans and receivables**

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than twelve months after the reporting date which are presented as non-current assets. Loans and receivables comprise bank balances and fixed deposits, and trade and other receivables.

- **Held-to-maturity financial assets**

  Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Group has the positive intention and ability to hold to maturity.

- **Available-for-sale financial assets**

  Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within twelve months after the reporting date. Available-for-sale financial assets comprise debt and equity securities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(ii) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in the income statement. Any amounts in the fair value reserve relating to that asset is also transferred to the income statement.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in the income statement.

(iv) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method less accumulated impairment losses.

Gains and losses arising from changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividends, are recognised in the income statement in the period in which they arise. Changes in the fair value of monetary assets denominated in foreign currencies and classified as available-for-sale are analysed into currency translation differences resulting from changes in the amortised cost of the asset and other changes. The currency translation differences are recognised in the income statement and other changes are recognised in other comprehensive income. Changes in the fair values of non-monetary assets that are classified as available-for-sale are recognised in other comprehensive income, together with the related currency translation differences.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(v) Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

- **Loans and receivables**

  Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are objective evidence that these financial assets are impaired. The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the income statement. When the asset becomes uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are recognised in the income statement.

  The allowance for impairment loss account is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

- **Available-for-sale financial assets**

  In the case of an equity security classified as available-for-sale, in addition to the objective evidence of impairment described in loans and receivables, a significant or prolonged decline in the fair value of the security below its cost is objective evidence that the security is impaired.

  When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that has been recognised directly in the fair value reserve is transferred from the fair value reserve within equity and recognised in the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement.

  Impairment loss on debt instruments classified as available-for-sale financial assets is reversed through the income statement. However, impairment losses with respect to equity instruments classified as available-for-sale financial assets are not reversed through the income statement.

(j) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices as at the reporting date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Fair value estimation of financial assets and liabilities (cont'd)

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Methods such as estimating with reference to recent arm's length transactions, discounted cash flow projections and the underlying net asset value of the investee companies are also used to determine the fair values of the financial instruments.

(k) Derivatives and hedging activities

Derivatives are used to manage exposure to foreign exchange and interest rate risks arising from operating, financing and investing activities. Derivatives taken up directly by the Group are not used for trading purposes.

A derivative is initially recognised at its fair value on the date the derivative contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates its derivatives for hedging purposes as either hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge), or hedges of highly probable forecast transactions (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than twelve months, and as a current asset or liability if the remaining expected life of the hedged item is less than twelve months. The fair value of a trading derivative is presented as a current asset or liability.

(i) Cash flow hedge

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of these interest rate swaps are recognised in other comprehensive income and transferred to the income statement in the periods when the interest expense on the borrowings is recognised in the income statement. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

(ii) Derivatives that do not qualify for hedge accounting

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised immediately in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Intangible assets

(i) Goodwill arising from business combination

Goodwill arising from business combination is the excess of the fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets and contingent liabilities acquired. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Goodwill arising from business combination is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisition of associates and joint ventures is recorded as part of the carrying value of the investments in the consolidated statement of financial position.

The gains and losses on the disposal of subsidiaries, associates and joint ventures include the carrying amount of goodwill relating to the entity sold.

(ii) Technology, trademarks, licences, mastheads and others

Technology, trademarks, licences, mastheads and other intangible assets acquired as part of business combinations are initially recognised at their fair values at the acquisition date and are subsequently carried at cost (i.e. the fair values on initial recognition) less accumulated amortisation and accumulated impairment losses. The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that are expected to be avoided as a result of the patent and trademark being owned, or the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method.

Technology and licenses acquired separately are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

These costs are amortised to the income statement using the straight-line method over 3 to 20 years, which is the shorter of their estimated useful lives and periods of contractual rights.

The amortisation period and amortisation method of these intangible assets other than goodwill are reviewed at least at each reporting date. The effects of any revision are recognised in the income statement when the changes arise.

(m) Inventories

Inventories comprise raw materials and consumable stores, and are stated at the lower of cost and net realisable value.

The cost of raw materials and consumable stores includes transport and handling costs, and any other directly attributable costs, and is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated variable selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs incurred) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the income statement over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting date, in which case they are presented as non-current liabilities.

(o) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially carried at fair value, and subsequently carried at amortised cost using the effective interest method.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

(p) Dividends payable

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

(q) Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Short-term employee benefits

All short-term employee benefits, including accumulated compensated absences, are recognised in the income statement in the period in which the employees rendered their services to the Group.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as Singapore's Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions to defined contribution plans are recognised in the financial year when they are due.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Employee benefits (cont'd)

(iii) Share-based compensation

- Performance shares

Persons eligible to participate in the SPH Performance Share Plan and the SPH Performance Share Plan 2016 (collectively, "SPH PSP") are selected Group Employees of such rank and service period as the Remuneration Committee ("the RC") may determine, and other participants selected by the RC.

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

The fair value of the performance shares granted is recognised as a share-based compensation expense in the income statement with a corresponding increase in the share-based compensation reserve over the vesting period.

The amount is determined by reference to the fair value of the performance shares on grant date.

If the performance condition is a market condition, the probability of the performance condition being met is taken into account in estimating the fair value of the ordinary shares granted at the grant date. The compensation cost shall be charged to the income statement on a basis that fairly reflects the manner in which the benefits will accrue to the employee under the SPH PSP over the prescribed vesting periods from date of grant. No adjustments to the amounts charged to the income statement are made whether or not the market condition is met.

For performance share grants with non-market conditions, the Company revises its estimates of the number of share grants expected to vest and corresponding adjustments are made to the income statement and share-based compensation reserve. The Company assesses this change at the end of each reporting period.

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(s) Income taxes

Current tax for current and prior periods is recognised at the amount expected to be paid to (or recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Income taxes (cont'd)

Deferred tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax is measured:

(i) at the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax liabilities are recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Current and deferred taxes are recognised as income or expense in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against the related goodwill.

(t) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates, discounts and returns, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(i) Revenue from the sale of the Group's products is recognised on completion of delivery;

(ii) Revenue from advertisements is recognised in the period in which the advertisement is published or broadcasted;

(iii) Revenue from rental and rental-related services is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income;

(iv) Revenue from the provision of other services is recognised in the period in which the services are rendered;

(v) Dividend income is recognised when the right to receive payment is established; and

(vi) Interest income is recognised using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Operating leases

When a group company is the lessee:

Leases where substantially all of the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are recognised as expenses in the income statement on a straight-line basis over the period of the lease. Contingent rents are recognised as an expense in the income statement when incurred.

When a group company is the lessor:

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Assets leased out under operating leases are included in investment properties. Rental income from operating leases is recognised in the income statement on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rents are recognised as income in the income statement when earned.

(v) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

The consideration paid for treasury shares, including any directly attributable incremental costs, is presented as a component within shareholders' equity until the shares are cancelled, re-issued or disposed of. Where such shares are subsequently re-issued or disposed of, any consideration received, net of any directly attributable incremental transaction costs, is included in shareholders' equity. Realised gain or loss on disposal or re-issue of treasury shares is included in retained profits of the Company.

When treasury shares are subsequently cancelled, the cost of the treasury shares is deducted against the share capital account, if the shares are purchased out of capital of the Company, or against the retained profits of the Company, if the shares are purchased out of profits of the Company.

(w) Segment reporting

Segmental information are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer of the Company who conducts a regular review for allocation of resources and assessment of performance of the operating segments.

(x) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of financial statements in conformity with FRS requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have significant effect on the amounts recognised are as follows:

- **Fair value estimation**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Methods used include estimating with reference to recent arm's length transactions, discounted cash flow projections and the underlying net asset value of the investee companies.

  The fair value of investment properties is based on independent professional valuations using valuation techniques and assumptions.

- **Recoverable value of goodwill and other intangible assets**

  The Group determines whether goodwill and other intangible assets are impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which goodwill or other intangible assets are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose an appropriate discount rate in order to calculate the present value of those cash flows. Forecasts of future cash flows are based on the Group's estimates using sector and industry trends, general market and economic conditions, changes in technology and other available information. Information about the assumptions and their risk factors relating to goodwill and other intangible assets impairment are discussed in Note 13(a).

Information about critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements is as follows:

- **Impairment of available-for-sale financial assets**

  The Group follows the guidance of FRS 39 in determining when an investment is considered impaired. The Group evaluates the duration and extent to which the fair value of an investment is less than its cost in its assessment of impairment allowances. Under exceptional circumstances, the Group may apply judgement based on qualitative facts such as the financial health of and near-term business outlook of the issuer of the instrument, changes in technology and operational and financing cash flow.

4. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2018		2017	
	Number of Shares '000	**Amount S$'000**	Number of Shares '000	Amount S$'000
Issued and fully paid, with no par value				
Management shares	**16,362**	**7,109**	16,362	7,109
Ordinary shares	**1,600,649**	**515,700**	1,600,649	515,700
	1,617,011	**522,809**	1,617,011	522,809
Treasury shares	**(2,295)**	**(7,101)**	(2,037)	(7,384)
	1,614,716	**515,708**	1,614,974	515,425
Movements during the financial year:				
Beginning of financial year	**1,614,974**	**515,425**	1,614,802	514,126
Purchase of treasury shares	**(1,300)**	**(3,498)**	(1,300)	(4,486)
Treasury shares re-issued	**1,042**	**3,781**	1,472	5,785
End of financial year	**1,614,716**	**515,708**	1,614,974	515,425

The holders of both management and ordinary shares rank pari passu in respect of all dividends declared by the Company and in respect of all bonus and rights issues made by the Company, as well as in the right to return of capital and to participate in all surplus assets of the Company in liquidation.

In terms of voting rights, both classes of shareholders are entitled either on a poll or by a show of hands to one vote for each share, except that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, the holders of management shares are entitled either on a poll or by a show of hands to two hundred votes for each management share held.

(a) Treasury shares

The Company acquired 1,300,000 (2017: 1,300,000) of its own shares through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was S$3.5 million (2017: S$4.5 million). The shares, held as treasury shares, were included as deduction against shareholders' equity.

The Company re-issued 1,041,522 (2017: 1,472,008) treasury shares during the financial year for the fulfilment of share awards vested under the SPH PSP at a total value of S$3.8 million (2017: S$5.8 million).

4. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(b) Performance shares

At the annual general meeting of the Company held on 1 December 2016, the Company's shareholders approved the adoption of the SPH Performance Share Plan 2016 ("the 2016 Share Plan"). This replaced the SPH Performance Share Plan ("the Share Plan") which was terminated, except that awards granted prior to such termination and are outstanding continued to be valid.

During the financial year, 1,783,180 (2017: 1,787,725) performance shares were granted subject to the terms and conditions of the 2016 Share Plan.

Movements in the number of performance shares outstanding during the financial year are summarised below:

2018

Grant Date	**Outstanding as at 01.09.17 '000**	**Adjusted* '000**	**Granted '000**	**Vested '000**	**Lapsed '000**	**Outstanding as at 31.08.18 '000**
13.01.14	**334**	**–**	**–**	**(329)**	**(5)**	**–**
13.01.15	**1,457**	**–**	**–**	**(386)**	**(23)**	**1,048**
13.01.16	**735**	**–**	**–**	**(66)**	**(19)**	**650**
13.01.17	**1,550**	**(222)**	**–**	**(261)**	**(62)**	**1,005**
12.01.18	**–**	**–**	**1,783**	**–**	**(42)**	**1,741**

2017

Grant Date	Outstanding as at 01.09.16 '000	Adjusted* '000	Granted '000	Vested '000	Lapsed '000	Outstanding as at 31.08.17 '000
11.01.13	220	–	–	(220)	–	–
13.01.14	1,389	(263)	–	(790)	(2)	334
13.01.15	1,703	160	–	(394)	(12)	1,457
13.01.16	1,761	(849)	–	(68)	(109)	735
13.01.17	–	–	1,788	–	(238)	1,550

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

The shares awarded at the vesting date could range from 0% to 150% of the grant, depending on the level of achievement against the pre-set performance conditions.

4. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(b) Performance shares (cont'd)

The fair value of the performance shares is determined at grant date using the Monte Carlo simulation model. The number of performance shares granted during the financial year, their fair values and the input assumptions used are as follows:

Grant Date	Vesting Date	Number of Shares '000	Fair Value per Share S$	Expected Volatility* of SPH %	Expected Volatility* of FTSE ST All Share Index %	Expected Dividend Yield %	Risk-free Interest Rate %	Correlation between SPH Share Price and FTSE ST All Share Index^	Share Price at Grant Date S$
2018									
12.01.18[(a)]	**13.01.19**	**322**	**2.59**	**16.25**	**N.A.**	**5.05**	**1.32**	**N.A.**	**2.69**
12.01.18[(a)]	**13.01.20**	**322**	**2.56**	**16.25**	**N.A.**	**5.05**	**1.44**	**N.A.**	**2.69**
12.01.18[(a)]	**13.01.21**	**321**	**2.51**	**16.25**	**N.A.**	**5.05**	**1.52**	**N.A.**	**2.69**
12.01.18[(b)]	**13.01.21**	**818**	**1.39**	**16.25**	**11.05**	**5.05**	**1.52**	**0.46**	**2.69**
2017									
13.01.17[(a)]	13.01.18	347	3.52	14.1	N.A.	4.90	0.96	N.A.	3.69
13.01.17[(a)]	13.01.19	347	3.34	14.1	N.A.	4.90	1.23	N.A.	3.69
13.01.17[(a)]	13.01.20	347	3.21	14.1	N.A.	4.90	1.40	N.A.	3.69
13.01.17[(b)]	13.01.20	747	2.49	14.1	11.20	5.63	1.40	0.55	3.69

* *Derived based on 36 months of historical volatility prior to grant date.*
^ *Derived based on 36 months of historical correlation of returns prior to grant date.*
[(a)] *Granted with non-market conditions.*
[(b)] *Granted with both market and non-market conditions.*
N.A. Not applicable

For non-market conditions, achievement factors have been estimated based on management inputs for the purpose of accrual for the performance shares until the achievement of the performance conditions can be accurately ascertained.

During the financial year, the Group recognised S$3.6 million (2017: S$4.5 million) of share-based compensation expense in respect of performance shares based on the fair values determined on grant date and estimation of the share grants that will ultimately vest.

5. RESERVES

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Capital reserve	**(10,261)**	(10,409)	**–**	–
Share-based compensation reserve	**7,783**	7,688	**7,783**	7,688
Hedging reserve	**(1,958)**	(5,970)	**–**	–
Fair value reserve	**267,894**	337,955	**–**	25,219
Currency translation reserve	**(3,602)**	(4,867)	**–**	–
	259,856	324,397	**7,783**	32,907

Capital reserve

The capital reserve comprises mainly capitalised listing expenses incurred in relation to the listing of a subsidiary on the Main Board of Singapore Exchange Securities Trading Limited.

Share-based compensation reserve

The share-based compensation reserve comprises the fair value of performance shares granted.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments pending subsequent recognition in the income statement.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised.

Currency translation reserve

The currency translation reserve comprises the foreign currency differences arising from translation of the financial statements of foreign operations.

6. NON-CONTROLLING INTERESTS

The following summarises the financial information of the Group's subsidiaries with non-controlling interests, based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences with the Group's accounting policies. The information is before inter-company eliminations with other companies in the Group.

	SPH REIT S$'000	Other subsidiaries S$'000	Total S$'000
2018			
Revenue	211,802		
Profit	137,856		
Other comprehensive income	5,172		
Total comprehensive income	143,028		
Attributable to non-controlling interests:			
Profit	42,132	755	42,887
Other comprehensive income	1,580	253	1,833
Total comprehensive income	43,712	1,008	44,720
Non-current assets	3,368,982		
Current assets	39,052		
Non-current liabilities	(718,697)		
Current liabilities	(250,390)		
Net assets	2,438,947		
Net assets attributable to non-controlling interests	738,664	22,488	761,152
Cash flows from operating activities	164,840		
Cash flows used in investing activities	(71,199)		
Cash flows used in financing activities*	(120,681)		
Net decrease in cash and cash equivalents	(27,040)		

* *Included S$43 million dividends paid to non-controlling interests.*

6. NON-CONTROLLING INTERESTS (CONT'D)

	SPH REIT S$'000	Other subsidiaries S$'000	Total S$'000
2017			
Revenue	212,756		
Profit	157,156		
Other comprehensive income	1,904		
Total comprehensive income	159,060		
Attributable to non-controlling interests:			
Profit	46,508	(1,377)	45,131
Other comprehensive income	576	(631)	(55)
Total comprehensive income	47,084	(2,008)	45,076
Non-current assets	3,278,843		
Current assets	67,858		
Non-current liabilities	(565,516)		
Current liabilities	(360,125)		
Net assets	2,421,060		
Net assets attributable to non-controlling interests	718,895	16,031	734,926
Cash flows from operating activities	165,200		
Cash flows used in investing activities	(6,269)		
Cash flows used in financing activities*	(163,308)		
Net decrease in cash and cash equivalents	(4,377)		

* *Included S$41.9 million dividends paid to non-controlling interests.*

7. PROPERTY, PLANT AND EQUIPMENT

(a)

	Leasehold Land and Buildings S$'000	Plant and Equipment S$'000	Furniture and Fittings S$'000	Motor Vehicles S$'000	Total S$'000
Group					
2018					
Cost					
Beginning of financial year	300,140	736,554	20,869	2,070	1,059,633
Additions	1,155	4,087	1,283	580	7,105
Acquisition of business by a subsidiary [Note 17(b)]	–	92	84	–	176
Transfer from capital work-in-progress	6,584	7,924	3,843	–	18,351
Disposals/Write-offs	(378)	(64,511)	(3,550)	(814)	(69,253)
Currency translation differences	(175)	73	26	5	(71)
End of financial year	307,326	684,219	22,555	1,841	1,015,941
Accumulated depreciation and impairment					
Beginning of financial year	154,708	654,000	17,910	1,979	828,597
Depreciation	11,277	20,691	1,128	118	33,214
Disposals/Write-offs	(177)	(64,390)	(3,344)	(814)	(68,725)
Currency translation differences	(20)	53	23	4	60
End of financial year	165,788	610,354	15,717	1,287	793,146
Carrying amount					
End of financial year	141,538	73,865	6,838	554	222,795
Capital work-in-progress	116	1,616	391	–	2,123
Total	141,654	75,481	7,229	554	224,918
Capital work-in-progress					
Beginning of financial year	449	2,890	667	–	4,006
Additions	6,251	6,650	3,567	–	16,468
Transfer to property, plant and equipment	(6,584)	(7,924)	(3,843)	–	(18,351)
End of financial year	116	1,616	391	–	2,123

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b)

	Leasehold Land and Buildings S$'000	Plant and Equipment S$'000	Furniture and Fittings S$'000	Motor Vehicles S$'000	Total S$'000
Group					
2017					
Cost					
Beginning of financial year	237,087	737,741	20,350	2,041	997,219
Additions	110	2,375	497	101	3,083
Acquisition of a subsidiary	62,883	1,033	154	–	64,070
Acquisition of business by a subsidiary [Note 17(b)]	–	58	12	–	70
Transfer from capital work-in-progress	–	6,774	696	–	7,470
Disposals/Write-offs	(2)	(11,346)	(798)	(67)	(12,213)
Currency translation differences	62	(81)	(42)	(5)	(66)
End of financial year	300,140	736,554	20,869	2,070	1,059,633
Accumulated depreciation and impairment					
Beginning of financial year	146,353	614,020	17,558	1,995	779,926
Depreciation	8,347	28,440	981	55	37,823
Disposals/Write-offs	(1)	(11,142)	(643)	(67)	(11,853)
Impairment	–	22,744	41	–	22,785
Currency translation differences	9	(62)	(27)	(4)	(84)
End of financial year	154,708	654,000	17,910	1,979	828,597
Carrying amount					
End of financial year	145,432	82,554	2,959	91	231,036
Capital work-in-progress	449	2,890	667	–	4,006
Total	145,881	85,444	3,626	91	235,042
Capital work-in-progress					
Beginning of financial year	–	2,211	19	–	2,230
Additions	449	7,453	1,344	–	9,246
Transfer to property, plant and equipment	–	(6,774)	(696)	–	(7,470)
End of financial year	449	2,890	667	–	4,006

The Group and Company recognised an impairment charge of S$22.8 million in the financial year ended 31 August 2017 on the carrying amount of certain press lines arising from the consolidation and optimisation of printing press capacity.

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c)

	Plant and Equipment S$'000	Furniture and Fittings S$'000	Motor Vehicles S$'000	Total S$'000
Company				
2018				
Cost				
Beginning of financial year	632,497	12,654	1,663	646,814
Additions	930	4	267	1,201
Transfer from capital work-in-progress	7,632	3,842	–	11,474
Disposals/Write-offs	(60,893)	(720)	(657)	(62,270)
End of financial year	580,166	15,780	1,273	597,219
Accumulated depreciation and impairment				
Beginning of financial year	559,172	11,119	1,572	571,863
Depreciation	17,810	469	74	18,353
Disposals/Write-offs	(60,817)	(715)	(657)	(62,189)
End of financial year	516,165	10,873	989	528,027
Carrying amount				
End of financial year	64,001	4,907	284	69,192
Capital work-in-progress	1,166	373	–	1,539
Total	65,167	5,280	284	70,731
Capital work-in-progress				
Beginning of financial year	2,445	648	–	3,093
Additions	6,353	3,567	–	9,920
Transfer to property, plant and equipment	(7,632)	(3,842)	–	(11,474)
End of financial year	1,166	373	–	1,539

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d)

	Plant and Equipment S$'000	Furniture and Fittings S$'000	Motor Vehicles S$'000	Total S$'000
Company				
2017				
Cost				
Beginning of financial year	634,988	12,429	1,585	649,002
Additions	667	41	101	809
Transfer from capital work-in-progress	6,525	696	–	7,221
Disposals/Write-offs	(9,683)	(512)	(23)	(10,218)
End of financial year	632,497	12,654	1,663	646,814
Accumulated depreciation and impairment				
Beginning of financial year	520,184	11,226	1,558	532,968
Depreciation	25,777	256	37	26,070
Disposals/Write-offs	(9,533)	(404)	(23)	(9,960)
Impairment	22,744	41	–	22,785
End of financial year	559,172	11,119	1,572	571,863
Carrying amount				
End of financial year	73,325	1,535	91	74,951
Capital work-in-progress	2,445	648	–	3,093
Total	75,770	2,183	91	78,044
Capital work-in-progress				
Beginning of financial year	1,697	–	–	1,697
Additions	7,273	1,344	–	8,617
Transfer to property, plant and equipment	(6,525)	(696)	–	(7,221)
End of financial year	2,445	648	–	3,093

8. INVESTMENT PROPERTIES

	Group 2018 S$'000	Group 2017 S$'000
Investment properties		
Beginning of financial year	**4,034,771**	3,963,000
Additions	**74,649**	14,385
Fair value change	**45,702**	57,386
End of financial year	**4,155,122**	4,034,771
Carrying amount of		
– Freehold investment properties	**2,988,500**	2,933,500
– Leasehold investment properties	**1,166,622**	1,101,271
	4,155,122	4,034,771

The fair value of the investment properties as at the reporting date was stated based on independent professional valuations using valuation techniques and assumptions set out in Note 30(e).

The Paragon on Orchard Road with a carrying amount of S$2,892 million (2017: S$2,846 million) is mortgaged to banks as security for a S$975 million loan facility granted to a subsidiary of the Group, SPH REIT [Note 20(a)].

The Seletar Mall with a carrying amount of S$488 million (2017: S$490 million) is mortgaged to a bank as security for a S$300 million loan facility granted to a subsidiary of the Group, The Seletar Mall Pte. Ltd. ("TSMPL") [Note 20(b)].

The following amounts are recognised in the income statement:

	Group 2018 S$'000	Group 2017 S$'000
Rental income	**241,044**	241,597
Direct operating expenses arising from investment properties that generated rental income	**(52,470)**	(49,372)

9. SUBSIDIARIES

	Company	
	2018	2017
	S$'000	S$'000
Equity investments at cost	**457,144**	452,304
Allowance for impairment	**(17,204)**	(14,227)
	439,940	438,077

During the financial year, an impairment loss of S$3 million was recognised in respect of the Company's investment in a subsidiary following a review of the subsidiary's business.

In the previous financial year, the Company wrote back impairment losses of S$33 million due mainly to a subsidiary reverting to a net tangible asset position on recognition of gain on divestment of a joint venture. In addition, an impairment loss of S$14.2 million was recognised on certain subsidiaries following a review of their businesses. These resulted in a net write-back of impairment losses of S$18.8 million.

The recoverable amounts of the subsidiaries were determined based on fair value less cost to sell. Fair value less cost to sell was represented by the net assets of the subsidiaries as at the reporting date which approximates its fair value as it mainly comprises monetary assets and liabilities.

Details of significant subsidiaries are set out in Note 29. A list of other operating subsidiaries of the Group can be found on pages 200 and 201 of the Annual Report.

10. ASSOCIATES

	Group	
	2018	2017
	S$'000	S$'000
Investments in associates	**95,825**	68,792

The Group equity accounted for its associates based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and any significant differences with the Group's accounting policies.

The Group's associates comprised mainly the following:

	Nature of relationship with the Group	**Principal place of business/Country of incorporation**	**Ownership interest/Voting rights held**
MindChamps Preschool Limited ("MindChamps")	Business adjacency	Singapore	20% (2017: 22%)
Perennial Chinatown Point LLP ("PCP")	Related property business	Singapore	31% (2017: 27%)

A list of operating associates of the Group can be found on page 202 of the Annual Report.

10. ASSOCIATES (CONT'D)

The summarised financial information of these associates, not adjusted for the proportional ownership interest held by the Group, is as follows:

	MindChamps S$'000	PCP S$'000
2018		
Revenue	27,245	32,385
Profit/(Loss) after tax	4,091	14,436
Other comprehensive income	(895)	–
Total comprehensive income	3,196	14,436
Attributable to:		
– Non-controlling interests	163	–
– Associate's shareholders	3,033	14,436
Non-current assets	30,095	429,838
Current assets	45,837	37,759
Non-current liabilities	(7,375)	(293,187)
Current liabilities	(11,131)	(6,147)
Net assets	57,426	168,263
Attributable to:		
– Non-controlling interests	(195)	–
– Associate's shareholders	57,621	168,263

The following table summarises the carrying amount and share of profit/(loss) and other comprehensive income of the Group's associates in the consolidated financial statements:

	MindChamps S$'000	PCP S$'000	Other associates S$'000	Total S$'000
2018				
Beginning of financial year	12,751	44,059	11,982	68,792
Group's share of:				
Profit/(Loss) after tax	607	4,646	(255)	4,998
Other comprehensive income	(179)	–	11	(168)
Total comprehensive income	428	4,646	(244)	4,830
Dividends received	–	(2,226)	(265)	(2,491)
Gain/(Loss) on dilution of interests	5,936	–	(55)	5,881
Reclassified from Investments, non-current	–	–	5,824	5,824
Group's contribution	3,956	5,143	3,890	12,989
End of financial year	23,071*	51,622	21,132	95,825

* *The carrying amount of interest in MindChamps includes goodwill on acquisition of S$11.5 million.*

10. ASSOCIATES (CONT'D)

The summarised financial information of these associates, not adjusted for the proportional ownership interest held by the Group, is as follows:

	MCPL# S$'000	MCTV# S$'000	MindChamps S$'000	PCP S$'000
2017				
Revenue	46,669	269,584	18,190	18,822
Profit/(Loss) after tax	659	(2,014)	3,491	7,984
Other comprehensive income	589	30	(5)	–
Total comprehensive income	1,248	(1,984)	3,486	7,984
Attributable to:				
– Non-controlling interests	–	(119)	300	–
– Associate's shareholders	1,248	(1,865)	3,186	7,984
Non-current assets	–	–	6,824	428,081
Current assets	–	–	9,419	33,552
Non-current liabilities	–	–	(3,921)	(294,915)
Current liabilities	–	–	(7,397)	(5,623)
Net assets	–	–	4,925	161,095
Attributable to:				
– Non-controlling interests	–	–	533	–
– Associate's shareholders	–	–	4,392	161,095

The following table summarises the carrying amount and share of profit/(loss) and other comprehensive income of the Group's associates in the consolidated financial statements:

	MCPL# S$'000	MCTV# S$'000	MindChamps S$'000	PCP S$'000	Other associates S$'000	Total S$'000
2017						
Beginning of financial year	28,558	22,761	12,617	–	14,217	78,153
Group's share of:						
Profit/(Loss) after tax	263	(377)	702	3,925	(186)	4,327
Other comprehensive income	236	6	(1)	–	24	265
Total comprehensive income	499	(371)	701	3,925	(162)	4,592
Dividends received	(2,933)	–	(567)	(2,735)	(372)	(6,607)
Impairment	(16,724)	(13,790)	–	–	(4,786)	(35,300)
Reclassified from Investments, non-current	–	–	–	11,993	–	11,993
Reclassified to Asset held for sale	(9,400)	(8,600)	–	–	–	(18,000)
Group's contribution	–	–	–	30,876	3,085	33,961
End of financial year	–	–	12,751*	44,059	11,982	68,792

On 25 August 2017, the Group entered into an agreement relating to the proposed divestment of its stake in Mediacorp Press Ltd ("MCPL") and Mediacorp TV Holdings Pte. Ltd. ("MCTV"). Consequently, MCPL and MCTV were re-classified from Associates to Asset held for sale [Note 12(c)].

* *The carrying amount of interest in MindChamps includes goodwill on acquisition of S$11.8 million.*

11. JOINT VENTURES

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Investments in joint ventures	**47,384**	8,696	**600**	–

The Group equity accounted for its joint ventures based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and any significant differences with the Group's accounting policies.

The Group's joint ventures comprised mainly the following:

	Nature of relationship with the Group	Principal place of business/Country of incorporation	Ownership interest/ Voting rights held
WR 3 Pte. Ltd. ("WR 3")#	Related property business	Singapore	50% (2017: 50%)
The Woodleigh Mall Pte. Ltd. ("Woodleigh Mall")	Related property business	Singapore	50% (2017: 50%)

WR 3 is the joint venture entity which is the ultimate holding company of The Woodleigh Residences Pte. Ltd. (collectively "WR 3 Group").

A list of operating joint ventures of the Group can be found on page 202 of the Annual Report.

The following summarises the financial information of these joint ventures based on their respective (consolidated) financial statements.

	WR 3 Group S$'000	Woodleigh Mall S$'000
2018		
Revenue	–	–
Profit/(Loss)[1] after tax	(164)	(134)
Other comprehensive income	–	–
Total comprehensive income	(164)	(134)
[1] Includes:		
– depreciation and amortisation	1	1
Non-current assets	–	451,295
Current assets[2]	814,969	3,773
Non-current liabilities[3]	(785,439)	(420,452)
Current liabilities[4]	(3,963)	(2,246)
Net assets	25,567	32,370
[2] Includes cash and cash equivalents	368	2,056
[3] Includes non-current financial liabilities (excluding trade and other payables and provisions)	(785,439)	(420,452)
[4] Includes current financial liabilities (excluding trade and other payables and provisions)	(19)	(3)

11. JOINT VENTURES (CONT'D)

The following table summarises the carrying amount and share of profit/(loss) and other comprehensive income of the Group's joint ventures in the consolidated financial statements:

	2018				2017
	WR 3 Group	**Woodleigh Mall**	**Other joint ventures**	**Total**	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**	S$'000
Beginning of financial year	**–***	**–***	**8,696**	**8,696**	12,417
Group's share of:					
Profit/(Loss) after tax	**(82)**	**(67)**	**(1,567)**	**(1,716)**	(3,765)
Other comprehensive income	**–**	**–**	**–**	**–**	(173)
Total comprehensive income	**(82)**	**(67)**	**(1,567)**	**(1,716)**	(3,938)
Dividends received	**–**	**–**	**(2,800)**	**(2,800)**	–
Gain on dilution of interest	**–**	**–**	**–**	**–**	298
Impairment	**–**	**–**	**–**	**–**	(159)
Fair value gain on interest-free loans	**10,620**	**5,569**	**–**	**16,189**	–
Group's contribution	**16,000^**	**9,000**	**2,015**	**27,015**	878
Divestment	**–**	**–**	**–**	**–**	(800)
End of financial year	**26,538**	**14,502**	**6,344**	**47,384**	8,696

* *As at 31 August 2017, the Group's interests in WR 3 was S$1 and Woodleigh Mall was S$1.*

^ *This represents a loan amount of S$16 million to WR 3 which was recognised as equity contribution to its wholly-owned subsidiary – The Woodleigh Residences Pte. Ltd.*

12. INVESTMENTS

(a) Non-current

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Available-for-sale financial assets				
– Equity securities	**348,634**	403,978	**–**	27,173
– Bonds	**8,456**	8,455	**–**	–
– Investment funds	**90,830**	94,281	**–**	–
	447,920	506,714	**–**	27,173
Financial assets at fair value through profit or loss				
Designated at fair value on initial recognition				
– Bonds and notes	**6,031**	7,014	**–**	–
	453,951	513,728	**–**	27,173

12. INVESTMENTS (CONT'D)

(b) Current

	Group 2018 S$'000	Group 2017 S$'000	Company 2018 S$'000	Company 2017 S$'000
Available-for-sale financial assets				
– Equity securities	**9,418**	14,070	**–**	–
– Bonds and notes	**24,971**	24,790	**–**	–
– Investment funds	**87,274**	309,089	**–**	–
	121,663	347,949	**–**	–
Financial assets at fair value through profit or loss				
Designated at fair value on initial recognition				
– Preference shares	**–**	10,332	**–**	–
Held for trading				
– Investment funds	**–**	5,089	**–**	–
	–	15,421	**–**	–
	121,663	363,370	**–**	–

During the financial year, the Group recognised an impairment loss of S$6.6 million (2017: S$3.4 million) on certain available-for-sale financial assets due to significant or prolonged decline in value [Note 26].

(c) Asset held for sale

As at 31 August 2017, the Group had entered into an agreement relating to the proposed divestment of its stake in Associates, MCPL and MCTV, which are part of segment assets under "Media". The Group recognised an impairment charge of S$30.5 million to write-down the carrying amounts to the total consideration of S$18 million. As the completion of the sale was in progress then, the interests in MCPL and MCTV were re-classified from Associates to Asset held for sale. The sale was completed in the financial year ended 31 August 2018.

13. INTANGIBLE ASSETS

	Group 2018 S$'000	Group 2017 S$'000	Company 2018 S$'000	Company 2017 S$'000
Arising from business combinations				
– Goodwill [Note 13(a)]	**115,099**	129,584	**–**	–
– Technology, trademarks, licences, mastheads and others [Note 13(b)]	**60,429**	74,309	**–**	–
Acquired separately				
– Technology, trademarks, licences, mastheads and others [Note 13(c)]	**500**	550	**44,071**	46,832
	176,028	204,443	**44,071**	46,832

13. INTANGIBLE ASSETS (CONT'D)

(a) Arising from business combinations
– Goodwill

	Group	
	2018	2017
	S$'000	S$'000
Cost		
Beginning of financial year	**189,479**	110,578
Acquisition of a subsidiary	**–**	78,930
Acquisition of business by a subsidiary [Note 17(b)]	**2,830**	–
Currency translation differences	**(45)**	(29)
End of financial year	**192,264**	189,479
Accumulated impairment		
Beginning of financial year	**59,895**	50,016
Impairment	**17,270**	9,879
End of financial year	**77,165**	59,895
Net book value	**115,099**	129,584

During the financial year, the Group recognised an impairment charge of S$17.3 million (2017: S$9.9 million) mainly for the online classifieds business due to challenging market conditions.

Impairment test for goodwill

The carrying value of the Group's goodwill arising from acquisitions was assessed for impairment during the financial year.

Goodwill is allocated for impairment testing purposes to the individual entity or division, which is also the cash-generating unit ("CGU").

	Group		Pre-tax discount rate[1]		Terminal growth rate[2]	
	2018	2017	**2018**	2017	**2018**	2017
	S$'000	S$'000	**%**	%	**%**	%
Carrying value of goodwill in:						
Singapore						
– Online	**26,686**	40,376	**13.5**	13.5	**1.3**	1.3
– Exhibition	**9,190**	9,190	**11.0**	11.0	**1.3**	1.3
– Aged Care	**78,885**	78,930	**8.5**	8.5	**1.3**	1.3
Multiple units with insignificant goodwill	**338**	1,088				
	115,099	129,584				

[1] *The discount rate used is based on Weighted Average Cost of Capital (WACC) where the cost of a company's debt and equity capital are weighted to reflect its capital structure.*

[2] *The terminal growth rate has been determined based on long-term expected inflation rate for the respective country or industry in which the entity or division operates.*

13. INTANGIBLE ASSETS (CONT'D)

(a) Arising from business combinations – Goodwill (cont'd)

The recoverable values of CGUs including goodwill are determined based on value-in-use calculations.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets approved by the Board and management forecasts over a period of five years. Cash flows beyond the terminal year are extrapolated using the estimated terminal growth rates stated in the preceding table. Key assumptions used in the calculation of value-in-use are growth rates, operating margins and discount rates.

The management's approach in determining the value assigned to each of the key assumptions includes comparing the key assumptions used to past actual performances (i.e. retrospective reviews) and other external sources of information such as Government statistics on growth, inflation etc.

As the process of evaluating goodwill impairment involves management judgement and prudent estimates of various factors including future cash flows as well as the cost of capital and long-term growth rates, the results can be highly sensitive to the assumptions used.

For the Aged Care CGU, management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Group 2018 %
Change required for carrying amount to equal the recoverable amount	
Pre-tax discount rate	**0.2**
Revenue growth	**(0.3)**

Except for the above, management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount as at the reporting dates.

13. INTANGIBLE ASSETS (CONT'D)

(b) Arising from business combinations
– Technology, trademarks, licences, mastheads and others

	Technology S$'000	Trademarks, licences, mastheads and others S$'000	Total S$'000
Group			
2018			
Cost			
Beginning of financial year	**14,209**	**161,996**	**176,205**
Acquisition of business by a subsidiary [Note 17(b)]	**–**	**870**	**870**
Currency translation differences	**82**	**346**	**428**
End of financial year	**14,291**	**163,212**	**177,503**
Accumulated amortisation and impairment			
Beginning of financial year	**11,361**	**90,535**	**101,896**
Amortisation [Note 24]	**1,670**	**8,008**	**9,678**
Impairment	**1,028**	**4,058**	**5,086**
Currency translation differences	**69**	**345**	**414**
End of financial year	**14,128**	**102,946**	**117,074**
Net book value	**163**	**60,266**	**60,429**
2017			
Cost			
Beginning of financial year	14,076	138,707	152,783
Acquisition of a subsidiary	–	25,840	25,840
Acquisition of business by a subsidiary [Note 17(b)]	133	72	205
Currency translation differences	–	(2,623)	(2,623)
End of financial year	14,209	161,996	176,205
Accumulated amortisation and impairment			
Beginning of financial year	8,758	55,531	64,289
Amortisation [Note 24]	2,603	8,374	10,977
Impairment	–	27,776	27,776
Currency translation differences	–	(1,146)	(1,146)
End of financial year	11,361	90,535	101,896
Net book value	2,848	71,461	74,309

During the financial year, the Group recognised an impairment charge of S$5.1 million mainly for the exhibition business due to challenging market conditions.

In the previous financial year, the Group recognised an impairment charge of S$27.8 million mainly for the magazine business where performance deteriorated significantly amid unfavourable market conditions.

Key assumptions used in cash flow projections to determine the recoverable values are disclosed in Note 13(a).

13. INTANGIBLE ASSETS (CONT'D)

(c) Acquired separately
– Technology, trademarks, licences, mastheads and others

	Group 2018 S$'000	Group 2017 S$'000
Cost		
Beginning of financial year	**791**	348
Additions	**–**	450
Currency translation differences	**7**	(7)
End of financial year	**798**	791
Accumulated amortisation and impairment		
Beginning of financial year	**241**	92
Amortisation [Note 24]	**50**	25
Impairment	**–**	125
Currency translation differences	**7**	(1)
End of financial year	**298**	241
Net book value	**500**	550

	Technology S$'000	Trademarks, licences, mastheads and others S$'000	Total S$'000
Company			
2018			
Cost			
Beginning and end of financial year	**178**	**55,580**	**55,758**
Accumulated amortisation			
Beginning of financial year	**178**	**8,748**	**8,926**
Amortisation	**–**	**2,761**	**2,761**
End of financial year	**178**	**11,509**	**11,687**
Net book value	**–**	**44,071**	**44,071**

13. INTANGIBLE ASSETS (CONT'D)

(c) Acquired separately
– Technology, trademarks, licences, mastheads and others (cont'd)

	Technology S$'000	Trademarks, licences, mastheads and others S$'000	Total S$'000
Company			
2017			
Cost			
Beginning of financial year	178	36,889	37,067
Additions	–	18,691	18,691
End of financial year	178	55,580	55,758
Accumulated amortisation			
Beginning of financial year	178	6,611	6,789
Amortisation	–	2,137	2,137
End of financial year	178	8,748	8,926
Net book value	–	46,832	46,832

14. TRADE AND OTHER RECEIVABLES

(a) Non-current

	Group		Company	
	2018 S$'000	2017 S$'000	**2018 S$'000**	2017 S$'000
Loan to a subsidiary [Note 14(a)(i)]	**–**	–	**280,000**	–
Loans to joint ventures [Note 14(a)(ii)]	**238,811**	–	**–**	–
Staff loans	**3,883**	4,506	**3,652**	4,497
Sundry debtors	**3,868**	4,429	**157**	153
	246,562	8,935	**283,809**	4,650

(i) The loan of S$280 million to a subsidiary is unsecured, interest-bearing and repayable in September 2021. The interest rate is 2.25% per annum as at the reporting date. The amount was utilised to provide shareholder's contribution to the joint ventures for the development of the Woodleigh Residences and the Woodleigh Mall. This included equity contribution of S$25 million [Note 11] and loans to joint ventures of S$255 million [Note 14(a)(ii)].

(ii) The loans to joint ventures of S$255 million are unsecured, interest-free and repayable in September 2021, subject to the subordination agreement under the bank term loan facilities undertaken by the joint ventures. The loans stated at amortised cost amounted to S$238.8 million. The unamortised fair value amount as at the reporting date was S$16.2 million.

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Current

	Group 2018 S$'000	Group 2017 S$'000	Company 2018 S$'000	Company 2017 S$'000
Trade receivables				
– Non-related parties	**77,313**	90,857	**53,202**	64,409
– Less: Allowance for impairment – non-related parties	**(4,706)**	(5,265)	**(1,938)**	(3,106)
	72,607	85,592	**51,264**	61,303
Amounts owing by				
– Subsidiaries [Note 14(b)(i)]	**–**	–	**1,874,676**	1,598,644
– Associates [Note 14(b)(ii)]	**49**	110	**–**	–
– Joint ventures [Note 14(b)(iii)]	**300**	168,408	**–**	168,408
	349	168,518	**1,874,676**	1,767,052
Loans to subsidiaries [Note 14(b)(iv)]	**–**	–	**448,075**	554,518
Accrued interest	**1,108**	1,130	**111**	63
Sundry debtors [Note 14(b)(v)]	**209,125**	49,119	**2,585**	1,546
Prepayments	**8,134**	8,246	**5,570**	5,831
Staff loans	**1,539**	1,816	**1,444**	1,652
	292,862	314,421	**2,383,725**	2,391,965

(i) The amounts owing by subsidiaries are non-trade, unsecured, interest-free and repayable on demand. The amounts included an allowance for impairment of S$3.2 million (2017: S$0.8 million).

(ii) The amounts owing by associates are non-trade, unsecured, interest-free and repayable on demand.

(iii) As at 31 August 2017, the amounts owing by joint ventures were non-trade, unsecured, interest-free and repayable on demand. The amount of S$168.4 million pertained to payment made by the Company on behalf of the joint ventures for the Group's share of part-payment of land tender price pending the finalisation of the joint ventures' funding arrangements. This was completed in the financial year ended 31 August 2018.

(iv) The loans to subsidiaries are non-trade, unsecured, interest-free and repayable on demand. The loans included an allowance for impairment of S$126.8 million (2017: S$79.9 million). During the financial year, an allowance for impairment loss of S$46.9 million (2017: S$6.2 million) was recognised in respect of loans to subsidiaries following a review of the subsidiaries' businesses.

(v) The amounts owing by sundry debtors included proceeds of S$189.3 million (2017: S$31 million) from the disposal of investments due after financial year-end.

15. DERIVATIVES

	Contract Notional Amount S$'000	Fair Value Assets S$'000	Fair Value Liabilities S$'000
Group			
2018			
Non-current			
Cash flow hedge			
– Interest rate swaps [Note 20(f)]	**445,000**	**–**	**2,814**
Equity option on investment		**200**	**–**
		200	**2,814**
Current			
Derivatives that do not qualify as hedges			
– Currency forwards	**142,034**	**39**	**1,940**
2017			
Non-current			
Cash flow hedge			
– Interest rate swaps [Note 20(f)]	280,000	–	7,365
Equity option on investment		200	–
		200	7,365
Current			
Cash flow hedge			
– Interest rate swaps [Note 20(f)]	270,000	–	1,250
Derivatives that do not qualify as hedges			
– Currency forwards	137,158	1,473	43
		1,473	1,293

16. INVENTORIES

	Group		Company	
	2018 S$'000	2017 S$'000	**2018 S$'000**	2017 S$'000
Raw materials and consumable stores	**23,388**	22,636	**20,968**	20,269
Allowance for write-down of inventories	**(752)**	(744)	**(687)**	(712)
	22,636	21,892	**20,281**	19,557

The cost of inventories recognised as an expense and included in materials, production and distribution costs in the income statement amounted to S$49 million (2017: S$57.5 million).

During the financial year, the Group wrote back an allowance for stock obsolescence amounting to S$25,000 as those stocks were utilised (2017: S$152,000).

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Cash held as fixed bank deposits	**188,043**	183,542	**92,160**	79,695
Cash and bank balances	**171,455**	129,105	**69,726**	70,772
	359,498	312,647	**161,886**	150,467

(a) Acquisition of a subsidiary

	Group At fair values* 2017 S$'000
Identifiable assets and liabilities	
Property, plant and equipment	64,125
Intangible assets (excluding goodwill)	25,840
Current assets (including cash)	11,496
Deferred tax liabilities	(11,862)
Current liabilities	(4,493)
Identifiable net assets acquired	85,106
Goodwill on acquisition	78,885
Total purchase consideration	163,991
Less: Cash and cash equivalents in subsidiary acquired	(6,807)
Net cash outflow on acquisition of subsidiary	157,184

Orange Valley Healthcare Pte. Ltd. ("OVH")

On 25 April 2017, the Group acquired the entire share capital of OVH and all the registered trademarks and intellectual property rights, for a total consideration of S$164 million. OVH operates nursing homes; provides a range of ancillary services like meals and catering, physiotherapy and rehabilitation; and supplies medical, nursing and healthcare equipment and consumables.

The fair values of leasehold buildings which were included under Property, plant and equipment were based on independent professional valuations using the Capitalisation approach. The fair values of intangible assets were determined by independent professionals using the Relief-from-Royalty method and Multi-period excess earnings method.

After accounting for cash acquired of S$6.8 million, the net cash outflow as of 31 August 2017 was S$157.2 million. The Group had recognised intangible assets of S$104.7 million (including goodwill). The acquisition of an established nursing home operator provided the Group an opportunity to enter into the aged care sector.

The acquired business contributed revenue of S$10.7 million and net loss of S$0.5 million for the period 25 April 2017 to 31 August 2017. If the acquisition had occurred on 1 September 2016, Group operating revenue and net profit would have increased by an additional S$22.2 million and S$1 million respectively.

* *Based on finalised purchase price allocation*

17. CASH AND CASH EQUIVALENTS (CONT'D)

(b) Acquisition of business by a subsidiary

	Group At fair values	
	2018 S$'000	2017 S$'000
Identifiable assets and liabilities		
Property, plant and equipment [Note 7(a)(b)]	**176**	70
Intangible assets (excluding goodwill) [Note 13(b)]	**870**	205
Current assets	**2,342**	54
Deferred tax liabilities [Note 19(a)(i)]	**–**	(35)
Current liabilities	**(708)**	(5)
Identifiable net assets acquired	**2,680**	289
Gain on acquisition	**–**	(289)
Less: Contribution by non-controlling interest	**(670)**	–
Goodwill on acquisition [Note 13(a)]	**2,830**	–
Total purchase consideration	**4,840**	–

2018

Han Language Centre ("Han")

On 1 November 2017, the Group acquired the business and assets of Han. Han is an established Chinese language tuition centre for primary and secondary school students. The consideration for the Group's 75% equity stake is S$4.8 million (including goodwill) and a non-controlling interest contributed S$0.7 million for the remaining 25% equity stake.

The fair values of intangible assets are determined by independent professionals using the Relief-from-Royalty method and Multi-period excess earnings method.

The net cash outflow as of 31 August 2018 was S$4.8 million. The Group has recognised intangible assets of S$3.7 million (including goodwill), subject to completion of the purchase price allocation exercise.

The acquired business contributed revenue of S$4.2 million and incurred net loss of S$2.6 million for the period 1 November 2017 to 31 August 2018. There is no material effect to the Group operating revenue and net profit had the acquisition occurred on 1 September 2017.

2017

Brand New Media (Singapore) Pte. Ltd. ("BNM")

On 3 January 2017, the Group acquired the distressed assets of BNM for a consideration of S$1. BNM specialises in video-led content marketing and responsive advertising that offers clients an end-to-end content creation and distribution solution.

The Group had recognised intangible assets of S$0.2 million and a gain on acquisition of S$0.3 million in the income statement.

The acquired business contributed revenue of S$0.8 million and net loss of S$0.3 million for the period 3 January 2017 to 31 August 2017. There was no material effect to the Group operating revenue and net profit had the acquisition occurred on 1 September 2016.

18. TRADE AND OTHER PAYABLES

(a) Non-current

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Deposits received	**38,241**	34,680	**–**	–
Collections in advance	**1,121**	2,876	**1,121**	2,876
	39,362	37,556	**1,121**	2,876

(b) Current

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Trade payables – non-related parties	**27,811**	28,241	**19,074**	17,788
Amounts owing to				
– Subsidiaries [Note 18(b)(i)]	**–**	–	**846,770**	885,113
– Associates [Note 18(b)(ii)]	**2,313**	3,070	**–**	–
– Joint ventures [Note 18(b)(iii)]	**–**	787	**–**	–
	2,313	3,857	**846,770**	885,113
Accrued expenses	**116,270**	119,755	**78,153**	79,903
Deposits received	**34,483**	34,187	**9,805**	10,336
Sundry creditors	**16,485**	16,095	**7,308**	7,215
Collections in advance	**33,165**	39,217	**12,127**	19,841
	230,527	241,352	**973,237**	1,020,196

(i) The amounts owing to subsidiaries are non-trade, unsecured and repayable on demand. Except for amounts owing to a subsidiary of S$53.3 million (2017: S$43.3 million) with interest rate of 1.42% (2017: ranged from 0.85% to 0.92%) per annum as at the reporting date, the amounts owing to other subsidiaries are interest-free.

(ii) The amounts owing to associates are non-trade, unsecured, interest-free and repayable on demand.

(iii) As at 31 August 2017, the amounts owing to joint ventures are non-trade, unsecured, repayable on demand and interest-bearing. The interest rate was 1.93% per annum as at the reporting date.

19. INCOME TAXES

(a) Deferred taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown on the statements of financial position:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Deferred tax liabilities	**38,919**	49,190	**12,264**	13,564

Deferred tax taken to equity during the financial year is as follows:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Hedging reserve	**104**	79	**–**	–
Fair value reserve	**(7,037)**	689	**–**	–
	(6,933)	768	**–**	–

Deferred tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and capital allowances of S$17.2 million (2017: S$11.5 million) and S$4.3 million (2017: S$3.4 million) respectively at the reporting date which can be carried forward and used to offset against future taxable income, subject to meeting of certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses have no expiry dates except for S$5.8 million (2017: S$5.9 million) which can be carried forward to a maximum of five years.

19. INCOME TAXES (CONT'D)

(a) Deferred taxes (cont'd)

The movements in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

(i) Deferred tax liabilities

	Accelerated Tax Depreciation S$'000	Fair Value Changes S$'000	Others S$'000	Total S$'000
Group				
2018				
Beginning of financial year	**24,545**	**9,584**	**19,277**	**53,406**
Recognised in income statement	**(2,825)**	**–**	**(904)**	**(3,729)**
Recognised in equity	**–**	**(7,037)**	**–**	**(7,037)**
Currency translation differences	**(106)**	**–**	**85**	**(21)**
End of financial year	**21,614**	**2,547**	**18,458**	**42,619**
2017				
Beginning of financial year	35,034	8,895	7,586	51,515
Acquisition of a subsidiary	68	–	11,784	11,852
Acquisition of business by a subsidiary [Note 17(b)]	–	–	35	35
Recognised in income statement	(10,557)	–	(128)	(10,685)
Recognised in equity	–	689	–	689
End of financial year	24,545	9,584	19,277	53,406
Company				
2018				
Beginning of financial year	**16,773**	**–**	**120**	**16,893**
Recognised in income statement	**(1,451)**	**–**	**(110)**	**(1,561)**
End of financial year	**15,322**	**–**	**10**	**15,332**
2017				
Beginning of financial year	23,206	–	120	23,326
Recognised in income statement	(6,433)	–	–	(6,433)
End of financial year	16,773	–	120	16,893

19. INCOME TAXES (CONT'D)

(a) Deferred taxes (cont'd)

(ii) Deferred tax assets

	Provisions S$'000	Fair Value Changes S$'000	Total S$'000
Group			
2018			
Beginning of financial year	**(4,109)**	**(107)**	**(4,216)**
Recognised in income statement	**413**	**(1)**	**412**
Recognised in equity	**–**	**104**	**104**
End of financial year	**(3,696)**	**(4)**	**(3,700)**
2017			
Beginning of financial year	(3,957)	(186)	(4,143)
Recognised in income statement	(349)	–	(349)
Recognised in equity	–	79	79
Currency translation differences	197	–	197
End of financial year	(4,109)	(107)	(4,216)
Company			
2018			
Beginning of financial year	**(3,329)**	**–**	**(3,329)**
Recognised in income statement	**261**	**–**	**261**
End of financial year	**(3,068)**	**–**	**(3,068)**
2017			
Beginning of financial year	(2,755)	–	(2,755)
Recognised in income statement	(574)	–	(574)
End of financial year	(3,329)	–	(3,329)

19. INCOME TAXES (CONT'D)

(b) Income tax expense

	Group	
	2018	2017
	S$'000	S$'000
Current year		
– Current tax	**50,570**	46,352
– Deferred tax	**(2,752)**	(11,704)
	47,818	34,648
Prior years		
– Current tax	**(745)**	958
– Deferred tax	**(565)**	670
	(1,310)	1,628
	46,508	36,276

The income tax expense on profit for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to the following factors:

	Group	
	2018	2017
	S$'000	S$'000
Profit before taxation	**370,505**	431,492
Tax calculated at corporate tax rate of 17%	**62,986**	73,354
Singapore statutory stepped income exemption	**(456)**	(571)
Income taxed at concessionary rate	**(340)**	(264)
Income not subject to tax	**(25,846)**	(46,278)
Expenses not deductible for tax purposes	**11,387**	12,501
Tax relief for contributions made to Institutes of Public Character	**(27)**	(30)
Effect of different tax rates in other countries	**241**	(422)
Tax rebates	**(228)**	(227)
Tax incentives	**(753)**	(1,827)
Others	**854**	(1,588)
(Over)/Under-provision in prior years	**(1,310)**	1,628
Tax charge	**46,508**	36,276

20. BORROWINGS

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Secured				
Term loans [Note 20(a) and 20(b)]	**1,192,662**	1,147,202	**–**	–
Unsecured				
Term loan [Note 20(c)]	**279,160**	–	**279,160**	–
Loans from non-controlling interest [Note 20(d)]	**50,538**	53,017	**–**	–
Other banking facilities [Note 20(e)]	**85,000**	299,520	**85,000**	296,000
	1,607,360	1,499,739	**364,160**	296,000
Borrowings are repayable:				
Within 1 year	**294,853**	971,695	**85,000**	296,000
Between 1 – 5 years	**1,312,507**	528,044	**279,160**	–
	1,607,360	1,499,739	**364,160**	296,000

(a) On 24 July 2013, SPH REIT established a term loan facility up to the amount of S$975 million, of which the amount drawn down was S$895 million (2017: S$850 million). As at the reporting date, the loan stated at amortised cost amounted to S$893.1 million (2017: S$847.4 million). The loan has various repayment dates of which S$210 million is repayable in July 2019, S$280 million in July 2020, S$45 million in June 2021, S$170 million in July 2021, S$135 million in March 2022 and S$55 million in July 2022.

The term loan is secured by way of a first legal mortgage on SPH REIT's investment property – Paragon [Note 8], first legal charge over the tenancy account and sales proceeds account for Paragon, and an assignment of certain insurances taken in relation to Paragon.

After taking into account fixed interest rates and interest rate swap arrangements totalling S$625 million (2017: S$730 million), the effective interest rate as at the reporting date on the outstanding term loan was 2.85% (2017: 2.82%) per annum.

(b) On 5 June 2018 (2017: 2 June 2015), TSMPL established a term loan facility up to the amount of S$300 million which was fully drawn down. As at the reporting date, the loan stated at amortised cost amounted to S$299.6 million (2017: S$299.8 million). The loan is repayable in June 2021.

The term loan is secured by way of a first legal mortgage on TSMPL's investment property – The Seletar Mall [Note 8], first legal charge over the tenancy account and sales proceeds account for The Seletar Mall, and an assignment of certain insurances taken in relation to The Seletar Mall.

As at 31 August 2018, the effective interest rate on the outstanding term loan was 2.20% per annum (2017: 1.97% per annum after taking into account interest rate swap arrangements totalling S$100 million).

(c) On 12 September 2017, the Company established an unsecured term loan facility up to the amount of S$280 million which was fully drawn down. As at the reporting date, the loan stated at amortised cost amounted to S$279.2 million. The loan is repayable in September 2021. The effective interest rate as at the reporting date on the outstanding term loan was 2.25% per annum.

(d) As at 31 August 2018, TSMPL had outstanding unsecured loans of S$53.7 million (2017: S$53.7 million) from its non-controlling interest. The loans stated at amortised cost amounted to S$50.5 million (2017: S$53 million). The loans are interest-free and repayment is subject to the subordination agreement under the S$300 million term loan facility taken by TSMPL from a bank [Note 20(b)]. The unamortised fair value gain as at the reporting date was S$3.2 million (2017: S$0.7 million).

20. BORROWINGS (CONT'D)

The fair value of the loans was S$45.7 million (2017: S$53 million) determined from the cash flow analyses discounted at market borrowing rates of 2.25% (2017: 1.81%) per annum which management expected to be available to the Group.

(e) As at 31 August 2018, the other banking facilities included S$85 million (2017: S$296 million) [Note 30(b)] of unsecured facilities drawn down by the Company. The amounts are repayable in September 2018 (2017: September 2017).

(f) In respect of bank borrowings, where appropriate, the Group's policy is to minimise its interest rate risk exposure by entering into interest rate swaps over the duration of its borrowings. Accordingly, SPH REIT (2017: SPH REIT and TSMPL) entered into fixed rate loans and/or interest rate swap contracts to swap floating rates for fixed interest rates as part of their interest rate risk management. Under the interest rate swaps, SPH REIT and TSMPL agreed with other parties to exchange at specified intervals, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts. As at 31 August 2018, the fixed interest rate for SPH REIT was 1.44% to 2.65% (2017: 1.44% to 2.65%) per annum. As at 31 August 2017, the fixed interest rate for TSMPL was 1.82% per annum. The floating rates are referenced to Singapore dollar swap offer rate and repriced every three months.

The notional principal amounts of the outstanding interest rate swap contracts and their corresponding fair values as at 31 August 2018 are:

	Group	
	2018	2017
	S$'000	S$'000
Notional due:		
Within 1 year	**–**	270,000
Between 1 – 5 years	**445,000**	280,000
Fair values [Note 15]	**(2,814)**	(8,615)

(g) Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Borrowings S$'000
Group	
2018	
Beginning of financial year	**1,499,739**
Financing cash flows	
Proceeds from bank loans	**464,462**
Repayment of bank loans	**(356,333)**
	108,129
Non-cash changes	
Amortisation of transaction costs	**2,095**
Amortisation of fair value gain on interest-free loans	**996**
Fair value changes	**(3,474)**
Revaluation of a foreign currency denominated bank loan	**(125)**
	(508)
End of financial year	**1,607,360**

21. CAPITAL AND OTHER COMMITMENTS

(a) Commitments for capital expenditure and investments

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Authorised and contracted for				
– Property, plant and equipment	**4,707**	11,699	**3,361**	3,596
– Investment properties	**1,205**	3,476	**–**	–
– Investments	**23,212**	30,183	**–**	–
	29,124	45,358	**3,361**	3,596

(b) Operating lease commitments – where the Group and/or Company is a lessee

The future minimum lease payables under non-cancellable operating leases contracted for but not recognised as payables, are as follows:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Within 1 year	**11,666**	11,854	**252**	258
Between 1 – 5 years	**27,172**	31,350	**10**	268
After 5 years	**101,000**	110,093	**–**	–
	139,838	153,297	**262**	526

The Group and Company lease various commercial/residential space and plant and machinery under non-cancellable operating lease agreements with varying terms and renewal rights.

The operating lease rental expense of S$21.8 million (2017: S$18 million) was recognised in the income statement during the financial year.

(c) Operating lease commitments – where the Group is a lessor

The future minimum lease receivables under non-cancellable operating leases contracted for but not recognised as receivables, are as follows:

	Group	
	2018	2017
	S$'000	S$'000
Within 1 year	**216,444**	210,162
Between 1 – 5 years	**231,863**	266,113
	448,307	476,275

The Group leases to third parties various commercial/residential space under non-cancellable operating lease agreements with varying terms, escalation clauses and renewal rights.

22. OPERATING REVENUE

	Group 2018 S$'000	2017 S$'000
Media		
Sale of services – Advertisements	**445,360**	504,041
Sale of goods – Circulation	**150,648**	161,994
Others	**59,774**	59,392
	655,782	725,427
Property		
Rental and rental-related services	**242,417**	244,159
Others		
Sale of services – Advertisements	**18,234**	17,257
Sale of services – Multimedia, aged care and other services	**66,122**	45,672
	84,356	62,929
	982,555	1,032,515

23. STAFF COSTS

	Group 2018 S$'000	2017 S$'000
Salaries, bonuses and other costs	**309,217**	312,367
Employers' contribution to defined contribution plans	**38,958**	40,575
Share-based compensation expense	**3,610**	4,522
	351,785	357,464

24. OTHER OPERATING EXPENSES

	Group 2018 S$'000	2017 S$'000
Included in other operating expenses are:		
Audit fees#		
– Company's auditors	**1,305**	1,250
– Other auditors	**74**	71
Non-audit fees#		
– Company's auditors	**458**	41
Retrenchment and outplacement costs	**10,824**	6,702
Net foreign exchange differences from operations	**(206)**	805
Impairment/(Write-back of impairment) of trade receivables [Note 30(b)(ii)]	**306**	(1,277)
Bad debts recovery	**(15)**	(152)
(Profit)/Loss on disposal of property, plant and equipment	**(182)**	154
Amortisation of intangible assets [Note 13(b) and 13(c)]	**9,728**	11,002

Audit fees comprise fees incurred for statutory audit, quarterly reviews of financial results and other assurance engagements. Non-audit fees relate to tax and other advisory services. Comparative figures for both Audit and Non-audit fees were re-presented accordingly.

25. FINANCE COSTS

	Group 2018 S$'000	Group 2017 S$'000
Interest expense		
– Bank loans	**32,995**	24,785
– Loans from non-controlling interest	**1,009**	954
Cash flow hedges, reclassified from hedging reserve*	**3,509**	5,561
	37,513	31,300

* *In relation to interest rate swap arrangements in Note 20(f).*

26. NET INCOME FROM INVESTMENTS

	Group 2018 S$'000	Group 2017 S$'000
Available-for-sale financial assets		
Interest income	**3,456**	3,471
Dividend income	**20,222**	25,464
Net foreign exchange differences	**769**	(600)
Transfer from fair value reserve on disposal of investments	**97,051**	26,686
Impairment of investments [Note 12]	**(6,627)**	(3,362)
	114,871	51,659
Financial assets at fair value through profit or loss		
Net fair value changes on investments		
– Designated upon initial recognition	**961**	1,919
– Held for trading	**104**	1,391
Net fair value changes on derivatives	**(3,020)**	(1,868)
	(1,955)	1,442
Deposits with financial institutions		
Interest income	**1,573**	1,390
Net foreign exchange differences	**686**	(626)
	2,259	764
	115,175	53,865

27. DIVIDENDS

	Company 2018 S$'000	Company 2017 S$'000
Tax-exempt dividends paid:		
– Final dividend of 3 cents per share in respect of previous financial year (2017: 8 cents per share)	**48,449**	129,184
– Special final dividend of 6 cents per share in respect of previous financial year (2017: 3 cents per share)	**96,899**	48,444
– Interim dividend of 6 cents per share (2017: 6 cents per share)	**96,961**	96,928
	242,309	274,556

The Directors have proposed a final dividend of 3 cents per share and a special final dividend of 4 cents per share for the financial year, amounting to a total of S$113 million. These dividends are tax-exempt.

These financial statements do not reflect these proposed dividends, which will be accounted for in shareholders' interests as an appropriation of retained profit in the financial year ending 31 August 2019 when they are approved at the next annual general meeting.

28. EARNINGS PER SHARE

	Group 2018 Basic S$'000	Group 2018 Diluted S$'000	Group 2017 Basic S$'000	Group 2017 Diluted S$'000
Profit after taxation attributable to shareholders of the Company	**281,110**	**281,110**	350,085	350,085

	Number of Shares '000	Number of Shares '000	Number of Shares '000	Number of Shares '000
Weighted average number of shares	**1,615,277**	**1,615,277**	1,615,083	1,615,083
Adjustment for assumed conversion of performance shares	**–**	**6,130**	–	5,426
Weighted average number of shares used to compute earnings per share	**1,615,277**	**1,621,407**	1,615,083	1,620,509

	Basic	Diluted	Basic	Diluted
Earnings per share (S$)	**0.17**	**0.17**	0.22	0.22

29. SIGNIFICANT SUBSIDIARIES OF THE GROUP

Name of Subsidiaries	Principal Activities	Country of Incorporation	Effective % of Equity held by the Group 2018 %	2017 %
Times Properties Private Limited	Letting properties and provision of property management services	Singapore	**100**	100
Orchard 290 Ltd	Holding investments and management of shopping centres and other commercial properties	Singapore	**100**	100
Singapore News and Publications Limited	Holding investments and properties	Singapore	**100**	100
Singapore Newspaper Services Private Limited	Holding investments and properties	Singapore	**100**	100
Lianhe Investments Pte. Ltd.	Holding investments for trading purposes	Singapore	**100**	100
SPH Multimedia Private Limited	Holding investments	Singapore	**100**	100
SPH Invest Ltd. (formerly SPH AsiaOne Ltd)	Holding investments	Singapore	**100**	100
The Seletar Mall Pte. Ltd.	Holding property investments and management of shopping centre	Singapore	**70**	70
SPH REIT	Holding property investments	Singapore	**70**	70

Note:
(i) The above companies are audited by KPMG LLP, Singapore.
(ii) A list of other operating subsidiaries of the Group can be found on pages 200 and 201 of the Annual Report.

30. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, particularly market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. Where appropriate, the Group's risk management policies seek to minimise potential adverse effects of these risks on the financial performance of the Group.

Matters pertaining to risk management strategies and execution require the decision and approval of the Board of Directors ("Board").

Financial risk management is mainly carried out by a central treasury department ("Treasury & Investment") in accordance with policies approved by the Board. Treasury & Investment analyses its investment portfolio and works closely with business units to identify, evaluate and hedge financial risks where appropriate. Guidelines for authority levels and exposure limits are in place to prevent unauthorised transactions. The Board is regularly updated on the Group's financial investments and hedging activities.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

The policies for managing these risks are summarised below.

(a) Market risk

(i) Currency risk

The currency risk of the Group arises from its operational purchases of raw materials, consumable stores and capital expenditure denominated in currencies other than the functional currency. In addition, currency risk also arises from the Group's foreign currency investments and from costs incurred by its overseas news bureaus. The Group also has investments in foreign subsidiaries, associates and joint ventures, whose net assets are exposed to currency translation risk.

Where appropriate, the Group enters into foreign exchange forward contracts and cross currency swaps to hedge against its currency risk resulting from anticipated sale and purchase transactions in foreign currencies, its foreign currency denominated investments and net assets of its foreign subsidiaries, associates and joint ventures.

The Group's currency exposure on its monetary financial assets and liabilities based on the information provided to key management is as follows:

	SGD S$'000	USD S$'000	Others S$'000	Total S$'000
Group				
2018				
Assets				
Investments	33,427	–	–	33,427
Trade and other receivables	332,552	191,325	3,634	527,511
Cash and cash equivalents	313,341	36,116	10,041	359,498
	679,320	227,441	13,675	920,436
Liabilities				
Trade and other payables	(219,421)	(11,778)	(4,404)	(235,603)
Borrowings	(1,607,360)	–	–	(1,607,360)
	(1,826,781)	(11,778)	(4,404)	(1,842,963)
Net (liabilities)/assets	(1,147,461)	215,663	9,271	(922,527)
Less: Net liabilities/(assets) denominated in the respective entities' functional currencies	1,147,461	11	(8,078)	1,139,394
Less: Firm commitments in foreign currencies	–	(914)	(5)	(919)
Less: Currency forwards*	–	(144,071)	–	(144,071)
Currency exposure	–	70,689	1,188	71,877

* *Entered into to manage risk of foreign currency fluctuations of non-monetary investments denominated in foreign currencies and USD proceeds from disposal of investments.*

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	SGD S$'000	USD S$'000	Others S$'000	Total S$'000
Group				
2017				
Assets				
Investments	33,245	–	–	33,245
Trade and other receivables	270,571	35,180	4,832	310,583
Cash and cash equivalents	288,725	13,513	10,409	312,647
	592,541	48,693	15,241	656,475
Liabilities				
Trade and other payables	(220,952)	(11,374)	(4,489)	(236,815)
Borrowings	(1,496,219)	–	(3,520)	(1,499,739)
	(1,717,171)	(11,374)	(8,009)	(1,736,554)
Net (liabilities)/assets	(1,124,630)	37,319	7,232	(1,080,079)
Less: Net liabilities/(assets) denominated in the respective entities' functional currencies	1,124,630	–	(9,652)	1,114,978
Less: Firm commitments in foreign currencies	–	(214)	–	(214)
Less: Currency forwards*	–	(135,800)	–	(135,800)
Currency exposure	–	(98,695)	(2,420)	(101,115)

* *Entered into to manage risk of foreign currency fluctuations of non-monetary investments denominated in foreign currencies.*

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Company's currency exposure on its monetary financial assets and liabilities based on the information provided to key management is as follows:

	SGD S$'000	USD S$'000	Others S$'000	Total S$'000
Company				
2018				
Assets				
Trade and other receivables	2,660,148	1,431	385	2,661,964
Cash and cash equivalents	159,014	2,276	596	161,886
	2,819,162	3,707	981	2,823,850
Liabilities				
Trade and other payables	(948,368)	(12,649)	(93)	(961,110)
Borrowings	(364,160)	–	–	(364,160)
	(1,312,528)	(12,649)	(93)	(1,325,270)
Net assets/(liabilities)	1,506,634	(8,942)	888	1,498,580
Less: Net (assets)/liabilities denominated in the Company's functional currency	(1,506,634)	–	–	(1,506,634)
Less: Firm commitments in foreign currencies	–	(914)	(5)	(919)
Currency exposure	–	(9,856)	883	(8,973)

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	SGD S$'000	USD S$'000	Others S$'000	Total S$'000
Company				
2017				
Assets				
Trade and other receivables	2,389,114	1,423	247	2,390,784
Cash and cash equivalents	136,968	13,248	251	150,467
	2,526,082	14,671	498	2,541,251
Liabilities				
Trade and other payables	(989,428)	(10,878)	(49)	(1,000,355)
Borrowings	(296,000)	–	–	(296,000)
	(1,285,428)	(10,878)	(49)	(1,296,355)
Net assets	1,240,654	3,793	449	1,244,896
Less: Net assets denominated in the Company's functional currency	(1,240,654)	–	–	(1,240,654)
Less: Firm commitments in foreign currencies	–	(214)	–	(214)
Currency exposure	–	3,579	449	4,028

A reasonably possible strengthening (weakening) of the USD by 5% (2017: 5%) against the SGD at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2018		2017	
	Profit after tax S$'000	**Other comprehensive income S$'000**	Profit after tax S$'000	Other comprehensive income S$'000
Group				
USD against SGD				
– strengthened	**2,934**	**–**	(4,096)	–
– weakened	**(2,934)**	**–**	4,096	–
Company				
USD against SGD				
– strengthened	**(409)**	**–**	149	–
– weakened	**409**	**–**	(149)	–

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(ii) Price risk

The Group is exposed to securities price risk arising from its investments which are classified either as available-for-sale or at fair value through profit or loss. To manage the price risk arising from its investments, the Group diversifies its portfolio across different markets and industries, where appropriate.

A change of 20% (2017: 20%) in prices for investments at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2018		2017	
	Profit after tax S$'000	**Other comprehensive income S$'000**	Profit after tax S$'000	Other comprehensive income S$'000
Group				
Investments				
– prices increase	**1,206**	**103,944**	3,963	153,296
– prices decrease	**(1,206)**	**(103,944)**	(3,963)	(153,296)
Company				
Investments				
– prices increase	**–**	**–**	–	5,435
– prices decrease	**–**	**–**	–	(5,435)

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(iii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has cash balances placed with reputable banks and financial institutions, and investments in bonds and government-related securities, which generate interest income for the Group. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

The Group's debt comprises mainly bank borrowings taken up by the Company and its subsidiaries to finance its operations. Where appropriate, the Group seeks to minimise its cash flow interest rate risk exposure by entering into interest rate swap contract to swap floating interest rate for fixed interest rate over the duration of its borrowings.

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD.

A change of 0.5% (2017: 0.5%) in interest rate at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2018		2017	
	Profit after tax S$'000	**Other comprehensive income S$'000**	Profit after tax S$'000	Other comprehensive income S$'000
Group				
Investments				
– interest rates increase	**–**	**–**	–	(614)
– interest rates decrease	**–**	**–**	–	614
Borrowings				
– interest rates increase	**(3,467)**	**–**	(1,430)	–
– interest rates decrease	**3,467**	**–**	1,430	–
Company				
Borrowings				
– interest rates increase	**(872)**	**–**	–	–
– interest rates decrease	**872**	**–**	–	–

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, thereby resulting in financial loss to the Group. For trade receivables, the Group manages its credit risk through the application of credit approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains collateral in the form of deposits, bankers'/insurance guarantees from its customers, and imposes cash terms and/or advance payments from customers of lower credit standing. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. As such, management has determined the credit quality of the customers to be of acceptable risk.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position which comprise mainly trade and other receivables, investments in bonds and notes, and cash balances placed with banks. In addition, the Company is the primary obligor for unsecured composite advance facilities which could be utilised by the Company and its designated subsidiaries. The amounts utilised by the Company as at 31 August 2018 was S$85 million (2017: S$296 million) [Note 20(e)], and a subsidiary as at 31 August 2017 was S$3.5 million.

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
By types of customers				
Advertisement	**49,398**	55,069	**43,029**	45,524
Circulation	**5,967**	10,953	**5,731**	10,400
Multimedia	**4,467**	4,683	**1,082**	919
Rental	**1,794**	2,924	**–**	–
Others	**10,981**	11,963	**1,422**	4,460
	72,607	85,592	**51,264**	61,303

As at 31 August 2018, 50% – 65% (2017: 40% – 65%) of the trade receivables were backed by bankers'/insurance guarantees and/or deposits from customers.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

(i) Financial assets that are neither past due nor impaired

Bank deposits and investments in bonds are neither past due nor impaired. Bank deposits are placed with reputable banks and financial institutions. The Group's bond portfolio is primarily invested in investment grade securities. Trade receivables that are neither past due nor impaired are substantially due from companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Past due 1 to 30 days	**12,671**	12,896	**6,134**	6,523
Past due 31 to 60 days	**4,768**	4,504	**2,317**	1,974
Past due 61 to 90 days	**1,724**	3,031	**827**	1,445
Past due over 90 days	**3,978**	7,362	**2,609**	4,797
	23,141	27,793	**11,887**	14,739

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Gross amount	**4,706**	5,265	**1,938**	3,106
Less: Allowance for impairment	**(4,706)**	(5,265)	**(1,938)**	(3,106)
	–	–	**–**	–
Beginning of financial year	**5,265**	7,948	**3,106**	5,958
Acquisition of a subsidiary	**–**	242	**–**	–
Allowance made/(written-back) [Note 24]	**306**	(1,277)	**(957)**	(1,661)
Allowance utilised	**(848)**	(1,633)	**(211)**	(1,191)
Currency translation difference	**(17)**	(15)	**–**	–
End of financial year	**4,706**	5,265	**1,938**	3,106

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuation in cash flows.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows.

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000
Group			
At 31 August 2018			
Net-settled interest rate swaps	**(2,209)**	**(866)**	**35**
Gross-settled currency forwards			
– Receipts	**142,034**	**–**	**–**
– Payments	**(143,935)**	**–**	**–**
Trade and other payables	**(197,362)**	**(19,023)**	**(19,218)**
Borrowings	**(329,418)**	**(309,621)**	**(1,062,615)**
	(530,890)	**(329,510)**	**(1,081,798)**
At 31 August 2017			
Net-settled interest rate swaps	(5,334)	(2,450)	(1,548)
Gross-settled currency forwards			
– Receipts	137,158	–	–
– Payments	(135,728)	–	–
Trade and other payables	(202,135)	(10,379)	(24,301)
Borrowings	(993,102)	(135,750)	(415,456)
	(1,199,141)	(148,579)	(441,305)
Company			
At 31 August 2018			
Trade and other payables	**(961,110)**	**–**	**–**
Borrowings	**(91,713)**	**(6,627)**	**(286,990)**
	(1,052,823)	**(6,627)**	**(286,990)**
At 31 August 2017			
Trade and other payables	(1,000,355)	–	–
Borrowings	(296,172)	–	–
	(1,296,527)	–	–

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The total capital of the Group and the Company is represented by the respective "Shareholders' interests" as presented on the statements of financial position.

Management uses the "Return on Shareholders' Funds" as a measure of efficiency in managing capital. The "Return on Shareholders' Funds" is calculated as profit attributable to shareholders divided by shareholders' interests. The "Return on Shareholders' Funds" was 8.1% per annum for the current financial year ended 31 August 2018 (2017: 10% per annum) and is in line with the Group's objectives. The "Return on Shareholders' Funds" for the last five years was between 7.5% and 11%.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(iii) Inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2018				
Assets				
Investment properties	–	–	4,155,122	4,155,122
Financial assets at fair value through profit or loss	–	–	6,031	6,031
Available-for-sale financial assets	312,156	130,366	127,061	569,583
Derivatives	–	39	200	239
	312,156	130,405	4,288,414	4,730,975
Liabilities				
Derivatives	–	(4,754)	–	(4,754)

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2017				
Assets				
Investment properties	–	–	4,034,771	4,034,771
Financial assets at fair value through profit or loss	15,421	2,037	4,977	22,435
Available-for-sale financial assets	409,561	248,794	196,308	854,663
Derivatives	–	1,473	200	1,673
	424,982	252,304	4,236,256	4,913,542
Liabilities				
Derivatives	–	(8,658)	–	(8,658)

The Company has no available-for-sale financial assets as at 31 August 2018. As at 31 August 2017, the Company's available-for-sale financial assets with a carrying amount of S$27.2 million were measured at fair value using Level 1 valuation method.

The assessment of the fair value of unquoted financial instruments is performed on a quarterly basis by the Group's finance department. The determination of the fair value of investment properties is performed on an annual basis by external independent property valuers having appropriate recognised professional qualifications and experience in the category of property being valued. Management reviews the appropriateness of the valuation methodologies and assumptions adopted and addresses any significant issues that may arise.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

The fair value of investment properties and available-for-sale financial assets included in Level 3 is determined as follows:

Description	Valuation technique(s)	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment properties			
Completed – Retail, residential and commercial	Capitalisation approach	– Capitalisation rate: 3.6% to 6.0% (2017: 3.6% to 4.8%)	The estimated fair value varies inversely with the capitalisation rate.
	Discounted cashflow approach	– Discount rate: 6.5% to 8.0% (2017: 7.5%)	The estimated fair value varies inversely with the discount rate and terminal yield rate.
		– Terminal yield rate: 3.8% to 6.5% (2017: 3.8% to 5.1%)	
	Comparable sales method	– Comparable sales prices+: S$1,030psf to S$3,343psf (2017: S$966psf to S$3,343psf)	The estimated fair value varies with the adjusted comparable sales prices.
Available-for-sale financial assets			
Equities	Net tangible assets	– Net tangible assets[1]	N.A.
	Derived from funding exercise	– Derived from funding exercise[2]	N.A.
Bonds	Net asset value	– Net asset value[3]	N.A.
Investment funds	Net asset value	– Net asset value[3]	N.A.
Asset held for sale			
Equity	Agreed sale consideration	N.A.	N.A.

+ *Comparable sales prices have been adjusted by the size, tenure, location, age and condition and development of the comparable properties to arrive at the fair value of the investment properties held by the Group.*

1 *Fair value of certain unquoted equities is determined by reference to the underlying net tangible assets of the investee companies.*

2 *Fair value of certain unquoted equities for which the underlying companies are performing to market expectations is estimated to be equivalent to their recent cost of acquisition or value achieved during funding exercises.*

3 *Fair value of unquoted bonds and unquoted investment funds is determined by reference to the underlying asset value of the investee companies, which comprise mainly investment properties at fair value or portfolio investments at fair value.*

N.A. Not applicable

The Group recognises transfers between the levels of the fair value hierarchy at the event or change in circumstances that caused the transfer.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

Movements in Level 3 assets are as follows:

		Financial assets at fair value through profit or loss	Available-for-sale financial assets			
	Investment properties S$'000	Bonds S$'000	Equities S$'000	Bonds S$'000	Investment funds S$'000	Derivatives S$'000
Group						
2018						
Beginning of financial year	4,034,771	4,977	77,698	8,455	110,155	200
Additions	74,649	–	–	–	10,962	–
Disposals	–	–	(72,319)	–	(30,064)	–
Gains recognised in income statement	45,702	60	9,602	–	7,681	–
(Losses)/Gains recognised in other comprehensive income	–	–	(4,507)	1	2,435	–
Transferred from Level 2	–	2,037	13,886	–	–	–
Transferred to Level 2	–	(1,043)	(6,924)	–	–	–
End of financial year	4,155,122	6,031	17,436	8,456	101,169	200

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

Movements in Level 3 assets are as follows:

		Financial assets at fair value through profit or loss	Available-for-sale financial assets				
	Investment properties S$'000	Bonds S$'000	Equities S$'000	Bonds S$'000	Investment funds S$'000	Asset held for sale S$'000	Derivatives S$'000
Group							
2017							
Beginning of financial year	3,963,000	–	66,438	8,454	131,294	8,831	–
Additions	14,385	713	–	–	9,187	–	–
Disposals	–	–	–	–	(33,478)	(9,602)	–
Gains/(Losses) recognised in income statement	57,386	(49)	(801)	–	4,160	–	–
(Losses)/Gains recognised in other comprehensive income	–	–	(1,473)	1	(1,008)	771	–
Transferred from Level 2	–	4,313	14,529	–	–	–	200
Transferred to Level 2	–	–	(995)	–	–	–	–
End of financial year	4,034,771	4,977	77,698	8,455	110,155	–	200

Certain financial assets were transferred from Level 2 to Level 3, and from Level 3 to Level 2, due to lack of recent arm's length transactions and as observable market data becomes available respectively.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Financial assets and liabilities not measured at fair value but for which fair values are disclosed

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2018				
Liabilities				
Borrowings	**–**	**50,538**	**–**	**50,538**
2017				
Liabilities				
Borrowings	–	53,017	–	53,017

(g) Offsetting financial assets and liabilities

The disclosures set out in the tables below include financial assets and liabilities that are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statements of financial position.

	Gross amount of recognised financial assets/ (liabilities) S$'000	Gross amount of recognised financial assets/ (liabilities) offset in the statement of financial position S$'000	Net amount of financial assets/ (liabilities) presented in the statement of financial position S$'000	Related amount not offset in the statement of financial position S$'000	Net amount S$'000
Group					
2018					
Assets					
Currency forwards	**39**	**–**	**39**	**(39)**	**–**
Liabilities					
Currency forwards	**(1,940)**	**–**	**(1,940)**	**39**	**(1,901)**
Interest rate swaps	**(2,814)**	**–**	**(2,814)**	**–**	**(2,814)**
	(4,754)	**–**	**(4,754)**	**39**	**(4,715)**
2017					
Assets					
Currency forwards	1,473	–	1,473	(43)	1,430
Liabilities					
Currency forwards	(43)	–	(43)	43	–
Interest rate swaps	(8,615)	–	(8,615)	–	(8,615)
	(8,658)	–	(8,658)	43	(8,615)

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(h) Fair value

The basis for fair value measurement of financial assets and liabilities is set out in Notes 20(d) and 30(e). The fair values of other financial assets and liabilities approximate their carrying amounts.

(i) Financial instruments by category

	Loans and receivables S$'000	Available-for-sale financial assets S$'000	Financial assets/ (liabilities) at fair value through profit or loss S$'000	Derivatives used for hedging S$'000	Other financial liabilities at amortised cost S$'000	Total S$'000
Group						
2018						
Assets						
Investments	**–**	**569,583**	**6,031**	**–**	**–**	**575,614**
Trade and other receivables excluding non-financial instruments	**527,511**	**–**	**–**	**–**	**–**	**527,511**
Derivatives	**–**	**–**	**239**	**–**	**–**	**239**
Cash and cash equivalents	**359,498**	**–**	**–**	**–**	**–**	**359,498**
	887,009	**569,583**	**6,270**	**–**	**–**	**1,462,862**
Liabilities						
Trade and other payables excluding non-financial instruments	**–**	**–**	**–**	**–**	**(235,603)**	**(235,603)**
Borrowings	**–**	**–**	**–**	**–**	**(1,607,360)**	**(1,607,360)**
Derivatives	**–**	**–**	**(1,940)**	**(2,814)**	**–**	**(4,754)**
	–	**–**	**(1,940)**	**(2,814)**	**(1,842,963)**	**(1,847,717)**
2017						
Assets						
Investments	–	854,663	22,435	–	–	877,098
Trade and other receivables excluding non-financial instruments	310,583	–	–	–	–	310,583
Derivatives	–	–	1,673	–	–	1,673
Cash and cash equivalents	312,647	–	–	–	–	312,647
	623,230	854,663	24,108	–	–	1,502,001
Liabilities						
Trade and other payables excluding non-financial instruments	–	–	–	–	(236,815)	(236,815)
Borrowings	–	–	–	–	(1,499,739)	(1,499,739)
Derivatives	–	–	(43)	(8,615)	–	(8,658)
	–	–	(43)	(8,615)	(1,736,554)	(1,745,212)

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(i) Financial instruments by category (cont'd)

	Loans and receivables S$'000	Available-for-sale financial assets S$'000	Other financial liabilities at amortised cost S$'000	Total S$'000
Company				
2018				
Assets				
Trade and other receivables excluding non-financial instruments	**2,661,964**	**–**	**–**	**2,661,964**
Cash and cash equivalents	**161,886**	**–**	**–**	**161,886**
	2,823,850	**–**	**–**	**2,823,850**
Liabilities				
Trade and other payables excluding non-financial instruments	**–**	**–**	**(961,110)**	**(961,110)**
Borrowings	**–**	**–**	**(364,160)**	**(364,160)**
	–	**–**	**(1,325,270)**	**(1,325,270)**
2017				
Assets				
Investments	–	27,173	–	27,173
Trade and other receivables excluding non-financial instruments	2,390,784	–	–	2,390,784
Cash and cash equivalents	150,467	–	–	150,467
	2,541,251	27,173	–	2,568,424
Liabilities				
Trade and other payables excluding non-financial instruments	–	–	(1,000,355)	(1,000,355)
Borrowings	–	–	(296,000)	(296,000)
	–	–	(1,296,355)	(1,296,355)

31. RELATED PARTY TRANSACTIONS

Key management personnel compensation and transactions are as follows:

	Group	
	2018	2017
	S$'000	S$'000
Remuneration and other short-term employee benefits	**22,583**	22,534
Employers' contribution to defined contribution plans	**889**	830
Share-based compensation expense	**1,729**	3,323
	25,201	26,687
Staff loans granted to key management personnel	**235**	277

The above includes total emoluments of the Company's directors of S$3.7 million (2017: S$4.4 million).

32. SEGMENTAL INFORMATION

(a) Operating segments

Management has determined the operating segments based on the reports provided to the Chief Executive Officer of the Company that are used to make strategic decisions.

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

Segment performance is evaluated based on profit/(loss) before taxation which is used as a measure of performance as management believes this is most relevant in evaluating the results of the segments.

Inter-segment pricing is determined on mutually agreed terms. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

32. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

Information regarding the results of each reportable segment is included in the table below.

	Media S$'000	Property S$'000	Treasury and Investment S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
2018						
Operating revenue						
External sales	655,782	242,417	–	84,356	–	982,555
Inter-segmental sales	3,691	2,538	–	2,149	(8,378)	–
Total operating revenue	659,473	244,955	–	86,505	(8,378)	982,555
Result						
Segment result	92,066	182,843	100,895	(16,770)	–	359,034
Finance costs	–	(35,585)	(1,915)	(13)	–	(37,513)
Fair value change on investment properties	–	45,702	–	–	–	45,702
Share of results of associates and joint ventures	5	4,497	–	(1,220)	–	3,282
Profit/(Loss) before taxation	92,071	197,457	98,980	(18,003)	–	370,505
Taxation						(46,508)
Profit after taxation						323,997
Non-controlling interests						(42,887)
Profit attributable to Shareholders						281,110
Other information						
Segment assets	303,066	4,539,536	958,139	395,947	–	6,196,688
Segment assets includes:						
Associates/Joint ventures	12,823	92,663	–	37,723	–	143,209
Additions to:						
– property, plant and equipment	14,532	164	–	9,053	–	23,749
– investment properties	–	74,649	–	–	–	74,649
– intangible assets	–	–	–	3,700	–	3,700
Segment liabilities	151,165	1,616,703	87,676	26,459	–	1,882,003
Current tax liabilities						47,682
Deferred tax liabilities						38,919
Consolidated total liabilities						1,968,604
Depreciation	27,447	540	–	5,227	–	33,214
Amortisation of intangible assets	808	–	–	8,920	–	9,728
Impairment of goodwill	275	–	–	16,995	–	17,270
Impairment of intangible assets	449	–	–	4,637	–	5,086

32. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

	Media S$'000	Property S$'000	Treasury and Investment S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
2017						
Operating revenue						
External sales	725,427	244,159	–	62,929	–	1,032,515
Inter-segmental sales	4,223	2,512	–	3,547	(10,282)	–
Total operating revenue	729,650	246,671	–	66,476	(10,282)	1,032,515
Result						
Segment result	62,175	188,281	49,089	(8,932)	–	290,613
Finance costs	–	(29,235)	(2,051)	(14)	–	(31,300)
Fair value change on investment properties	–	57,386	–	–	–	57,386
Share of results of associates and joint ventures	(268)	3,925	–	(3,095)	–	562
Gain on divestment of a joint venture	–	–	–	149,690	–	149,690
Impairment of associates and a joint venture	(35,300)	–	–	(159)	–	(35,459)
Profit before taxation	26,607	220,357	47,038	137,490	–	431,492
Taxation						(36,276)
Profit after taxation						395,216
Non-controlling interests						(45,131)
Profit attributable to Shareholders						350,085
Other information						
Segment assets	346,191	4,322,917	999,819	437,483	–	6,106,410
Segment assets includes:						
Associates/Joint ventures	11,002	44,059	–	22,427	–	77,488
Additions to:						
– property, plant and equipment	11,259	621	–	64,589	–	76,469
– investment properties	–	14,385	–	–	–	14,385
– intangible assets	655	–	–	104,770	–	105,425
Segment liabilities	171,345	1,296,052	300,271	19,637	–	1,787,305
Current tax liabilities						46,591
Deferred tax liabilities						49,190
Consolidated total liabilities						1,883,086
Depreciation	35,473	567	–	1,783	–	37,823
Amortisation of intangible assets	2,261	–	–	8,741	–	11,002
Impairment of property, plant and equipment	22,785	–	–	–	–	22,785
Impairment of goodwill	1,879	–	–	8,000	–	9,879
Impairment of intangible assets	27,901	–	–	–	–	27,901

32. SEGMENTAL INFORMATION (CONT'D)

(b) Geographical segments

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

	Operating revenue		Non-current assets		Total assets	
	2018 S$'000	2017 S$'000	**2018 S$'000**	2017 S$'000	**2018 S$'000**	2017 S$'000
Singapore	**962,450**	1,009,437	**5,374,768**	5,049,234	**6,155,832**	6,064,032
Other countries	**20,105**	23,078	**25,222**	25,373	**40,856**	42,378
	982,555	1,032,515	**5,399,990**	5,074,607	**6,196,688**	6,106,410

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS

Applicable to 2019 financial statements

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to IFRS. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 31 August 2019 will be prepared in accordance with SFRS(I). This will therefore be the last set of financial statements prepared under the current FRS.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

In addition to the adoption of the new framework, the Group will also concurrently apply the following new SFRS(I)s which are effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;
- SFRS(I) 9 *Financial Instruments* which includes amendments arising from IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- requirements in SFRS(I) 2 *Share-based payment* arising from the amendments to IFRS 2 – *Classification and Measurement of Share-based Payment Transactions* issued by the IASB in June 2016;
- requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 – *Transfers of Investment Property* issued by the IASB in December 2016;
- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016;
- requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an Associate or Joint Venture at Fair Value* issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The Group does not expect the application of the above standards and interpretations to have a significant impact on the financial statements, except as described below.

Summary of quantitative impact

The Group is currently finalising the transition adjustments. The following reconciliations provide an estimate of the expected impacts on initial application of SFRS(I) 1, SFRS(I) 15 and SFRS(I) 9 on the Group's and the Company's financial position as at 31 August 2018 and 1 September 2018 and the Group's income statement and other comprehensive income for the year ended 31 August 2018.

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS (CONT'D)

Summary of quantitative impact (cont'd)

Consolidated statement of financial position

	As at 31 August 2018			As at 1 September 2018	
	Current framework S$'000	SFRS(I) 1 S$'000	SFRS(I) framework S$'000	SFRS(I) 9 S$'000	SFRS(I) framework S$'000
CAPITAL EMPLOYED					
Share capital	522,809	–	522,809	–	522,809
Treasury shares	(7,101)	–	(7,101)	–	(7,101)
Reserves	259,856	4,867	264,723	(12,426)	252,297
Retained profits	2,691,368	(39,136)	2,652,232	12,235	2,664,467
Shareholders' interests	3,466,932	(34,269)	3,432,663	(191)	3,432,472
Non-controlling interests	761,152	–	761,152	–	761,152
Total equity	**4,228,084**	**(34,269)**	**4,193,815**	**(191)**	**4,193,624**
EMPLOYMENT OF CAPITAL					
Non-current assets					
Property, plant and equipment	224,918	(34,269)	190,649	–	190,649
Investment properties	4,155,122	–	4,155,122	–	4,155,122
Associates	95,825	–	95,825	–	95,825
Joint ventures	47,384	–	47,384	–	47,384
Investments	453,951	–	453,951	–	453,951
Intangible assets	176,028	–	176,028	–	176,028
Trade and other receivables	246,562	–	246,562	–	246,562
Derivatives	200	–	200	–	200
	5,399,990	(34,269)	5,365,721	–	5,365,721
Current assets					
Inventories	22,636	–	22,636	–	22,636
Trade and other receivables	292,862	–	292,862	(191)	292,671
Investments	121,663	–	121,663	–	121,663
Derivatives	39	–	39	–	39
Cash and cash equivalents	359,498	–	359,498	–	359,498
	796,698	–	796,698	(191)	796,507
Total assets	6,196,688	(34,269)	6,162,419	(191)	6,162,228
Non-current liabilities					
Trade and other payables	39,362	–	39,362	–	39,362
Deferred tax liabilities	38,919	–	38,919	(2,546)	36,373
Borrowings	1,312,507	–	1,312,507	–	1,312,507
Derivatives	2,814	–	2,814	–	2,814
	1,393,602	–	1,393,602	(2,546)	1,391,056
Current liabilities					
Trade and other payables	230,527	–	230,527	–	230,527
Current tax liabilities	47,682	–	47,682	2,546	50,228
Borrowings	294,853	–	294,853	–	294,853
Derivatives	1,940	–	1,940	–	1,940
	575,002	–	575,002	2,546	577,548
Total liabilities	1,968,604	–	1,968,604	–	1,968,604
Net assets	**4,228,084**	**(34,269)**	**4,193,815**	**(191)**	**4,193,624**

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS (CONT'D)

Summary of quantitative impact (cont'd)

Statement of financial position for the Company

	As at 31 August 2018		
	Current framework S$'000	SFRS(I) 1 S$'000	SFRS(I) framework S$'000
CAPITAL EMPLOYED			
Share capital	522,809	–	522,809
Treasury shares	(7,101)	–	(7,101)
Reserves	7,783	–	7,783
Retained profits	1,518,369	(34,269)	1,484,100
Total equity	**2,041,860**	**(34,269)**	**2,007,591**
EMPLOYMENT OF CAPITAL			
Non-current assets			
Property, plant and equipment	70,731	(34,269)	36,462
Subsidiaries	439,940	–	439,940
Joint ventures	600	–	600
Intangible assets	44,071	–	44,071
Trade and other receivables	283,809	–	283,809
	839,151	(34,269)	804,882
Current assets			
Inventories	20,281	–	20,281
Trade and other receivables	2,383,725	–	2,383,725
Cash and cash equivalents	161,886	–	161,886
	2,565,892	–	2,565,892
Total assets	3,405,043	(34,269)	3,370,774
Non-current liabilities			
Trade and other payables	1,121	–	1,121
Deferred tax liabilities	12,264	–	12,264
Borrowings	279,160	–	279,160
	292,545	–	292,545
Current liabilities			
Trade and other payables	973,237	–	973,237
Current tax liabilities	12,401	–	12,401
Borrowings	85,000	–	85,000
	1,070,638	–	1,070,638
Total liabilities	1,363,183	–	1,363,183
Net assets	**2,041,860**	**(34,269)**	**2,007,591**

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS (CONT'D)

SFRS(I) 1

When the Group adopts SFRS(I) in 2019, the Group will apply SFRS(I) 1 with 1 September 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2019, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. Except as described below, the Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the financial statements.

(i) Currency translation reserve (CTR)

The Group considers that restating CTR to comply with current SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* may not be practicable as certain acquisitions and disposals were transacted at dates that preceded the statutory record keeping periods.

The Group plans to elect the optional exemption in SFRS(I) 1 to reset its cumulative CTR for all foreign operations to nil at the date of transition, and reclassify the cumulative CTR of S$4.9 million as at 1 September 2017 determined in accordance with SFRS(I) at that date to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

The Group expects the cumulative CTR to increase by S$4.9 million and retained earnings to decrease by the same amount as at 31 August 2018.

(ii) Fair value as deemed cost for certain printing presses classified as property, plant and equipment

The Group plans to elect the optional exemption in SFRS(I) 1 to measure certain printing presses held by the Company at the date of transition to SFRS(I) at fair value and use that fair value as its deemed cost in its SFRS(I) financial statements.

As the printing presses has declined significantly in value since its acquisition, the Group considers that the election of fair value at the date of transition as its deemed cost would result in more relevant financial information. The fair value of the printing presses was determined based on independent quotation, taking into consideration of the printing presses' current condition and age. The Group expects the carrying amount of property, plant and equipment and retained earnings of the Group and of the Company to decrease by S$40.9 million as at 1 September 2017. Consequently, the depreciation charges of the Group will reduce by S$6.6 million in the consolidated income statement for the financial year ended 31 August 2018 under the SFRS(I) framework.

SFRS(I) 15

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

The Group plans to adopt SFRS(I)15 in its financial statements for the year ending 31 August 2019, using the retrospective approach. As a result, the Group will apply all of the requirements of SFRS(I) 15 retrospectively, except as described below, and the comparative information presented in the FY2019 financial statements will be restated.

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS (CONT'D)

SFRS(I) 15 (cont'd)

The Group plans to use the practical expedients for completed contracts. This means that completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not restated.

Based on the Group's assessment of the impact on its financial statements, the Group does not expect significant changes to the basis of revenue recognition for its sales of goods and rendering of services. Transition adjustments are not expected to be material on its financial statements.

SFRS(I) 9

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

Changes in accounting policies resulting from the adoption of SFRS(I) 9 will generally be applied by the Group retrospectively, except as described below.

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

- The following assessments have to be made on the basis of facts and circumstances that existed at 1 September 2018.

  - The determination of the business model within which a financial asset is held.

  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  - The designation of an investment in equity instruments that is not held for trading as at fair value through other comprehensive income (FVOCI).

  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss (FVTPL).

- If an investment in a debt security has low credit risk at 1 September 2018, the Group plans to assume that the credit risk on the asset has not increased significantly since its initial recognition.

- New hedge accounting requirements are applied prospectively. All hedging relationships designated under FRS 39 *Financial Instruments: Recognition and Measurement* at 31 August 2018 that meet the criteria for hedge accounting under SFRS(I) 9 at 1 September 2018 will be regarded as continuing hedging relationships.

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS (CONT'D)

SFRS(I) 9 (cont'd)

The information below reflects the Group's expectation of the implications arising from the adoption of SFRS(I) 9, however, the actual tax effect may change when the transition adjustments are finalised.

(i) Classification and measurement: financial assets

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under SFRS(I) 9.

For financial assets currently held at fair value, the Group expects to continue measuring most of these assets at fair value under SFRS(I) 9. The expected classification and measurement of these financial assets under SFRS(I) 9 is summarised below:

- Non-current available-for-sale (AFS) equity securities and investment funds amounting to S$439.5 million are expected to be classified as financial assets subsequently measured at FVOCI. Similar to AFS financial assets, the fair value changes of FVOCI financial assets are taken to other comprehensive income on re-measurement. However, any gain or loss on FVOCI equity instruments will not be reclassified to income statements upon divestment.

- Non-current AFS debt securities of S$8.5 million and non-current FVTPL debt securities of S$6 million are expected to be classified as FVOCI and FVTPL financial assets respectively.

- Current AFS financial assets of S$121.7 million are expected to be reclassified as FVTPL financial assets. With the change in classification from AFS to FVTPL, the fair value changes of S$12.4 million which were taken to OCI for the financial year would have been recognised directly in profit or loss under SFRS(I) 9.

(ii) Impairment

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss (ECL) model. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

Under SFRS(I) 9, loss allowances of the Group will be measured on either of the following bases:

- 12-month ECLs. These are ECLs that result from possible default events within the twelve months after the reporting date; or

- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group plans to apply the simplified approach and record lifetime ECL on all trade receivables and any contract assets arising from the application of SFRS(I) 15. The Group expects an increase in impairment for trade and other receivables of S$0.2 million as at 1 September 2018.

The Group is currently finalising the testing of its ECL model and the quantum of the final transition adjustments may be different upon finalisation.

(iii) Hedge accounting

The Group expects that all its existing hedges that are designated in effective hedging relationships will continue to qualify for hedge accounting under SFRS(I) 9.

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS (CONT'D)

Applicable to financial statements for the year 2020 and thereafter

The following new SFRS(I)s, amendments to and interpretations of SFRS(I)s are effective for the Group's annual periods beginning on or after 1 September 2019:

Applicable to 2020 financial statements

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Previously held interest in a joint operation* (Amendments to SFRS(I) 3 and SFRS(I) 11)
- *Income tax consequences of payments on financial instruments classified as equity* (Amendments to SFRS(I) 1-12)
- *Plan amendment, curtailment or settlement* (Amendments to SFRS(I) 1-19)
- *Borrowing costs eligible for capitalisation* (Amendments to SFRS(I) 1-23)

Applicable to 2022 financial statements

- SFRS(I) 17 *Insurance Contracts*

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28).

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the financial statements. The Group's preliminary assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group, is as described below.

SFRS(I) 16

SFRS(I)16 replaces existing lease accounting guidance. SFRS(I) 16 is effective for the Group's annual periods beginning on or after 1 September 2019, with early adoption permitted if SFRS(I) 15 is also applied. SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The Group plans to adopt the standard when it becomes effective in 2020 and expects to apply the standard using the modified retrospective approach. The Group also expects the ROU assets recognised at date of initial application to be equal to their lease liabilities.

The Group is likely to elect the practical expedient not to reassess whether a contract contains a lease at the date of initial application, 1 September 2019. Accordingly, existing lease contracts that are still effective on 1 September 2019 continue to be accounted for as lease contracts under SFRS(I) 16. The Group has performed a preliminary assessment of the impact on its financial statements based on its existing operating lease arrangements (refer to Note 21).

33. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW STANDARDS (CONT'D)

SFRS(I) 16 (cont'd)

Until 2019, the approximate financial impact of the standard is unknown due to factors that impact calculation of lease liabilities such as discount rate, expected term of leases including renewal options and exemptions for short-term leases. The Group will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard.

(i) The Group as a lessee

The Group expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. The operating lease commitments on an undiscounted basis amount to approximately 2.3% of the consolidated total assets and 7.1% of consolidated total liabilities. Under the new standard, remaining lease payments of the operating leases will be recognised at their present value discounted using appropriate discount rate. In addition, the nature of expenses related to those leases will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

(ii) The Group as a lessor

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively. However, SFRS(I) 16 requires more extensive disclosures to be provided by a lessor.

34. SUBSEQUENT EVENT

Acquisition of U.K. Student Accommodation Portfolio

On 7 September 2018, the Group's wholly-owned subsidiaries, Straits One (Jersey) Limited, Straits Two (Jersey) Limited and Straits Three (Jersey) Limited, entered into a sale and purchase agreement to acquire a portfolio of Purpose-Built Student Accommodation in the U.K. from Unite Group PLC for a cash consideration of approximately £180.5 million (approximately S$321 million). The portfolio comprises 14 buildings across 6 towns and cities in the U.K. and has a total capacity of 3,436 beds for student accommodation. The properties include 10 freehold assets and 4 leasehold assets, and are situated in established university towns and cities with large full-time student populations, including London, Birmingham, Bristol, Huddersfield, Plymouth and Sheffield.

This transaction was completed on 13 September 2018 and will be accounted for in the first quarter of financial year 2019.

Collaboration with Keppel Corporation Limited ("KCL") in the Pre-conditional Voluntary General Offer for M1 Limited ("M1")

The Group announced on 27 September 2018 that the Company is collaborating with KCL to undertake a pre-conditional voluntary general offer for M1 through a special purpose vehicle which will be majority-held by KCL. As the collaboration is still in the preliminary stages, meaningful disclosure of the impact to the financial statements would not be available at this juncture.

35. AUTHORISATION OF FINANCIAL STATEMENTS

On 15 October 2018, the Board of Directors of Singapore Press Holdings Limited authorised these financial statements for issue.

OPERATING COMPANIES OF THE GROUP

AS AT 31 AUGUST 2018

SUBSIDIARIES

Name of Subsidiary	Principal Activities	Country of Incorporation
Beerfest Asia Pte. Ltd.	Organising events, concerts and exhibitions	Singapore
Bizlink Exhibition Services Pte. Ltd.	Organising conventions, conferences and exhibitions	Singapore
Blu Inc Holdings (Malaysia) Sdn. Bhd.	Holding investments and providing management support services	Malaysia
Blu Inc Media (HK) Limited	Publishing magazines and providing editorial and other services	Hong Kong
Blu Inc Media Sdn. Bhd.	Publishing and distributing magazines and books	Malaysia
BNM Content Solutions Pte. Ltd.	Production of dramas, variety shows and documentaries	Singapore
BNM Content Solutions (Philippines) Corp.	Executing camera work, editing for videos, and sound mixing, for audio-video presentations and music recording	Philippines
CT Point Investments Pte. Ltd.	Holding investments	Singapore
Culcreative International Pte. Ltd.	Holding investments	Singapore
Digi Ventures Private Limited	Fund management and holding investments	Singapore
Exhibits Inc Pte. Ltd.	Organising conventions, conferences and exhibitions	Singapore
Fastco Pte Ltd	Development of software for interactive digital media and investment holding	Singapore
FastJobs Sdn. Bhd.	Providing recruitment and human resource services	Malaysia
Focus Publishing Ltd	Publishing magazines and providing editorial services	Singapore
Han Culture & Education Group Pte. Ltd.	Holding investments	Singapore
Han Curriculum & Enrichment Pte. Ltd.	Managing and developing curriculum and intellectual property	Singapore
Han Language Centre Pte. Ltd.	Operating tuition and enrichment centres	Singapore
Invest Healthcare Pte. Ltd.	Holding investments	Singapore
Invest Learning Pte. Ltd.	Holding investments	Singapore
Invest Media Pte. Ltd.	Holding investments	Singapore
Life-Medic Healthcare Supplies Pte. Ltd.	Trading of medical and healthcare equipment and consumables	Singapore
Moon Holdings Pte. Ltd.	Holding investments	Singapore
New Beginnings Management Consulting (Shanghai) Company Limited	Business management and consultancy services	The People's Republic of China
Orange Valley 3-T Rehab Pte. Ltd.	Providing rehabilitation services	Singapore
Orange Valley Nursing Homes Pte. Ltd.	Nursing home operator and home care services	Singapore
Orange Valley Properties Pte. Ltd.	Properties holding	Singapore
PE One Pte. Ltd.	Holding investments	Singapore
PT Shareinvestor Technologies Indonesia	Computer programming activity for online investor relations and related business	Indonesia
Quotz Pte. Ltd.	Providing online system for sales of vehicles and related services	Singapore
Red Anthill Ventures Pte. Ltd.	Holding investments	Singapore
SGCM Pte. Ltd.	Providing online classifieds services for cars	Singapore
Shareinvestor Pte Ltd	Providing online investor relations services, developing applications and operating a financial portal	Singapore
Shareinvestor.com Holdings Pte Ltd	Holding investments and providing management services	Singapore
SI Portal.com Sdn Bhd	Providing online investor relations services, developing applications and operating a financial portal	Malaysia
Sin Chew Jit Poh (Singapore) Limited	Holding investments and properties	Singapore

SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Activities	Country of Incorporation
Singapore Nutri-Diet Industries Pte. Ltd.	Provision of food services to customers	Singapore
Singapore Press Holdings (Overseas) Limited	Providing marketing and other services and holding investments	Singapore
SPH (Americas) Pte Ltd	Providing news reporting services	Singapore
SPH AlphaOne Pte. Ltd.	Holding investments	Singapore
SPH Buzz Pte. Ltd.	Franchising kiosks to third party operators	Singapore
SPH Data Services Pte Ltd	Licensing copyrights and trademarks	Singapore
SPH Digital Media Pte. Ltd.	Holding investments	Singapore
SPH Interactive International Pte. Ltd.	Licensing software, providing technical services and holding investments	Singapore
SPH Interactive Pte. Ltd.	Holding investments and licensing the right of use of software and providing technical services	Singapore
SPH Magazines Pte. Ltd.	Publishing magazines, providing online marketing services and editorial services and holding investments	Singapore
SPH Pacom Pte. Ltd.	Publishing, events management and holding investment	Singapore
SPH Radio Private Limited	Radio broadcasting	Singapore
SPH REIT Management Pte. Ltd.	Property fund management	Singapore
SPH Retail Property Management Services Pte. Ltd.	Managing shopping centres	Singapore
SPH Silver Care Pte. Ltd.	Holding investments	Singapore
SPH Ventures Pte. Ltd.	Holding investments	Singapore
Sphere Exhibits Malaysia Sdn. Bhd.	Management and promotion of events, exhibitions and meetings	Malaysia
Sphere Exhibits Pte. Ltd.	Organising conventions, conferences and exhibitions and holding investments	Singapore
SPHM Pte Ltd	Publishing and distributing magazines	Singapore
Straits Capitol Limited	Property management	United Kingdom
Straits Capitol Trust	Holding property investments	Singapore
Straits CM Pte. Ltd.	Property fund management	Singapore
Straits One Pte. Ltd.	Holding investments	Singapore
Straits One (Jersey) Limited	Holding property investments	Jersey
Straits Two Pte. Ltd.	Holding investments	Singapore
Straits Two (Jersey) Limited	Holding property investments	Jersey
Straits Three Pte. Ltd.	Holding investments	Singapore
Straits Three (Jersey) Limited	Holding property investments	Jersey
Straits Times Press Pte. Ltd.	Publishing and distributing of books	Singapore
StreetSine Technology Group Pte. Ltd.	Developing E-commerce applications and software consultancy	Singapore
StreetSine Singapore Pte. Ltd.	Web search portals in providing property data and analysis and development of E-commerce applications	Singapore
The Straits Times Press (1975) Limited	Holding investments	Singapore
TPR Holdings Pte. Ltd.	Holding investments	Singapore
Waterbrooks Consultants Pte. Ltd	Providing public relations and consultancy services	Singapore
WM 2 Pte. Ltd.	Holding investments	Singapore
WM 3 Pte. Ltd.	Holding investments	Singapore
WM 8 Pte. Ltd.	Holding investments	Singapore
WR 8 Pte. Ltd.	Holding investments	Singapore

OPERATING COMPANIES OF THE GROUP

AS AT 31 AUGUST 2018

ASSOCIATES

Name of Associates	Principal Activities	Country of Incorporation
AsiaOne Online Pte. Ltd.	Development of software for interactive digital media	Singapore
Brand New Media (Singapore) Pte. Ltd.	Television programme production and advertising services	Singapore
DC Frontiers Pte. Ltd.	Provision for research services	Singapore
Kyosei Ventures Pte. Ltd.	Providing online marketing and technology services	Singapore
Magzter Inc.	Self-service digital magazine store and newsstand	United States
MindChamps Preschool Limited	Provision of childcare, learning and other related services, and investment holding	Singapore
Perennial Chinatown Point LLP	Real estate investment	Singapore
RecomN Singapore Pte. Ltd.	Advertising activities and web portals	Singapore
SI.com (Thailand) Co. Ltd	Providing online investor relations services, developing applications and operating a financial portal	Thailand
Target Media Culcreative Pte Ltd	Deployment of in-lift digital displays and display content	Singapore
WISI Australia Pty Ltd	Providing online investor relations services and developing applications	Australia
ZBJ-SPH Pte. Ltd.	Providing of online market place for service providers	Singapore

JOINT VENTURES

Name of Joint Ventures	Principal Activities	Country of Incorporation
702Search (Thailand) B.V.	Investment holding and other activities	The Netherlands
703Search (Indonesia) B.V.	Investment holding and other activities	The Netherlands
Singapore Media Exchange Pte. Ltd.	Sale of advertising and digital advertising inventory	Singapore
SPH Plug and Play Pte. Ltd.	Holding investments	Singapore
The Woodleigh Mall Pte. Ltd.	Holding property investments	Singapore
The Woodleigh Residences Pte. Ltd.	Property developer	Singapore
WR 2 Pte. Ltd.	Holding investments	Singapore
WR 3 Pte. Ltd.	Holding investments	Singapore

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PROPERTIES OF THE GROUP

AS AT 31 AUGUST 2018

Location	Tenure	Expiry Date of Lease	Land (Sq M)	Built-In (Sq M)	Existing Use	Effective Group Interest (%)
SINGAPORE						
News Centre 1000 Toa Payoh North	Leasehold	March 2, 2031	21,730	54,275	Industrial	100
Media Centre 82 Genting Lane	Leasehold	July 15, 2040	24,892	49,131	Industrial	100
Print Centre 2 Jurong Port Road	Leasehold	June 8, 2034	110,075	102,352	Industrial	100
Manhattan House 151 Chin Swee Road Units #01-39 to #01-48 and #01-51 to #01-56	Leasehold	October 15, 2068	–	554	Commercial	100
20A Yarwood Avenue	Leasehold	May 6, 2878	1,721	488	Residential	100
42 Nassim Road	Freehold	–	1,406	686	Residential	100
42A Nassim Road	Freehold	–	1,444	645	Residential	100
42B Nassim Road	Freehold	–	1,418	645	Residential	100
Paragon 290 Orchard Road	Freehold	–	17,355	94,307	Commercial	70
The Clementi Mall 3155 Commonwealth Avenue West	Leasehold	August 31, 2109	–	26,976	Commercial	70
The Rail Mall 380 to 400 & 422 to 484 (Even Numbers) Upper Bukit Timah Road	Leasehold	March 17, 2046	9,807	4,623.5	Commercial	70
The Woodleigh Mall & **The Woodleigh Residences** 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31 & 33 Bidadari Park Drive	Leasehold	September 17, 2116	25,441	95,392	Mixed Use; Commercial & Residential	50
The Seletar Mall 33 Sengkang West Avenue	Leasehold	April 17, 2111	8,790	26,370	Commercial	70
Orange Valley **Nursing Homes Pte Ltd** 11, Woodlands Avenue 1	Leasehold	September 30, 2033	2,000.4	3,597.94	Nursing	100
Orange Valley **Properties Pte Ltd**						
221, Clementi Avenue 4	Leasehold	July 15, 2031	2,345.6	4,221.649	Nursing	100
6, Simei Street 3	Leasehold	April 14, 2034	2,200	3,959.79	Nursing	100
HONGKONG						
Tower Two, Lippo Centre Unit 1308 13th Floor 89 Queensway, Hong Kong	Leasehold	February 14, 2059	–	368	Commercial	100
CHINA						
New Beginnings Room 1302, Block A, No. 868 East Longhua Road, Shanghai 200023, PRC	Leasehold	February 17, 2058	170	111	Commercial	100
Blu Inc Media China Unit 1902-1905, No. 425, Yishan Road, Xuhui District, Shanghai	Leasehold	August 27, 2054	647	461	Commercial	100

SHAREHOLDING STATISTICS

AS AT 8 OCTOBER 2018

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 – 99	313	0.53	12,092	0.00
100 – 1,000	8,136	13.81	7,285,070	0.46
1,001 – 10,000	36,866	62.57	172,099,512	10.77
10,001 – 1,000,000	13,542	22.98	609,800,383	38.15
1,000,001 and above	67	0.11	809,156,676	50.62
TOTAL	**58,924**	**100.00**	**1,598,353,733**	**100.00**

* *Shareholdings exclude 2,295,388 treasury shares.*

TWENTY LARGEST ORDINARY SHAREHOLDERS

	Name of Shareholder	No. of Shares	%*
1	DBS NOMINEES PTE LTD	212,883,856	13.32
2	CITIBANK NOMINEES SINGAPORE PTE LTD	193,255,285	12.09
3	DBSN SERVICES PTE LTD	64,836,900	4.06
4	HSBC (SINGAPORE) NOMINEES PTE LTD	51,790,353	3.24
5	RAFFLES NOMINEES (PTE) LTD	37,812,302	2.37
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	23,359,254	1.46
7	UOB KAY HIAN PTE LTD	19,412,161	1.21
8	LEE FOUNDATION STATES OF MALAYA	15,215,522	0.95
9	OCBC NOMINEES SINGAPORE PTE LTD	15,067,451	0.94
10	CHAN SIEW KIM ALICE	11,155,000	0.70
11	LEUNG KAI FOOK MEDICAL COMPANY PTE LTD	10,331,950	0.65
12	PHAY THONG HUAT PTE LTD	9,542,000	0.60
13	OCBC SECURITIES PRIVATE LTD	9,379,906	0.59
14	GAN THIAN CHIN	8,566,000	0.54
15	LEE FOUNDATION	8,210,940	0.51
16	BPSS NOMINEES SINGAPORE (PTE.) LTD.	6,938,214	0.43
17	TAN TIANG HIN JERRY	6,173,675	0.39
18	DB NOMINEES (SINGAPORE) PTE LTD	5,668,205	0.35
19	PHILLIP SECURITIES PTE LTD	5,196,415	0.33
20	YONG SIEW YOON	5,000,000	0.31
	TOTAL	**719,795,389**	**45.04**

* *Shareholdings exclude 2,295,388 treasury shares.*

DISTRIBUTION OF MANAGEMENT SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	9	50.00	48	0.00
100 – 1,000	0	0.00	0	0.00
1,001 – 10,000	0	0.00	0	0.00
10,001 – 1,000,000	3	16.67	2,193,317	13.41
1,000,001 and above	6	33.33	14,168,404	86.59
TOTAL	**18**	**100.00**	**16,361,769**	**100.00**

HOLDERS OF MANAGEMENT SHARES

	Name of Shareholder	No. of Shares	%
1	THE GREAT EASTERN LIFE ASSURANCE COMPANY LIMITED	3,698,297	22.60
2	OVERSEA-CHINESE BANKING CORPORATION LTD	2,748,829	16.80
3	NTUC INCOME INSURANCE COOPERATIVE LIMITED	2,674,219	16.35
4	SINGAPORE TELECOMMUNICATIONS LIMITED	2,176,119	13.30
5	DBS BANK LTD	1,554,362	9.50
6	UNITED OVERSEAS BANK LTD	1,316,578	8.05
7	NATIONAL UNIVERSITY OF SINGAPORE	876,797	5.36
8	FULLERTON (PRIVATE) LIMITED	658,260	4.02
9	NANYANG TECHNOLOGICAL UNIVERSITY	658,260	4.02
10	CHIEF EXECUTIVE OFFICER	16	0.00
11	DIRECTORS* (FOUR EACH)	32	0.00
	TOTAL	**16,361,769**	**100.00**

* *Excluding the Chief Executive Officer.*

Note:
1. *Not less than 99.9% of the ordinary shares in the Company is held by the public and Rule 723 of the SGX Listing Manual has been complied with.*
2. *The Company has no subsidiary holdings.*

VOTING RIGHTS OF SHAREHOLDERS

The holders of management and ordinary shares shall be entitled to one (1) vote for each share, EXCEPT that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, the holders of the management shares shall be entitled either on a poll or by show of hands to two hundred (200) votes for each management share held.