FINANCIAL CONTENTS

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

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 August 31, 2017 and the statement of financial position of Singapore Press Holdings Limited (the "Company") as at August 31, 2017.

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 105 to 186, 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 August 31, 2017, 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 (appointed on January 1, 2017)
   Quek See Tiat
   Tan Chin Hwee
   Tan Yen Yen

   * *Mr Ng Ser Miang, Mr Lucien Wong Yuen Kuai and Mr Chan Heng Loon Alan stepped down as Directors on December 1, 2016, December 15, 2016, and September 1, 2017 respectively.*

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' STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

DIRECTORS' INTERESTS IN SHARES

3. The Directors holding office as at August 31, 2017 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		
	Sept 1, 2016*	**Aug 31, 2017**	**Sept 21, 2017**	Sept 1, 2016*	**Aug 31, 2017**	**Sept 21, 2017**
Singapore Press Holdings Limited						
Management Shares						
Lee Boon Yang	4	**4**	**4**	–	**–**	**–**
Chan Heng Loon Alan	8	**12**	**–**	–	**–**	**–**
Ng Yat Chung	4	**4**	**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						
Chan Heng Loon Alan	1,165,950	**1,370,350**	**N.A.**	–	**–**	**–**
Janet Ang Guat Har	–	**–**	**–**	4,250	**4,250**	**4,250**
Quek See Tiat	–	**–**	**–**	47,000	**47,000**	**47,000**
Conditional Awards of Performance Shares**						
Chan Heng Loon Alan						
106,667# shares to be vested in January 2017	Up to 118,101##	**Up to –^^**	**N.A.**	–	**–**	**–**
200,000# shares to be vested in January 2017	Up to 300,000##	**Up to –^^**	**N.A.**	–	**–**	**–**
106,667# shares to be vested in January 2018	Up to 102,201##	**Up to 100,101##**	**N.A.**	–	**–**	**–**
200,000# shares to be vested in January 2018	Up to 300,000##	**Up to 300,000##**	**N.A.**	–	**–**	**–**
79,999# shares to be vested in January 2019	Up to 76,798##	**Up to 74,600##**	**N.A.**	–	**–**	**–**
200,000# shares to be vested in January 2019	Up to 300,000##	**Up to 300,000##**	**N.A.**	–	**–**	**–**
26,666# shares to be vested in January 2020	–	**Up to 38,399##**	**N.A.**	–	**–**	**–**
200,000# shares to be vested in January 2020	–	**Up to 300,000##**	**N.A.**	–	**–**	**–**

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Direct Interests			Deemed Interests		
	Sept 1, 2016*	**Aug 31, 2017**	**Sept 21, 2017**	Sept 1, 2016*	**Aug 31, 2017**	**Sept 21, 2017**
Singapore News and Publications Limited						
Management Shares						
Chan Heng Loon Alan	1^	**1^**	**–**	–	**–**	**–**
Ng Yat Chung	–	**–**	**1^**	–	**–**	**–**
The Straits Times Press (1975) Limited						
Management Shares						
Chan Heng Loon Alan	1^	**1^**	**–**	–	**–**	**–**
Ng Yat Chung	–	**–**	**1^**	–	**–**	**–**
SPH REIT						
Units						
Lee Boon Yang	300,000	**300,000**	**300,000**	–	**–**	**–**
Chan Heng Loon Alan	–	**–**	**–**	200,000	**200,000**	**N.A.**

* *Or date of appointment, if later.*
** *Represents performance shares granted from financial year 2013 to financial year 2017.*
# *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.
^^ *During the financial year, 204,400 shares were vested and awarded to Mr Chan Heng Loon Alan.*
^ *Held as nominee for Singapore Press Holdings Limited.*
NA *Not applicable*

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 July 16, 1999 has fully terminated on December 16, 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.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

PERFORMANCE SHARES IN THE COMPANY

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

At the annual general meeting of the Company held on December 1, 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 December 5, 2006 to August 31, 2017 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) 1,472,008 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 August 31, 2017 is 2,526,151 performance shares.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

PERFORMANCE SHARES IN THE COMPANY (CONT'D)

The 2016 Share Plan

(j) During the financial year, 1,787,725 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	280,000[1]
Employee	147	1,507,725[2]
	148	1,787,725

1 80,000 granted with non-market conditions, and 200,000 granted with both market and non-market conditions.
2 960,725 granted with non-market conditions, and 547,000 granted with both market and non-market conditions.

The aggregate number of performance shares granted since the commencement of the 2016 Share Plan on December 1, 2016 to August 31, 2017 is 1,787,725 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) As at August 31, 2017, no awards granted under the 2016 Share Plan have been delivered or vested.

(l) The aggregate number of performance shares comprised in awards granted under the 2016 Share Plan which are outstanding as at August 31, 2017 is 1,549,544 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 1.9.16	Aggregate awards granted since commencement to 31.8.17	Aggregate awards released during the financial year under review	Aggregate awards outstanding as at 31.8.17
Chan Heng Loon Alan	Up to 1,197,100	Up to 4,106,100	204,400[#]	Up to 1,113,100

 # All of the ordinary shares were delivered by way of the transfer of treasury shares. No new ordinary shares were issued.

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.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

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	**Ng Yat Chung**
Chairman	Director

Singapore,
October 11, 2017

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 August 31, 2017, 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 105 to 186.

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 August 31, 2017 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:

The Group owns a portfolio of investment properties comprising mainly Paragon, The Clementi Mall and The Seletar Mall. Investment properties represent the single largest category of assets on the statement of financial position, at S$4 billion as at August 31, 2017.

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 in deriving at the capitalisation and discount rate, 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 capitalisation and discount rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

We also considered the adequacy of the descriptions in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE PRESS HOLDINGS LIMITED

Our findings:

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

The approach to the methodologies and in deriving the key assumptions in the valuations is supported by generally accepted market practices and market data. The disclosures in the financial statements are appropriate.

Valuation of unquoted investments
(Refer to Note 12 and 30(e) to the financial statements)

Risk:

The Group's investment portfolio of S$877 million as at August 31, 2017 included unquoted investments of S$201 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 involve 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 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$204 million as at August 31, 2017 comprise mainly goodwill, trademarks and licences acquired from business combinations. Impairment charge of S$38 million was recorded for goodwill and trademarks.

The recoverability 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 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 and resulting estimates from the cash flow forecast for the cash generating units to be within acceptable range, supported by historical performance. The disclosures in the financial statements are appropriate.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE PRESS HOLDINGS LIMITED

Accounting for significant acquisitions
(Refer to Note 13 and 17 to the financial statements)

Risk:

During the year, the Group acquired Orange Valley Healthcare Pte. Ltd., requiring the purchase price of S$164 million to be allocated to the significant identifiable assets acquired and liabilities assumed. The Group engaged an external valuer to perform the purchase price allocation. There is judgement and inherent uncertainty in the purchase price allocation, in particular in relation to the valuation of intangible assets of trademark and customer list.

Our response:

We examined the terms and conditions of the acquisition as well as the purchase price allocation report issued by the external valuer. We evaluated the qualifications, competence and objectivity of the external valuer, and involved our valuation specialists in the review of the valuation methodologies and key assumptions used by the valuer. We tested the reasonableness of key assumptions (i.e. projected cash flows, discount rate, estimated useful life) used by the external valuer by considering historical performance, market data and forecast. We also considered the adequacy of disclosures for the acquisition.

Our findings:

The purchase price allocation was based on valuation methodologies which were noted to be in line with generally accepted valuation practices and the underlying key valuation assumptions were within range of market data. We also found the disclosures of this acquisition to be appropriate.

Other information

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

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

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

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

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE PRESS HOLDINGS LIMITED

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SINGAPORE PRESS HOLDINGS LIMITED

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 Ong Pang Thye.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
October 11, 2017

STATEMENTS OF FINANCIAL POSITION

AS AT AUGUST 31, 2017

	Note	Group Aug 31, 2017 S$'000	Group Aug 31, 2016 S$'000	Company Aug 31, 2017 S$'000	Company Aug 31, 2016 S$'000
CAPITAL EMPLOYED					
Share capital	4	**522,809**	522,809	**522,809**	522,809
Treasury shares	4	**(7,384)**	(8,683)	**(7,384)**	(8,683)
Reserves	5	**324,397**	430,447	**32,907**	45,351
Retained profits		**2,648,576**	2,572,753	**1,277,297**	1,043,768
Shareholders' interests		**3,488,398**	3,517,326	**1,825,629**	1,603,245
Non-controlling interests	6	**734,926**	724,078	**–**	–
Total equity		**4,223,324**	4,241,404	**1,825,629**	1,603,245
EMPLOYMENT OF CAPITAL					
Non-current assets					
Property, plant and equipment	7	**235,042**	219,523	**78,044**	117,731
Investment properties	8	**4,034,771**	3,963,000	**–**	–
Subsidiaries	9	**–**	–	**438,077**	419,250
Associates	10	**68,792**	78,153	**–**	31,160
Joint ventures	11	**8,696**	12,417	**–**	–
Investments	12(a)	**513,728**	628,860	**27,173**	38,105
Intangible assets	13	**204,443**	149,312	**46,832**	30,278
Trade and other receivables	14(a)	**8,935**	5,731	**4,650**	4,457
Derivatives	15	**200**	200	**–**	–
		5,074,607	5,057,196	**594,776**	640,981
Current assets					
Inventories	16	**21,892**	21,225	**19,557**	19,112
Trade and other receivables	14(b)	**314,421**	136,953	**2,391,965**	1,788,257
Investments	12(b)	**363,370**	406,700	**–**	–
Asset held for sale	12(c)	**18,000**	8,831	**18,000**	–
Derivatives	15	**1,473**	89	**–**	–
Cash and cash equivalents	17	**312,647**	312,894	**150,467**	162,764
		1,031,803	886,692	**2,579,989**	1,970,133
Total assets		**6,106,410**	5,943,888	**3,174,765**	2,611,114
Non-current liabilities					
Trade and other payables	18(a)	**37,556**	43,444	**2,876**	4,103
Deferred tax liabilities	19(a)	**49,190**	47,372	**13,564**	20,571
Borrowings	20	**528,044**	1,197,399	**–**	–
Derivatives	15	**7,365**	10,983	**–**	–
		622,155	1,299,198	**16,440**	24,674
Current liabilities					
Trade and other payables	18(b)	**241,352**	245,665	**1,020,196**	871,065
Current tax liabilities		**46,591**	56,271	**16,500**	27,130
Borrowings	20	**971,695**	99,954	**296,000**	85,000
Derivatives	15	**1,293**	1,396	**–**	–
		1,260,931	403,286	**1,332,696**	983,195
Total liabilities		**1,883,086**	1,702,484	**1,349,136**	1,007,869
Net assets		**4,223,324**	4,241,404	**1,825,629**	1,603,245

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

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

	Note	Group 2017 S$'000	Group 2016 S$'000
Operating revenue	22		
Media		**725,427**	834,221
Property		**244,159**	241,310
Others		**62,929**	48,818
		1,032,515	1,124,349
Other operating income		**19,504**	28,759
		1,052,019	1,153,108
Materials, production and distribution costs		**(156,151)**	(165,630)
Staff costs	23	**(357,464)**	(362,551)
Premises costs		**(65,053)**	(69,740)
Depreciation	7	**(37,823)**	(44,699)
Other operating expenses	24	**(138,215)**	(145,690)
Impairment of goodwill and intangibles	13	**(37,780)**	(28,358)
Impairment of property, plant and equipment	7	**(22,785)**	–
Finance costs	25	**(31,300)**	(31,271)
Operating profit#		**205,448**	305,169
Fair value change on investment properties	8	**57,386**	11,823
Net income from investments	26	**53,865**	51,753
Share of results of associates and joint ventures	10, 11	**562**	(7,704)
Gain on divestment of a joint venture	11	**149,690**	–
Impairment of associates and a joint venture	10, 11	**(35,459)**	–
Profit before taxation		**431,492**	361,041
Taxation	19(b)	**(36,276)**	(54,902)
Profit after taxation		**395,216**	306,139
Attributable to:			
Shareholders of the Company		**350,085**	265,293
Non-controlling interests	6	**45,131**	40,846
		395,216	306,139
Earnings per share (S$)	28		
Basic		**0.22**	0.16
Diluted		**0.22**	0.16

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 AUGUST 31, 2017

		Group	
	Note	**2017 S$'000**	2016 S$'000
Profit after taxation		**395,216**	306,139
Other comprehensive income, net of tax			
Items that may be re-classified subsequently to profit or loss			
Capital reserve			
- share of capital reserves of associates		**–**	(11)
Cash flow hedges			
- net fair value changes		**(4,106)**	(19,565)
- transferred to income statement		**6,395**	3,888
Net fair value changes on available-for-sale financial assets			
- net fair value changes		**(85,534)**	(23,458)
- transferred to income statement		**(20,459)**	(10,483)
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures		**(2,143)**	(2,261)
		(105,847)	(51,890)
Total comprehensive income		**289,369**	254,249
Attributable to:			
Shareholders of the Company		**244,293**	218,063
Non-controlling interests	6	**45,076**	36,186
		289,369	254,249

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

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

	Note	Share Capital S$'000	Treasury Shares S$'000	Capital Reserve S$'000
Balance as at September 1, 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 August 31, 2017		**522,809**	**(7,384)**	**(10,409)**
Balance as at September 1, 2015		522,809	(13,408)	(11,530)
Total comprehensive income for the year		–	–	(11)
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Share-based compensation		–	–	–
Treasury shares re-issued	4	–	6,485	–
Share buy-back – held as treasury shares	4	–	(1,760)	–
Lapse of share options		–	–	–
Dividends	27	–	–	–
Fair value gain on interest-free loans		–	–	–
Changes in ownership interests in subsidiaries without a change in control				
Acquisition of additional interest in a subsidiary		–	–	–
Dilution of interest in a subsidiary		–	–	–
Put option to acquire non-controlling interest		–	–	(104)
Balance as at August 31, 2016		522,809	(8,683)	(11,645)

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
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**
14,124	3,424	477,889	(1,203)	2,626,708	3,618,813	727,837	4,346,650
–	(11,011)	(33,941)	(2,267)	265,293	218,063	36,186	254,249
4,866	–	–	–	–	4,866	–	4,866
(5,680)	–	–	–	(619)	186	–	186
–	–	–	–	–	(1,760)	–	(1,760)
(4,109)	–	–	–	4,109	–	–	–
–	–	–	–	(322,818)	(322,818)	(41,340)	(364,158)
–	–	–	–	–	–	1,332	1,332
–	–	–	–	81	81	(81)	–
–	–	–	–	(1)	(1)	144	143
–	–	–	–	–	(104)	–	(104)
9,201	(7,587)	443,948	(3,470)	2,572,753	3,517,326	724,078	4,241,404

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

	Note	Group	
		2017	2016
		S$'000	S$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**431,492**	361,041
Adjustments for:			
Depreciation		**37,823**	44,699
Impairment of property, plant and equipment		**22,785**	–
Loss on disposal of property, plant and equipment		**154**	374
Fair value change on investment properties		**(57,386)**	(11,823)
Gain on acquisition of a business by a subsidiary		**(289)**	–
Share of results of associates and joint ventures		**(562)**	7,704
Gain on divestment of an associate		**–**	(28)
Gain on dilution of interest in an associate		**–**	(85)
Gain on dilution of interest in a joint venture		**(298)**	–
Impairment of associates and a joint venture		**35,459**	–
Write-back of impairment of an associate		**–**	(259)
Gain on divestment of a joint venture		**(149,690)**	–
Net income from investments		**(53,865)**	(51,753)
Amortisation of intangible assets		**11,002**	11,110
Impairment of goodwill		**9,879**	26,775
Impairment of intangible assets		**27,901**	1,583
Finance costs		**31,300**	31,271
Share-based compensation expense		**4,522**	4,885
Other non-cash items		**1,677**	1,894
Operating cash flow before working capital changes		**351,904**	427,388
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:			
Inventories		**109**	(8,748)
Trade and other receivables, current		**20,038**	9,609
Trade and other payables, current		**(7,908)**	(7,442)
Trade and other receivables, non-current		**(2,709)**	(1,289)
Trade and other payables, non-current		**(5,888)**	(4,755)
Others		**(450)**	(956)
		355,096	413,807
Income tax paid		**(58,467)**	(63,464)
Dividends paid		**(274,556)**	(322,818)
Dividends paid (net) by subsidiaries to non-controlling interests		**(41,859)**	(41,340)
Net cash used in operating activities		**(19,786)**	(13,815)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED AUGUST 31, 2017

	Note	Group 2017 S$'000	Group 2016 S$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(12,329)**	(15,239)
Additions to investment properties		**(14,385)**	(14,075)
Additions to intangible assets		**(450)**	–
Proceeds from disposal of property, plant and equipment		**206**	72
Acquisition of a subsidiary (net of cash acquired)	17(a)	**(157,184)**	–
Acquisition of business by a subsidiary	17(b)	**–**	(1,000)
Acquisition of interests in associates		**(30,991)**	(6,800)
Acquisition of interests in joint ventures		**(878)**	(4,473)
Dividends received from associates		**6,607**	2,691
Proceeds from divestment of a joint venture	11	**150,490**	349
Increase in amounts owing by associates/joint ventures		**(168,074)**	(294)
Decrease in amounts owing to associates/joint ventures		**(1,095)**	(14,236)
Purchase of investments, non-current		**(21,055)**	(53,145)
Purchase of investments, current		**(92,470)**	(137,045)
Proceeds from capital distribution/disposal of investments, non-current		**22,171**	3,103
Proceeds from capital distribution/disposal of investments, current		**139,573**	263,791
Dividends received		**26,198**	26,400
Interest received		**6,575**	4,858
Other investment income		**(5,090)**	272
Net cash (used in)/from investing activities		**(152,181)**	55,229
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank loans		**275,000**	33,622
Repayment of bank loans		**(76,016)**	(22,327)
Interest paid		**(30,340)**	(30,444)
Share buy-back		**(4,486)**	(1,760)
Proceeds from partial divestment of interest in a subsidiary		**7,522**	143
Loans from non-controlling interests		**40**	–
Net cash from/(used in) financing activities		**171,720**	(20,766)
Net (decrease)/increase in cash and cash equivalents		**(247)**	20,648
Cash and cash equivalents at beginning of financial year		**312,894**	292,246
Cash and cash equivalents at end of financial year	17	**312,647**	312,894

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

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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.

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 Group's financial statements are prepared on a going concern basis. As at August 31, 2017, the Group is in a net current liabilities position due to certain bank loans due in 2018 [Note 20]. The Group has various financing options for these loan amounts, and adequate unutilised credit facilities and non-current marketable securities available for use.

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. The adoption of the new or revised FRS and INT 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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

- 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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting (cont'd)

(i) Subsidiaries (cont'd)

- 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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).

- **Accounting for business combinations**

  Accounting for acquisition of business requires the purchase price to be allocated to the identifiable assets acquired and liabilities assumed. The Group engaged an external valuer to perform the purchase price allocation for the significant acquisition during the year. Information about the valuation approaches and methodologies is set out in Note 17(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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

4. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2017		2016	
	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	**(2,037)**	**(7,384)**	(2,209)	(8,683)
	1,614,974	**515,425**	1,614,802	514,126
Movements during the financial year:				
Beginning of financial year	**1,614,802**	**514,126**	1,613,705	509,401
Purchase of treasury shares	**(1,300)**	**(4,486)**	(500)	(1,760)
Treasury shares re-issued for the fulfilment of share awards vested under SPH Performance Share Plan	**1,472**	**5,785**	1,597	6,485
End of financial year	**1,614,974**	**515,425**	1,614,802	514,126

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 (2016: 500,000) of its own shares through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was S$4.5 million (2016: S$1.8 million). The shares, held as treasury shares, were included as deduction against shareholders' equity.

The Company re-issued 1,472,008 (2016: 1,597,252) treasury shares during the financial year for the fulfilment of share awards vested under the SPH Performance Share Plan at a total value of S$5.8 million (2016: S$6.5 million).

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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

(b) Performance shares

At the annual general meeting of the Company held on December 1, 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, 1,787,725 (2016: 1,771,925) performance shares were granted subject to the terms and conditions of the 2016 Share Plan (2016: the Share Plan).

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

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**

2016

Grant Date	Outstanding as at 01.09.15 '000	Adjusted* '000	Granted '000	Vested '000	Lapsed '000	Outstanding as at 31.08.16 '000
12.01.12	326	–	–	(319)	(7)	–
11.01.13	1,253	(55)	–	(936)	(42)	220
13.01.14	1,870	(45)	–	(342)	(94)	1,389
13.01.15	1,814	–	–	–	(111)	1,703
13.01.16	–	–	1,772	–	(11)	1,761

* *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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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$
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[b]	**13.01.20**	**747**	**2.49**	**14.1**	**11.20**	**5.63**	**1.40**	**0.55**	**3.69**
13.01.17[a]	**13.01.20**	**347**	**3.21**	**14.1**	**N.A.**	**4.90**	**1.40**	**N.A.**	**3.69**
2016									
13.01.16[a]	13.01.17	355	3.50	11.77	N.A.	5.42	1.02	N.A.	3.69
13.01.16[a]	13.01.18	355	3.33	11.77	N.A.	5.42	1.23	N.A.	3.69
13.01.16[b]	13.01.19	708	2.98	11.77	11.17	5.42	1.54	0.60	3.69
13.01.16[a]	13.01.19	354	3.15	11.77	N.A.	5.42	1.54	N.A.	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$4.5 million (2016: S$4.9 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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

5. RESERVES

	Group		Company	
	2017	2016	**2017**	2016
	S$'000	S$'000	**S$'000**	S$'000
Capital reserve	**(10,409)**	(11,645)	**–**	–
Share-based compensation reserve	**7,688**	9,201	**7,688**	9,201
Hedging reserve	**(5,970)**	(7,587)	**–**	–
Fair value reserve	**337,955**	443,948	**25,219**	36,150
Currency translation reserve	**(4,867)**	(3,470)	**–**	–
	324,397	430,447	**32,907**	45,351

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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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.

2017

	SPH REIT S$'000	Other subsidiaries S$'000	Total S$'000
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.*

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

6. NON-CONTROLLING INTERESTS (CONT'D)

2016

	SPH REIT S$'000	Other subsidiaries S$'000	Total S$'000
Revenue	209,594		
Profit	127,574		
Other comprehensive income	(14,204)		
Total comprehensive income	113,370		
Attributable to non-controlling interests:			
Profit	37,912	2,934	40,846
Other comprehensive income	(4,224)	(436)	(4,660)
Total comprehensive income	33,688	2,498	36,186
Non-current assets	3,237,985		
Current assets	73,270		
Non-current liabilities	(888,540)		
Current liabilities	(34,183)		
Net assets	2,388,532		
Net assets attributable to non-controlling interests	706,040	18,038	724,078
Cash flows from operating activities	160,019		
Cash flows used in investing activities	(7,763)		
Cash flows used in financing activities*	(162,229)		
Net decrease in cash and cash equivalents	(9,973)		

* *Included S$41.3 million dividends paid to non-controlling interests.*

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

7. PROPERTY, PLANT AND EQUIPMENT

(a) Group

2017

	Leasehold Land and Buildings S$'000	Plant and Equipment S$'000	Furniture and Fittings S$'000	Motor Vehicles S$'000	Total S$'000
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 [Note 17(a)]	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

During the financial year, the Group and Company recognised an impairment charge of S$22.8 million on the carrying amount of certain press lines arising from the consolidation and optimisation of printing press capacity.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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

(b) Group

2016

	Leasehold Land and Buildings S$'000	Plant and Equipment S$'000	Furniture and Fittings S$'000	Motor Vehicles S$'000	Total S$'000
Cost					
Beginning of financial year	237,577	735,313	21,037	2,032	995,959
Additions	114	2,424	585	9	3,132
Acquisition of business by a subsidiary [Note 17(b)]	–	11	–	–	11
Transfer from capital work-in-progress	–	15,060	159	–	15,219
Disposals/Write-offs	(9)	(15,043)	(1,390)	–	(16,442)
Currency translation differences	(595)	(24)	(41)	–	(660)
End of financial year	237,087	737,741	20,350	2,041	997,219
Accumulated depreciation and impairment					
Beginning of financial year	139,499	592,240	17,746	1,840	751,325
Depreciation	6,928	36,458	1,158	155	44,699
Disposals/Write-offs	(8)	(14,664)	(1,324)	–	(15,996)
Currency translation differences	(66)	(14)	(22)	–	(102)
End of financial year	146,353	614,020	17,558	1,995	779,926
Carrying amount					
End of financial year	90,734	123,721	2,792	46	217,293
Capital work-in-progress	–	2,211	19	–	2,230
Total	90,734	125,932	2,811	46	219,523
Capital work-in-progress					
Beginning of financial year	–	5,298	44	–	5,342
Additions	–	11,973	134	–	12,107
Transfer to property, plant and equipment	–	(15,060)	(159)	–	(15,219)
End of financial year	–	2,211	19	–	2,230

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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

(c) Company

2017

	Plant and Equipment S$'000	Furniture and Fittings S$'000	Motor Vehicles S$'000	Total S$'000
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

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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

(d) Company

2016

	Plant and Equipment S$'000	Furniture and Fittings S$'000	Motor Vehicles S$'000	Total S$'000
Cost				
Beginning of financial year	632,822	13,043	1,576	647,441
Additions	951	61	9	1,021
Transfer from capital work-in-progress	14,703	118	–	14,821
Disposals/Write-offs	(13,488)	(793)	–	(14,281)
End of financial year	634,988	12,429	1,585	649,002
Accumulated depreciation and impairment				
Beginning of financial year	499,448	11,731	1,431	512,610
Depreciation	33,876	282	127	34,285
Disposals/Write-offs	(13,140)	(787)	–	(13,927)
End of financial year	520,184	11,226	1,558	532,968
Carrying amount				
End of financial year	114,804	1,203	27	116,034
Capital work-in-progress	1,697	–	–	1,697
Total	116,501	1,203	27	117,731
Capital work-in-progress				
Beginning of financial year	4,810	–	–	4,810
Additions	11,590	118	–	11,708
Transfer to property, plant and equipment	(14,703)	(118)	–	(14,821)
End of financial year	1,697	–	–	1,697

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

8. INVESTMENT PROPERTIES

	Group	
	2017 **S$'000**	2016 S$'000
Investment properties		
Beginning of financial year	**3,963,000**	3,940,951
Additions	**14,385**	10,226
Fair value change	**57,386**	11,823
End of financial year	**4,034,771**	3,963,000
Carrying amount of		
- Freehold investment properties	**2,933,500**	2,865,500
- Leasehold investment properties	**1,101,271**	1,097,500
	4,034,771	3,963,000

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$2,846 million (2016: S$2,778 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$490 million (2016: S$495 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	
	2017 **S$'000**	2016 S$'000
Rental income	**241,597**	238,458
Direct operating expenses arising from investment properties that generated rental income	**(49,372)**	(54,904)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

9. SUBSIDIARIES

	Company	
	2017 S$'000	2016 S$'000
Equity investments at cost	**452,304**	452,304
Allowance for impairment	**(14,227)**	(33,054)
	438,077	419,250

During the 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 187 to 189 of the annual report.

10. ASSOCIATES

	Group		Company	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Investments in associates	**68,792**	78,153	**–**	31,160

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
Mediacorp Press Ltd ("MCPL")	Related media business	Singapore	# (2016: 40%)
Mediacorp TV Holdings Pte. Ltd. ("MCTV")	Related media business	Singapore	# (2016: 20%)
MindChamps Preschool (Worldwide) Pte Limited ("MindChamps")	Business adjacency	Singapore	22% (2016: 22%)
Perennial Chinatown Point LLP ("PCP")	Related property business	Singapore	27%+ (2016: 7%, held as available-for-sale investment)

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

\+ *On December 22, 2016, the Group acquired an additional 20% stake in PCP at a consideration of S$30.9 million. This increased the Group's shareholdings in PCP from 7% to 27%, and the investment was re-categorised from non-current Investments to Associates accordingly.*

A list of operating associates of the Group can be found on page 190 of the annual report.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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:

2017

	MCPL S$'000	MCTV S$'000	MindChamps S$'000	PCP S$'000
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:

2017

	MCPL S$'000	MCTV S$'000	MindChamps S$'000	PCP S$'000	Other associates S$'000	Total S$'000
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

^ *The profit included a gain arising from the acquisition of interest in PCP.*

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

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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:

2016

	MCPL S$'000	MCTV S$'000	MindChamps S$'000
Revenue	56,891	295,268	16,548
Profit after tax	1,102	5,782	5,207
Other comprehensive income	(297)	(235)	9
Total comprehensive income	805	5,547	5,216
Attributable to:			
- Non-controlling interests	–	(39)	314
- Associate's shareholders	805	5,586	4,902
Non-current assets	14,580	26,883	5,249
Current assets	26,878	134,192	7,542
Non-current liabilities	(7,564)	(44,687)	(156)
Current liabilities	(206)	(2,213)	(8,387)
Net assets	33,688	114,175	4,248
Attributable to:			
- Non-controlling interests	–	371	465
- Associate's shareholders	33,688	113,804	3,783

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:

2016

	MCPL S$'000	MCTV S$'000	MindChamps S$'000	Other associates S$'000	Total S$'000
Beginning of financial year	29,428	21,644	12,709	12,093	75,874
Group's share of:					
Profit/(Loss) after tax	441	1,164	1,077	(1,893)	789
Other comprehensive income	(119)	(47)	2	256	92
Total comprehensive income	322	1,117	1,079	(1,637)	881
Dividends received	(1,192)	–	(1,171)	(328)	(2,691)
Gain on dilution of interest	–	–	–	85	85
Divestment	–	–	–	(62)	(62)
Reclassified to Investments, non-current	–	–	–	(2,734)	(2,734)
Group's contribution	–	–	–	6,800	6,800
End of financial year	28,558*	22,761	12,617*	14,217	78,153

* *The carrying amount of interests in MCPL and MindChamps includes goodwill on acquisition of S$15.1 million and S$11.8 million respectively.*

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

11. JOINT VENTURES

	Group	
	2017 S$'000	2016 S$'000
Investments in joint ventures	**8,696**	12,417

The following table summarises, in aggregate, the carrying amount and share of profit/(loss) and other comprehensive income of the Group's joint ventures that are equity-accounted for in the consolidated financial statements:

	Group	
	2017 S$'000	2016 S$'000
Beginning of financial year	**12,417**	16,295
Group's share of:		
Loss after tax	**(3,765)**	(8,493)
Other comprehensive income	**(173)**	142
Total comprehensive income	**(3,938)**	(8,351)
Gain on dilution of interest	**298**	–
Impairment	**(159)**	–
Group's contribution	**878**	4,473
Divestment	**(800)**	–
End of financial year	**8,696**	12,417

During the financial year, the Group divested its entire interest in 701Search Pte. Ltd. at a consideration of S$150.5 million. The Group recognised a gain of S$149.7 million as the carrying amount of the investment was S$0.8 million.

On June 21, 2017, Callisto 1 Pte. Ltd. and Elara 1 Pte. Ltd., joint venture companies of the Group were awarded the land tender for a 99 year leasehold mixed commercial and residential site at Upper Serangoon Road at a tender price of S$1,132 million. As at August 31, 2017, the Group's share of part-payment made is recorded as Amount owing by joint ventures of S$168.4 million [Note 14(b)] and the Group's share of outstanding commitment is S$454.2 million.

A list of operating joint ventures of the Group can be found on page 190 of the annual report.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

12. INVESTMENTS

(a) Non-current

	Group		Company	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Available-for-sale financial assets				
- Equity securities	**403,978**	506,482	**27,173**	38,105
- Bonds	**8,455**	8,454	**–**	–
- Investment funds	**94,281**	108,248	**–**	–
	506,714	623,184	**27,173**	38,105
Financial assets at fair value through profit or loss				
Designated at fair value on initial recognition				
- Bonds and notes	**7,014**	5,676	**–**	–
	513,728	628,860	**27,173**	38,105

(b) Current

	Group		Company	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Available-for-sale financial assets				
- Equity securities	**14,070**	995	**–**	–
- Bonds	**24,790**	38,586	**–**	–
- Investment funds	**309,089**	319,337	**–**	–
	347,949	358,918	**–**	–
Financial assets at fair value through profit or loss				
Designated at fair value on initial recognition				
- Bonds and notes	**–**	23,368	**–**	–
- Preference shares	**10,332**	10,464	**–**	–
Held for trading				
- Investment funds	**5,089**	13,950	**–**	–
	15,421	47,782	**–**	–
	363,370	406,700	**–**	–

During the financial year, the Group recognised an impairment loss of S$3.4 million (2016: S$0.8 million) on certain available-for-sale financial assets due to significant or prolonged decline in value [Note 26].

(c) Asset held for sale

On August 25, 2017, the Group 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 at the reporting date, the interests in MCPL and MCTV were re-classified from Associates to Asset held for sale.

As at August 31, 2016, the Group had entered into an agreement to divest its interest in an investment which was part of segment assets under "Others". The investment was measured at its fair value, resulting in a cumulative fair value gain of S$2.8 million. As the completion of the sale was in progress, the investment was classified as Asset held for sale. The sale was completed in the financial year ended August 31, 2017.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

13. INTANGIBLE ASSETS

	Group		Company	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Arising from business combinations				
- Goodwill [Note 13(a)]	**129,584**	60,562	**–**	–
- Technology, trademarks, licences, mastheads and others [Note 13(b)]	**74,309**	88,494	**–**	–
Acquired separately				
- Technology, trademarks and licences [Note 13(c)]	**550**	256	**46,832**	30,278
	204,443	149,312	**46,832**	30,278

(a) Arising from business combinations
- Goodwill

	Group	
	2017 S$'000	2016 S$'000
Cost		
Beginning of financial year	**110,578**	111,087
Acquisition of a subsidiary [Note 17(a)]	**78,930**	–
Acquisition of business by a subsidiary [Note 17(b)]	**–**	151
Currency translation differences	**(29)**	(660)
End of financial year	**189,479**	110,578
Accumulated impairment		
Beginning of financial year	**50,016**	23,234
Impairment	**9,879**	26,775
Currency translation differences	**–**	7
End of financial year	**59,895**	50,016
Net book value	**129,584**	60,562

During the financial year, the Group recognised an impairment charge of S$9.9 million mainly for the online classifieds business due to under-performance against targets (2016: S$26.8 million mainly for the magazine business due to unfavourable market conditions).

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

13. INTANGIBLE ASSETS (CONT'D)

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

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]	
	2017 **S$'000**	2016 S$'000	**2017** **%**	2016 %	**2017** **%**	2016 %
Carrying value of goodwill in:						
Singapore						
- Magazine	**–**	1,879	**9.5**	9.5	**1.3**	1.2
- Online	**40,376**	48,376	**13.5**	13.5	**1.3**	1.2
- Exhibition	**9,190**	9,190	**11.0**	11.0	**1.3**	1.2
- Healthcare	**78,930**	–	**8.5**	–	**1.3**	–
Multiple units with insignificant goodwill	**1,088**	1,117				
	129,584	60,562				

(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.*

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 table above. 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. Except for certain CGUs where the recoverable amount approximates the carrying amount, 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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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			
2017			
Cost			
Beginning of financial year	**14,076**	**138,707**	**152,783**
Acquisition of a subsidiary [Note 17(a)]	**–**	**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**
2016			
Cost			
Beginning of financial year	14,076	138,273	152,349
Acquisition of business by a subsidiary [Note 17(b)]	–	775	775
Currency translation differences	–	(341)	(341)
End of financial year	14,076	138,707	152,783
Accumulated amortisation and impairment			
Beginning of financial year	6,150	45,740	51,890
Amortisation [Note 24]	2,608	8,475	11,083
Impairment	–	1,583	1,583
Currency translation differences	–	(267)	(267)
End of financial year	8,758	55,531	64,289
Net book value	5,318	83,176	88,494

During the financial year, the Group recognised an impairment charge of S$27.8 million (2016: S$1.6 million) mainly for the magazine business whose 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).

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

13. INTANGIBLE ASSETS (CONT'D)

(c) Acquired separately

- Technology, trademarks and licences

	Group 2017 S$'000	Group 2016 S$'000
Cost		
Beginning of financial year	**348**	348
Additions	**450**	–
Currency translation differences	**(7)**	–
End of financial year	**791**	348
Accumulated amortisation		
Beginning of financial year	**92**	65
Amortisation [Note 24]	**25**	27
Impairment	**125**	–
Currency translation differences	**(1)**	–
End of financial year	**241**	92
Net book value	**550**	256

	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**

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

13. INTANGIBLE ASSETS (CONT'D)

(c) Acquired separately

- Technology, trademarks and licences (cont'd)

	Technology S$'000	Trademarks, licences, mastheads and others S$'000	Total S$'000
Company			
2016			
Cost			
Beginning and end of financial year	178	36,889	37,067
Accumulated amortisation			
Beginning of financial year	143	4,713	4,856
Amortisation	35	1,898	1,933
End of financial year	178	6,611	6,789
Net book value	–	30,278	30,278

14. TRADE AND OTHER RECEIVABLES

(a) Non-current

	Group		Company	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Staff loans	**4,506**	4,338	**4,497**	4,276
Sundry debtors	**4,429**	1,393	**153**	181
	8,935	5,731	**4,650**	4,457

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Current

	Group		Company	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Trade receivables				
- Non-related parties	**90,857**	116,677	**64,409**	79,513
- Less: Allowance for impairment – non-related parties	**(5,265)**	(7,948)	**(3,106)**	(5,958)
	85,592	108,729	**61,303**	73,555
Amounts owing by				
- Subsidiaries [Note 14(b)(i)]	**–**	–	**1,598,644**	1,330,976
- Associates [Note 14(b)(ii)]	**110**	9	**–**	–
- Joint ventures [Note 14(b)(iii)]	**168,408**	435	**168,408**	422
	168,518	444	**1,767,052**	1,331,398
Loans to subsidiaries [Note 14(b)(iv)]	**–**	–	**554,518**	377,156
Accrued interest	**1,130**	774	**63**	67
Sundry debtors [Note 14(b)(v)]	**49,119**	19,655	**1,546**	819
Prepayments	**8,246**	5,659	**5,831**	3,799
Staff loans	**1,816**	1,692	**1,652**	1,463
	314,421	136,953	**2,391,965**	1,788,257

(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$0.8 million (2016: S$1.2 million).

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

(iii) The amounts owing by joint ventures are non-trade, unsecured, interest-free and repayable on demand. As at the reporting date, 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 [Note 11].

(iv) The loans to subsidiaries are unsecured, interest-free and repayable on demand. The loans included an allowance for impairment of S$79.9 million (2016: S$73.7 million). During the financial year, a net allowance for impairment loss of S$6.2 million (2016: S$8.2 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$31 million (2016: S$5.8 million) from the disposal of investments due after financial year-end.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

15. DERIVATIVES

	Contract Notional Amount S$'000	Fair Value Assets S$'000	Fair Value Liabilities S$'000
Group			
2017			
Non-current			
Cash flow hedge			
- Interest rate swaps [Note 20(e)]	**280,000**	**–**	**7,365**
Equity option on investment		**200**	**–**
		200	**7,365**
Current			
Cash flow hedge			
- Interest rate swaps [Note 20(e)]	**270,000**	**–**	**1,250**
Derivatives that do not qualify as hedges			
- Currency forwards	**137,158**	**1,473**	**43**
		1,473	**1,293**
2016			
Non-current			
Cash flow hedge			
- Interest rate swaps [Note 20(e)]	550,000	–	10,983
Equity option on investment		200	–
		200	10,983
Current			
Derivatives that do not qualify as hedges			
- Currency forwards	138,971	89	1,396

16. INVENTORIES

	Group 2017 S$'000	Group 2016 S$'000	Company 2017 S$'000	Company 2016 S$'000
Raw materials and consumable stores	**22,636**	22,304	**20,269**	20,112
Allowance for write-down of inventories	**(744)**	(1,079)	**(712)**	(1,000)
	21,892	21,225	**19,557**	19,112

The cost of inventories recognised as an expense and included in materials, production and distribution costs in the income statement amounted to S$57.5 million (2016: S$68.9 million).

During the financial year, the Group wrote back an allowance for stock obsolescence amounting to S$0.2 million as those stocks were utilised (2016: An allowance of S$0.4 million was made).

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Cash held as fixed bank deposits	**183,542**	231,802	**79,695**	131,011
Cash and bank balances	**129,105**	81,092	**70,772**	31,753
	312,647	312,894	**150,467**	162,764

(a) Acquisition of a subsidiary

	Group At fair values 2017 S$'000
Identifiable assets and liabilities	
Property, plant and equipment [Note 7(a)]	**64,070**
Intangible assets (excluding goodwill) [Note 13(b)]	**25,840**
Current assets (including cash)	**11,496**
Deferred tax liabilities [Note 19(a)(i)]	**(11,852)**
Current liabilities	**(4,493)**
Identifiable net assets acquired	**85,061**
Goodwill on acquisition [Note 13(a)]	**78,930**
Total purchase consideration	**163,991**
Less: Cash and cash equivalents	**(6,807)**
Net cash outflow on acquisition of subsidiary	**157,184**

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

On April 25, 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 are included under Property, plant and equipment are based on independent professional valuations using the Capitalisation approach. The fair values of intangible assets are 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 August 31, 2017 was S$157.2 million. The Group has recognised intangible assets of S$104.8 million (including goodwill), subject to completion of the purchase price allocation exercise. The acquisition of an established nursing home operator provided the Group an opportunity to enter into the healthcare sector.

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

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

17. CASH AND CASH EQUIVALENTS (CONT'D)

(b) Acquisition of business by a subsidiary

	Group At fair values	
	2017 S$'000	2016 S$'000
Identifiable assets and liabilities		
Property, plant and equipment [Note 7(a)]	**70**	11
Intangible assets (excluding goodwill) [Note 13(b)]	**205**	775
Current assets	**54**	63
Deferred tax liabilities [Note 19(a)(i)]	**(35)**	–
Current liabilities	**(5)**	–
Identifiable net assets acquired	**289**	849
Gain on acquisition	**(289)**	–
Goodwill on acquisition [Note 13(a)]	**–**	151
Total purchase consideration	**–**	1,000

2017

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

On January 3, 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 has recognised intangible assets of S$0.2 million and a gain on acquisition of S$0.3 million in the income statement, subject to completion of the purchase price allocation exercise.

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

2016

Pacom Media Pte Ltd ("Pacom")

On August 26, 2016, the Group acquired the business assets of Pacom for a total consideration of S$1 million. Pacom publishes golf magazines, organises golf events and serves as media representative for corporate clients.

The Group had recognised intangible assets of S$0.9 million (including goodwill).

There was no material effect to the Group operating revenue and net profit had the acquisition occurred on September 1, 2015.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

18. TRADE AND OTHER PAYABLES

(a) Non-current

	Group		Company	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Deposits received	**34,680**	39,341	**–**	–
Collections in advance	**2,876**	4,103	**2,876**	4,103
	37,556	43,444	**2,876**	4,103

(b) Current

	Group		Company	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Trade payables – non-related parties	**28,241**	32,270	**17,788**	21,401
Amounts owing to				
- Subsidiaries [Note 18(b)(i)]	**–**	–	**885,113**	725,212
- Associates [Note 18(b)(ii)]	**3,070**	–	**–**	–
- Joint ventures [Note 18(b)(iii)]	**787**	2,952	**–**	–
	3,857	2,952	**885,113**	725,212
Accrued operating expenses	**119,755**	123,709	**79,903**	85,308
Deposits received	**34,187**	28,633	**10,336**	10,242
Sundry creditors	**16,095**	16,906	**7,215**	8,452
Collections in advance	**39,217**	41,195	**19,841**	20,450
	241,352	245,665	**1,020,196**	871,065

(i) The amounts owing to subsidiaries are non-trade, unsecured and repayable on demand. Except for amounts owing to a subsidiary of S$43.3 million (2016: S$29.1 million) with interest rates ranging from 0.85% to 0.92% (2016: 0.61% to 0.89%) 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) The amounts owing to joint ventures are non-trade, unsecured, repayable on demand and interest-bearing. The interest rate is 1.93% (2016: 1.19%) per annum as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Deferred tax liabilities	**53,406**	51,515	**16,893**	23,326
Deferred tax assets	**(4,216)**	(4,143)	**(3,329)**	(2,755)
	49,190	47,372	**13,564**	20,571

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

	Group		Company	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Hedging reserve	**79**	(302)	**–**	–
Fair value reserve	**689**	(226)	**–**	–
	768	(528)	**–**	–

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$11.5 million (2016: S$7.3 million) and S$3.4 million (2016: S$3.3 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$5.9 million (2016: S$5.3 million) which can be carried forward to a maximum of five years.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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				
2017				
Beginning of financial year	**35,034**	**8,895**	**7,586**	**51,515**
Acquisition of a subsidiary [Note 17(a)]	**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**
2016				
Beginning of financial year	37,519	9,237	7,934	54,690
Recognised in income statement	(2,485)	–	(348)	(2,833)
Recognised in equity	–	(342)	–	(342)
End of financial year	35,034	8,895	7,586	51,515
Company				
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**
2016				
Beginning of financial year	25,947	–	121	26,068
Recognised in income statement	(2,741)	–	(1)	(2,742)
End of financial year	23,206	–	120	23,326

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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			
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)**
2016			
Beginning of financial year	(4,032)	–	(4,032)
Recognised in income statement	60	–	60
Recognised in equity	–	(186)	(186)
Currency translation differences	15	–	15
End of financial year	(3,957)	(186)	(4,143)
Company			
2017			
Beginning of financial year	**(2,755)**	**–**	**(2,755)**
Recognised in income statement	**(574)**	**–**	**(574)**
End of financial year	**(3,329)**	**–**	**(3,329)**
2016			
Beginning of financial year	(2,860)	–	(2,860)
Recognised in income statement	105	–	105
End of financial year	(2,755)	–	(2,755)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

19. INCOME TAXES (CONT'D)

(b) Income tax expense

	Group	
	2017 S$'000	2016 S$'000
Tax expense attributable to profit is made up of:		
Current year		
- Current tax	**46,352**	57,616
- Deferred tax	**(11,704)**	(2,789)
	34,648	54,827
Prior years		
- Current tax	**958**	59
- Deferred tax	**670**	16
	1,628	75
	36,276	54,902

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	
	2017 S$'000	2016 S$'000
Profit before taxation	**431,492**	361,041
Tax calculated at corporate tax rate of 17%	**73,354**	61,377
Income taxed at concessionary rate	**(264)**	(185)
Income not subject to tax	**(46,849)**	(12,754)
Expenses not deductible for tax purposes	**12,501**	8,474
Tax relief for contributions made to Institutes of Public Character	**(30)**	(161)
Effect of different tax rates in other countries	**(422)**	259
Tax rebates	**(227)**	(449)
Tax incentives	**(1,827)**	(1,322)
Others	**(1,588)**	(412)
Under-provision in prior years	**1,628**	75
Tax charge	**36,276**	54,902

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

20. BORROWINGS

	Group		Company	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Secured				
Term loans [Note 20(a) and 20(b)]	**1,147,202**	1,145,362	**–**	–
Unsecured				
Loans from non-controlling interest [Note 20(c)]	**53,017**	52,037	**–**	–
Other banking facilities [Note 20(d)]	**299,520**	99,954	**296,000**	85,000
	1,499,739	1,297,353	**296,000**	85,000
Borrowings are repayable:				
Within 1 year	**971,695**	99,954	**296,000**	85,000
Between 1 - 5 years	**528,044**	1,197,399	**–**	–
	1,499,739	1,297,353	**296,000**	85,000

(a) On July 24, 2013, SPH REIT established a term loan facility up to the amount of S$975 million, of which the amount drawn down was S$850 million. As at the reporting date, the loan stated at amortised cost amounted to S$847.4 million (2016: S$845.9 million). The loan has various repayment dates of which S$135 million is repayable in March 2018, S$185 million in July 2018, S$125 million in July 2019, S$280 million in July 2020 and S$125 million in July 2021.

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$730 million (2016: S$730 million), the effective interest rate as at the reporting date on the outstanding term loan was 2.82% (2016: 2.82%) per annum.

(b) On June 2, 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$299.8 million (2016: S$299.5 million). The loan is repayable in June 2018.

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.

After taking into account interest rate swap arrangements totalling S$100 million (2016: S$100 million), the effective interest rate as at the reporting date on the outstanding term loan was 1.97% (2016: 2.31%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

20. BORROWINGS (CONT'D)

(c) As at August 31, 2017, TSMPL had outstanding unsecured loans of S$53.7 million (2016: S$53.7 million) from its non-controlling interest. The loans stated at amortised cost amounted to S$53 million (2016: S$52 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$0.7 million (2016: S$1.7 million).

The fair value of the loans was S$53 million (2016: S$52 million) determined from the cash flow analyses discounted at market borrowing rates of 1.81% (2016: 1.81%) per annum which management expected to be available to the Group.

(d) As at August 31, 2017, the other banking facilities included S$296 million and S$3.5 million (2016: S$85 million and S$15 million) [Note 30(b)] of unsecured facilities drawn down by the Company and a subsidiary of the Group respectively. The amounts are repayable in September 2017 (2016: September 2016).

(e) 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 and TSMPL entered into 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. At August 31, 2017, the fixed interest rate for SPH REIT was 1.44% to 2.32% (2016: 1.44% to 2.32%) and TSMPL was 1.82% (2016: 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 August 31, 2017 are:

	Group	
	2017 S$'000	2016 S$'000
Notional due:		
Within 1 year	**270,000**	–
Between 1 - 5 years	**280,000**	550,000
Fair values [Note 15]	**(8,615)**	(10,983)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

21. CAPITAL AND OTHER COMMITMENTS

(a) Commitments for capital expenditure and investments

	Group		Company	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Authorised and contracted for				
- Property, plant and equipment	**11,699**	4,511	**3,596**	4,430
- Investment properties	**3,476**	4,596	**–**	–
- Investments	**30,183**	26,719	**–**	–
	45,358	35,826	**3,596**	4,430

(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	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Within 1 year	**11,854**	9,362	**258**	241
Between 1 - 5 years	**31,350**	22,317	**268**	9
After 5 years	**110,093**	122,474	**–**	–
	153,297	154,153	**526**	250

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$18 million (2016: S$16.3 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	
	2017 S$'000	2016 S$'000
Within 1 year	**210,162**	223,345
Between 1 - 5 years	**266,113**	287,582
After 5 years	**–**	247
	476,275	511,174

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

NOTES TO THE FINANCIAL STATEMENTS

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22. OPERATING REVENUE

	Group	
	2017	2016
	S$'000	S$'000
Media		
Sale of services – Advertisements	**504,041**	606,532
Sale of goods – Circulation	**161,994**	170,713
Others	**59,392**	56,976
	725,427	834,221
Property		
Rental and rental-related services	**244,159**	241,310
Others		
Sale of services – Advertisements	**17,257**	15,699
Sale of services – Multimedia, healthcare and other services	**45,672**	33,119
	62,929	48,818
	1,032,515	1,124,349

23. STAFF COSTS

	Group	
	2017	2016
	S$'000	S$'000
Salaries, bonuses and other costs	**312,367**	316,450
Employers' contribution to defined contribution plans	**40,575**	41,216
Share-based compensation expense	**4,522**	4,885
	357,464	362,551

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

24. OTHER OPERATING EXPENSES

	Group	
	2017 **S$'000**	2016 S$'000
Included in other operating expenses are:		
Audit fees		
- Company's auditors	**1,061**	1,081
- Other auditors	**71**	60
Non-audit fees#		
- Company's auditors	**230**	184
Retrenchment and outplacement costs	**6,702**	–
Net foreign exchange differences from operations	**805**	(1,392)
(Write-back of impairment)/Impairment of trade receivables [Note 30(b)(ii)]	**(1,277)**	598
Bad debts recovery	**(152)**	(167)
Loss on disposal of property, plant and equipment	**154**	374
Amortisation of intangible assets [Note 13(b) and 13(c)]	**11,002**	11,110
Write-back of impairment of an associate	**–**	(259)

Non-audit fees are mainly for services relating to non-statutory audit/review assignments.

25. FINANCE COSTS

	Group	
	2017 **S$'000**	2016 S$'000
Interest expense		
- Bank loans	**24,785**	26,446
- Loans from non-controlling interest	**954**	910
Cash flow hedges, reclassified from hedging reserve*	**5,561**	3,915
	31,300	31,271

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

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AUGUST 31, 2017

26. NET INCOME FROM INVESTMENTS

	Group	
	2017	2016
	S$'000	S$'000
Available-for-sale financial assets		
Interest income	**3,471**	1,397
Dividend income	**25,464**	26,373
Net foreign exchange differences	**(600)**	550
Transfer from fair value reserve on disposal of investments	**26,686**	13,442
Impairment of investments [Note 12]	**(3,362)**	(810)
	51,659	40,952
Financial assets at fair value through profit or loss		
Net fair value changes on investments		
- Designated upon initial recognition	**1,919**	2,185
- Held for trading	**1,391**	1,577
Net fair value changes on derivatives	**(1,868)**	6,919
	1,442	10,681
Deposits with financial institutions		
Interest income	**1,390**	1,564
Net foreign exchange differences	**(626)**	(1,444)
	764	120
	53,865	51,753

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27. DIVIDENDS

	Company	
	2017	2016
	S$'000	S$'000
Tax-exempt dividends paid:		
- Final dividend of 8 cents per share in respect of previous financial year (2016: 8 cents per share)	**129,184**	129,097
- Special final dividend of 3 cents per share in respect of previous financial year (2016: 5 cents per share)	**48,444**	80,685
- Interim dividend of 6 cents per share (2016: 7 cents per share)	**96,928**	113,036
	274,556	322,818

The Directors have proposed a final dividend of 3 cents per share and a special final dividend of 6 cents per share for the financial year, amounting to a total of S$145.3 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 August 31, 2018 when they are approved at the next annual general meeting.

28. EARNINGS PER SHARE

	Group			
	2017		2016	
	Basic S$'000	**Diluted S$'000**	Basic S$'000	Diluted S$'000
Profit after taxation attributable to shareholders of the Company	**350,085**	**350,085**	265,293	265,293

	Number of Shares		Number of Shares	
	'000	**'000**	'000	'000
Weighted average number of shares	**1,615,083**	**1,615,083**	1,614,436	1,614,436
Adjustment for assumed conversion of performance shares	**–**	**5,426**	–	7,039
Weighted average number of shares used to compute earnings per share	**1,615,083**	**1,620,509**	1,614,436	1,621,475

	Basic	**Diluted**	Basic	Diluted
Earnings per share (S$)	**0.22**	**0.22**	0.16	0.16

NOTES TO THE FINANCIAL STATEMENTS
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29. SIGNIFICANT SUBSIDIARIES OF THE GROUP

Name of Subsidiaries	Principal Activities	Country of Incorporation	Effective % of Equity held by the Group 2017 %	2016 %
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 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 187 to 189 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.

NOTES TO THE FINANCIAL STATEMENTS

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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				
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.*

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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				
2016				
Assets				
Investments	70,408	–	–	70,408
Trade and other receivables	119,789	6,570	6,131	132,490
Cash and cash equivalents	289,902	10,044	12,948	312,894
	480,099	16,614	19,079	515,792
Liabilities				
Trade and other payables	(224,742)	(13,017)	(6,052)	(243,811)
Borrowings	(1,282,399)	–	(14,954)	(1,297,353)
	(1,507,141)	(13,017)	(21,006)	(1,541,164)
Net (liabilities)/assets	(1,027,042)	3,597	(1,927)	(1,025,372)
Less: Net liabilities/(assets) denominated in the respective entities' functional currencies	1,027,042	–	(10,082)	1,016,960
Less: Firm commitments in foreign currencies	–	(475)	(90)	(565)
Less: Currency forwards*	–	(136,285)	(3,953)	(140,238)
Currency exposure	–	(133,163)	(16,052)	(149,215)

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

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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				
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

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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				
2016				
Assets				
Trade and other receivables	1,788,142	481	292	1,788,915
Cash and cash equivalents	153,025	9,529	210	162,764
	1,941,167	10,010	502	1,951,679
Liabilities				
Trade and other payables	(836,682)	(13,542)	(391)	(850,615)
Borrowings	(85,000)	–	–	(85,000)
	(921,682)	(13,542)	(391)	(935,615)
Net assets/(liabilities)	1,019,485	(3,532)	111	1,016,064
Less: Net assets denominated in the Company's functional currency	(1,019,485)	–	–	(1,019,485)
Less: Firm commitments in foreign currencies	–	(475)	(90)	(565)
Currency exposure	–	(4,007)	21	(3,986)

A reasonably possible strengthening (weakening) of the USD by 5% (2016: 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.

	2017		2016	
	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	**(4,096)**	**–**	(5,526)	–
- weakened	**4,096**	**–**	5,526	–
Company				
USD against SGD				
- strengthened	**149**	**–**	(166)	–
- weakened	**(149)**	**–**	166	–

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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% (2016: 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.

	2017		2016	
	Profit after tax S$'000	**Other comprehensive income S$'000**	Profit after tax S$'000	Other comprehensive income S$'000
Group				
Investments				
- prices increase	**3,963**	**153,296**	5,188	176,121
- prices decrease	**(3,963)**	**(153,296)**	(5,188)	(176,121)
Company				
Investments				
- prices increase	**–**	**5,435**	–	7,621
- prices decrease	**–**	**(5,435)**	–	(7,621)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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% (2016: 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.

	2017		2016	
	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)**	(38)	(468)
- interest rates decrease	**–**	**614**	38	468
Borrowings				
- interest rates increase	**(1,430)**	**–**	(1,430)	–
- interest rates decrease	**1,430**	**–**	1,430	–

NOTES TO THE FINANCIAL STATEMENTS

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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 and a subsidiary as at August 31, 2017 were S$296 million (2016: S$85 million) and S$3.5 million (2016: S$15 million) respectively [Note 20(d)].

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

	Group		Company	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
By types of customers				
Advertisement	**55,069**	74,760	**45,524**	55,386
Circulation	**10,953**	12,824	**10,400**	11,912
Multimedia	**4,683**	5,598	**919**	2,300
Rental	**2,924**	4,335	**–**	–
Others	**11,963**	11,212	**4,460**	3,957
	85,592	108,729	**61,303**	73,555

As at August 31, 2017, 40% – 65% (2016: 40% – 65%) of the trade receivables were backed by bankers'/insurance guarantees and/or deposits from customers.

(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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

(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	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Past due 1 to 30 days	**12,896**	20,947	**6,523**	11,093
Past due 31 to 60 days	**4,504**	9,499	**1,974**	3,663
Past due 61 to 90 days	**3,031**	4,320	**1,445**	1,701
Past due over 90 days	**7,362**	5,254	**4,797**	3,406
	27,793	40,020	**14,739**	19,863

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	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000
Gross amount	**5,265**	7,948	**3,106**	5,958
Less: Allowance for impairment	**(5,265)**	(7,948)	**(3,106)**	(5,958)
	–	–	**–**	–
Beginning of financial year	**7,948**	9,193	**5,958**	6,693
Acquisition of a subsidiary	**242**	–	**–**	–
Allowance (written-back)/made [Note 24]	**(1,277)**	598	**(1,661)**	(2)
Allowance utilised	**(1,633)**	(1,601)	**(1,191)**	(733)
Currency translation difference	**(15)**	(242)	**–**	–
End of financial year	**5,265**	7,948	**3,106**	5,958

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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$'000	Over 5 years S$'000
Group				
At August 31, 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)**	**–**
At August 31, 2016				
Net-settled interest rate swaps	(5,383)	(2,996)	(2,751)	–
Gross-settled currency forwards				
- Receipts	138,971	–	–	–
- Payments	(140,278)	–	–	–
Trade and other payables	(204,470)	(19,555)	(19,413)	(373)
Borrowings	(122,622)	(693,633)	(550,799)	–
	(333,782)	(716,184)	(572,963)	(373)
Company				
At August 31, 2017				
Trade and other payables	**(1,000,355)**	**–**	**–**	**–**
Borrowings	**(296,172)**	**–**	**–**	**–**
	(1,296,527)	**–**	**–**	**–**
At August 31, 2016				
Trade and other payables	(850,615)	–	–	–
Borrowings	(85,075)	–	–	–
	(935,690)	–	–	–

NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

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 10% per annum for the current financial year ended August 31, 2017 (2016: 7.5% 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 12.2%.

(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				
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)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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				
2016				
Assets				
Investment properties	–	–	3,963,000	3,963,000
Financial assets at fair value through profit or loss	47,782	5,676	–	53,458
Available-for-sale financial assets	538,483	237,433	206,186	982,102
Asset held for sale	–	–	8,831	8,831
Derivatives	–	289	–	289
	586,265	243,398	4,178,017	5,007,680
Liabilities				
Derivatives	–	(12,379)	–	(12,379)

As at August 31, 2017, the Company's available-for-sale financial assets with a carrying amount of S$27.2 million (2016: S$38.1 million) are 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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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 4.8% (2016: 3.8% to 5%)	The estimated fair value varies inversely with the capitalisation rate.
	Discounted cashflow approach	- Discount rate: 7.5% (2016: 7.5%)	The estimated fair value varies inversely with the discount rate.
	Comparable sales method	- Comparable sales prices+: S$966psf to S$3,343psf (2016: S$1,093psf to S$4,967psf)	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.

NOTES TO THE FINANCIAL STATEMENTS

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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**

		Available-for-sale financial assets			
	Investment properties S$'000	Equities S$'000	Bonds S$'000	Investment funds S$'000	Asset held for sale S$'000
Group					
2016					
Beginning of financial year	3,940,951	9,679	8,452	106,273	–
Additions	10,226	30,036	–	7,040	–
Disposals	–	–	–	(1,929)	–
Reclassified as Asset held for sale	–	(6,473)	–	–	6,473
Gains/(Losses) recognised in income statement	11,823	–	–	(804)	–
Gains recognised in other comprehensive income	–	136	2	7,440	2,358
Transferred from Level 2	–	35,257	–	13,274	–
Transferred to Level 2	–	(2,197)	–	–	–
End of financial year	3,963,000	66,438	8,454	131,294	8,831

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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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				
2017				
Liabilities				
Borrowings	**–**	**53,017**	**–**	**53,017**
2016				
Liabilities				
Borrowings	–	52,037	–	52,037

(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					
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)**
2016					
Assets					
Currency forwards	89	–	89	(89)	–
Liabilities					
Currency forwards	(1,396)	–	(1,396)	89	(1,307)
Interest rate swaps	(10,983)	–	(10,983)	–	(10,983)
	(12,379)	–	(12,379)	89	(12,290)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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(c) 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						
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)**
2016						
Assets						
Investments	–	982,102	53,458	–	–	1,035,560
Trade and other receivables excluding non-financial instruments	132,490	–	–	–	–	132,490
Asset held for sale	–	8,831	–	–	–	8,831
Derivatives	–	–	289	–	–	289
Cash and cash equivalents	312,894	–	–	–	–	312,894
	445,384	990,933	53,747	–	–	1,490,064
Liabilities						
Trade and other payables excluding non-financial instruments	–	–	–	–	(243,811)	(243,811)
Borrowings	–	–	–	–	(1,297,353)	(1,297,353)
Derivatives	–	–	(1,396)	(10,983)	–	(12,379)
	–	–	(1,396)	(10,983)	(1,541,164)	(1,553,543)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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				
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)**
2016				
Assets				
Investments	–	38,105	–	38,105
Trade and other receivables excluding non-financial instruments	1,788,915	–	–	1,788,915
Cash and cash equivalents	162,764	–	–	162,764
	1,951,679	38,105	–	1,989,784
Liabilities				
Trade and other payables excluding non-financial instruments	–	–	(850,615)	(850,615)
Borrowings	–	–	(85,000)	(85,000)
	–	–	(935,615)	(935,615)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

31. RELATED PARTY TRANSACTIONS

Key management personnel compensation and transactions are as follows:

	Group	
	2017 **S$'000**	2016 S$'000
Remuneration and other short-term employee benefits	**22,534**	21,287
Employers' contribution to defined contribution plans	**830**	758
Share-based compensation expense	**3,323**	2,838
	26,687	24,883
Staff loans granted to key management personnel	**277**	249

The above includes total emoluments of the Company's directors of S$4.4 million (2016: S$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, healthcare 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.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

32. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

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

2017

	Media S$'000	Property S$'000	Treasury and Investment S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
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

* *Included S$168.4 million for the Group's share of part-payment of land tender price [Note 11].*

NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

32. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

2016

	Media S$'000	Property S$'000	Treasury and Investment S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
Operating revenue						
External sales	834,221	241,310	–	48,818	–	1,124,349
Inter-segmental sales	4,794	2,143	–	1,782	(8,719)	–
Total operating revenue	839,015	243,453	–	50,600	(8,719)	1,124,349
Result						
Segment result	175,496	179,437	50,194	(16,934)	–	388,193
Finance costs	(30)	(29,851)	(1,361)	(29)	–	(31,271)
Fair value change on investment properties	–	11,823	–	–	–	11,823
Share of results of associates and joint ventures	(262)	–	–	(7,442)	–	(7,704)
Profit/(Loss) before taxation	175,204	161,409	48,833	(24,405)	–	361,041
Taxation						(54,902)
Profit after taxation						306,139
Non-controlling interests						(40,846)
Profit attributable to Shareholders						265,293
Other information						
Segment assets	482,630	4,049,265	1,143,157	268,836	–	5,943,888
Segment assets includes:						
Associates/Joint ventures	65,504	–	–	25,066	–	90,570
Additions to:						
- property, plant and equipment	14,418	579	–	253	–	15,250
- investment properties	–	10,226	–	–	–	10,226
- intangible assets	926	–	–	–	–	926
Segment liabilities	183,920	1,294,553	102,087	18,281	–	1,598,841
Current tax liabilities						56,271
Deferred tax liabilities						47,372
Consolidated total liabilities						1,702,484
Depreciation	43,689	525	–	485	–	44,699
Amortisation of intangible assets	2,824	–	–	8,286	–	11,110
Impairment of goodwill	21,041	–	–	5,734	–	26,775
Impairment of intangible assets	1,108	–	–	475	–	1,583

NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

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	
	2017 S$'000	2016 S$'000	**2017 S$'000**	2016 S$'000	**2017 S$'000**	2016 S$'000
Singapore	**1,009,437**	1,089,880	**5,049,234**	5,019,461	**6,064,032**	5,886,021
Other countries	**23,078**	34,469	**25,373**	37,735	**42,378**	57,867
	1,032,515	1,124,349	**5,074,607**	5,057,196	**6,106,410**	5,943,888

33. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new standards and amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after September 1, 2017 or later periods for which the Group has not early adopted.

For those new standards and amendments and interpretations to existing standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, the Group has set up project teams to assess the transition options and the potential impact on the financial statements, and to implement these standards. The Group does not plan to adopt these standards early.

Applicable to the Group's accounting periods beginning September 1, 2018

Convergence with International Financial Reporting Standards ("IFRS")

The Accounting Standards Council announced on May 29, 2014 that Singapore-incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the IFRS (referred to as SG-IFRS in these financial statements) for the financial year ending December 31, 2018 onwards.

The Group has performed a preliminary assessment of the impact of SG-IFRS 1 *First-time adoption of International Financial Reporting Standards* for the transition to the new reporting framework.

Based on the preliminary assessment, the Group does not expect to change its existing accounting policies on adoption of the new framework other than arising from the adoption of new and revised standards. The impact on adoption of SG-IFRS 15 *Revenue from Contracts with Customers* and SG-IFRS 9 *Financial Instruments* is expected to be similar to adopting FRS 115 and FRS 109 as described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 replaces all existing revenue recognition requirements. It 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.

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

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

33. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONT'D)

FRS 109 *Financial Instruments*

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

The Group's preliminary assessment of the elements of FRS 109 is as described below.

Classification and measurement – The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109.

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

For financial assets currently held at fair value, the Group expects to continue measuring most of these assets at fair value under FRS 109. The expected classification and measurement of these financial assets under FRS 109 is summarised below:

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

- Non-current AFS and non-current fair value through profit or loss ("FVTPL") debt securities are also expected to be classified as FVOCI financial assets.

- Current AFS financial assets are expected to be classified as FVTPL financial assets. With the change in classification from AFS to FVTPL, the fair value changes which are currently taken to OCI will be recognised directly in profit or loss under FRS 109.

- Current FVTPL financial assets will continue to be classified as financial assets subsequently measured at FVTPL.

Impairment – The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables and any contract assets arising from the application of FRS 115. The Group is currently refining its impairment loss estimation methodology to quantify the impact on its financial statements.

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 FRS 109.

Transition – The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information.

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

33. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONT'D)

Applicable to the Group's accounting periods beginning September 1, 2019

FRS 116 *Leases*

FRS 116 replaces existing lease accounting guidance. It 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 accounting for lessors will not change significantly.

The Group has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee. Based on the assessment, the Group expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. The operating lease commitments on an undiscounted basis amount to approximately 2.5% of the consolidated total assets and 8.1% of consolidated total liabilities. Assuming no additional new operating leases in future years until the effective date, the Group expects the amount of ROU asset and lease liability to be lower due to discounting and as the lease terms run down.

The Group expects that the impact on adoption of FRS 116 *Leases* to be similar to adopting SG-FRS 116, after the transition to SG-IFRS in 2018 as described above.

34. SUBSEQUENT EVENT

In October 2016, the Group announced a staff reduction of up to 10% over two years. The Group will complete the full 10% staff reduction by end 2017, and is expected to incur retrenchment costs of approximately S$13 million in the next financial year. This includes restructuring the newsrooms and sales operations, reducing 15% of staff in these core media divisions.

35. AUTHORISATION OF FINANCIAL STATEMENTS

On October 11, 2017, the Board of Directors of Singapore Press Holdings Limited authorised these financial statements for issue.

OPERATING COMPANIES OF THE GROUP

AS AT AUGUST 31, 2017

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 China	Advertising and promoting the magazine publishing business	The People's Republic of China
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
Callisto 2 Pte. Ltd.	Holding investments	Singapore
Callisto 3 Pte. Ltd.	Holding investments	Singapore
Callisto 8 Pte. Ltd.	Holding investments	Singapore
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
Elara 8 Pte. Ltd.	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
Focus Publishing Ltd	Publishing magazines and providing editorial services	Singapore
ILPL 2 Pte. Ltd.	Holding investments	Singapore
Invest Healthcare Pte. Ltd.	Holding investments	Singapore
Invest Learning Pte. Ltd.	Holding investments	Singapore
Invest Media Pte. Ltd.	Holding investments	Singapore

OPERATING COMPANIES OF THE GROUP

AS AT AUGUST 31, 2017

SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Activities	Country of Incorporation
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 Healthcare Pte. Ltd.	Holding investments	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
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

OPERATING COMPANIES OF THE GROUP

AS AT AUGUST 31, 2017

SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Activities	Country of Incorporation
SPH Data Services Pte Ltd	Licensing copyrights and trademarks	Singapore
SPH Digital Media Pte. Ltd.	Providing online investor relations services and holding investments	Singapore
SPH Digital Media Sdn. Bhd.	Providing sales agent services to its ultimate holding corporation	Malaysia
SPH Interactive International Pte. Ltd.	Licensing software, providing technical services and holding investments	Singapore
SPH Interactive Pte. Ltd.	Holding investments	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 REIT Management Pte. Ltd.	Property fund management	Singapore
SPH Retail Property Management Services Pte. Ltd.	Managing shopping centres	Singapore
SPH Radio Private Limited	Radio broadcasting	Singapore
SPH Ventures Pte. Ltd.	Holding investments	Singapore
SPHM Pte Ltd	Publishing and distributing magazines	Singapore
Sphere Exhibits Pte. Ltd.	Organising conventions, conferences and exhibitions and holding investments	Singapore
Sphere Exhibits Malaysia Sdn. Bhd.	Management and promotion of events, exhibitions and meetings	Malaysia
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
Tamil Murasu Limited	Publishing newspapers	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

OPERATING COMPANIES OF THE GROUP

AS AT AUGUST 31, 2017

ASSOCIATES

Name of Associate	Principal Activities	Country of Incorporation
Brand New Media (Singapore) Pte. Ltd.	Television programme production and advertising services	Singapore
Conversion Hub Marketing Pte. Ltd.	Providing social media advertising	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 (Worldwide) Pte. Limited	Operating and franchising of early childhood curriculum and enrichment programmes and related investment holdings	Singapore
Perennial Chinatown Point LLP	Holding properties for rent and holding investments	Singapore
RecomN Singapore Pte. Ltd.	Operation of a services matching portal	Singapore
SI.com (Thailand) Co. Ltd	Providing online investor relations services, developing applications and operating a financial portal	Thailand
WISI Australia Pty Ltd	Providing online investor relations services and developing applications	Australia
ZBJ-SPH Pte. Ltd.	Operation of an online B2B creative services marketplace	Singapore

JOINT VENTURES

Name of Joint Venture	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
Callisto 1 Pte. Ltd.	Holding property investment	Singapore
Elara 1 Pte. Ltd.	Property developer	Singapore
Elara 2 Pte. Ltd.	Holding investments	Singapore
Elara 3 Pte. Ltd.	Holding investments	Singapore
SPH Plug and Play Pte. Ltd.	Holding investments	Singapore

OVERSEAS BUREAUS

AS AT 31 AUGUST 2017

AUSTRALIA

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AS AT 31 AUGUST 2017

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AS AT 31 AUGUST 2017

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PROPERTIES OF THE GROUP

AS AT 31 AUGUST 2017

Location	Tenure	Expiry Date of Lease	Land (Sq M)	Built-In (Sq M)	Existing Use	Effective Group Interest (%)
SINGAPORE						
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
News Centre 1000 Toa Payoh North	Leasehold	March 2, 2031	21,730	54,275	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 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
HONG KONG						
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 3 OCTOBER 2017

DISTRIBUTION OF ORDINARY SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 - 99	277	0.45	10,226	0.00
100 - 1,000	8,486	13.79	7,646,941	0.48
1,001 - 10,000	38,588	62.72	179,856,971	11.25
10,001 - 1,000,000	14,100	22.92	627,254,374	39.24
1,000,001 and above	76	0.12	783,843,699	49.03
TOTAL	**61,527**	**100.00**	**1,598,612,211**	**100.00**

* *Shareholdings exclude 2,036,910 treasury shares.*

TWENTY LARGEST ORDINARY SHAREHOLDERS

	Name of Shareholder	No. of Shares	%*
1	CITIBANK NOMINEES SINGAPORE PTE LTD	169,445,561	10.60
2	DBS NOMINEES PTE LTD	164,597,023	10.30
3	HSBC (SINGAPORE) NOMINEES PTE LTD	69,105,878	4.32
4	DBSN SERVICES PTE LTD	41,021,054	2.57
5	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	39,819,710	2.49
6	RAFFLES NOMINEES (PTE) LTD	34,428,898	2.15
7	UOB KAY HIAN PTE LTD	19,700,729	1.23
8	BPSS NOMINEES SINGAPORE (PTE.) LTD.	15,258,170	0.95
9	LEE FOUNDATION STATES OF MALAYA	15,215,522	0.95
10	OCBC NOMINEES SINGAPORE PTE LTD	14,860,544	0.93
11	LEE PINEAPPLE COMPANY PTE LTD	12,750,000	0.80
12	CHAN SIEW KIM ALICE	11,105,000	0.69
13	LEUNG KAI FOOK MEDICAL CO PTE LTD	10,331,950	0.65
14	DB NOMINEES (SINGAPORE) PTE LTD	10,000,706	0.63
15	OCBC SECURITIES PRIVATE LTD	9,994,595	0.63
16	PHAY THONG HUAT PTE LTD	9,542,000	0.60
17	LEE FOUNDATION	8,210,940	0.51
18	GAN THIAN CHIN	7,648,000	0.48
19	NANYANG PRESS (SINGAPORE) LIMITED	6,403,824	0.40
20	TAN TIANG HIN JERRY	6,173,675	0.39
	TOTAL:	**675,613,779**	**42.27**

* *Shareholdings exclude 2,036,910 treasury shares.*

SHAREHOLDING STATISTICS

AS AT 3 OCTOBER 2017

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 CO LTD	3,698,297	22.60
2	OVERSEA-CHINESE BANKING CORPORATION LTD	2,748,829	16.80
3	NTUC INCOME INSURANCE COOPERATIVE LIMITED	2,674,219	16.35
4	SINGAPORE TELECOMMUNICATIONS LIMITED	2,176,119	13.30
5	DBS BANK LTD	1,554,362	9.50
6	UNITED OVERSEAS BANK LTD	1,316,578	8.05
7	NATIONAL UNIVERSITY OF SINGAPORE	876,797	5.36
8	FULLERTON (PRIVATE) LIMITED	658,260	4.02
9	NANYANG TECHNOLOGICAL UNIVERSITY	658,260	4.02
10	CHIEF EXECUTIVE OFFICER	16	0.00
11	DIRECTORS* (FOUR EACH)	32	0.00
	TOTAL:	**16,361,769**	**100.00**

* *Excluding the Chief Executive Officer.*

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

VOTING RIGHTS OF SHAREHOLDERS

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

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

NOTICE IS HEREBY GIVEN that the Thirty-Third Annual General Meeting of Singapore Press Holdings Limited (the "**Company**") will be held at the Auditorium, 1000 Toa Payoh North, News Centre, 1st Storey, Annexe Block, Singapore 318994 on Friday, 1 December 2017 at 2.30 p.m. for the following business:

ROUTINE BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 August 2017 and the Auditor's Report thereon.

2. To declare a final dividend of 3 cents per share and a special dividend of 6 cents per share, on a tax-exempt basis, in respect of the financial year ended 31 August 2017.

3. To re-elect the following Directors who are retiring by rotation in accordance with Articles 116 and 117 of the Company's Constitution, and who, being eligible, offer themselves for re-election:

   (i) Bahren Shaari
   (ii) Quek See Tiat
   (iii) Tan Yen Yen

4. To re-elect Andrew Lim Ming-Hui, a Director who will cease to hold office in accordance with Article 120 of the Company's Constitution, and who, being eligible, offers himself for re-election.

5. To approve Directors' fees of up to S$1,450,000 for the financial year ending 31 August 2018 (2017: up to S$1,450,000).

6. To re-appoint the Auditor and to authorise the Directors to fix its remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:

   (i) "That pursuant to Section 161 of the Companies Act, Chapter 50 (the "**Companies Act**") and the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), and subject to the provisions of the Newspaper and Printing Presses Act, Chapter 206, authority be and is hereby given to the Directors of the Company to:

      (a) (i) issue shares of the Company whether by way of rights, bonus or otherwise; and/or

      (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

      at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

      (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

      provided that:

      (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(ii) "That the Directors of the Company be and are hereby authorised to grant awards ("**Awards**") in accordance with the provisions of the SPH Performance Share Plan 2016 (the "**SPH Performance Share Plan**") and to allot and issue from time to time such number of fully paid-up ordinary shares of the Company ("**Ordinary Shares**") as may be required to be delivered pursuant to the vesting of Awards under the SPH Performance Share Plan, provided that:

(a) the aggregate number of (1) new Ordinary Shares allotted and issued and/or to be allotted and issued, (2) existing Ordinary Shares (including Ordinary Shares held as treasury shares) delivered and/or to be delivered, and (3) Ordinary Shares released and/or to be released in the form of cash in lieu of Ordinary Shares, pursuant to Awards granted under the SPH Performance Share Plan, shall not exceed 5 per cent. of the total number of issued Ordinary Shares (excluding treasury shares and subsidiary holdings) from time to time;

(b) the aggregate number of Ordinary Shares under Awards to be granted pursuant to the SPH Performance Share Plan during the period (the "**Relevant Year**") commencing from this Annual General Meeting and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 1 per cent. of the total number of issued Ordinary Shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"); and

(c) if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used for the grant of Awards in subsequent years for the duration of the SPH Performance Share Plan,

and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST."

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

(iii) "That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Ordinary Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the SGX-ST; and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases or acquisitions of Ordinary Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of an Ordinary Share for the five consecutive trading days on which the Ordinary Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action which occurs after the relevant five day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Ordinary Shares from holders of Ordinary Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Ordinary Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means that number of issued Ordinary Shares representing 10 per cent. of the total number of the issued Ordinary Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

"**Maximum Price**", in relation to an Ordinary Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, in the case of a market purchase of an Ordinary Share and off-market purchase pursuant to an equal access scheme, 105 per cent. of the Average Closing Price of the Ordinary Share; and

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution."

By Order of the Board

Ginney Lim May Ling
Khor Siew Kim
Company Secretaries

Singapore,
1 November 2017

Notes:

1. (a) A Member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting, provided that a Member holding management shares is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting in respect of the management shares held by him. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A Member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

2. A proxy need not be a Member of the Company.

3. The instrument appointing a proxy or proxies must be lodged at the Company's Share Registration Office, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02, Singapore 068898 not less than 72 hours before the time fixed for the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Member of the Company (i) consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Member discloses the personal data of the Member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of warranty.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

EXPLANATORY NOTES & STATEMENT PURSUANT TO ARTICLE 75 OF THE COMPANY'S CONSTITUTION

1. In relation to Ordinary Resolution No. 3(i):

   Bahren Shaari* will, upon re-election, continue as Chairman of the Nominating Committee and as a member of the Executive Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Bahren and the other Directors or the Company.

2. In relation to Ordinary Resolution No. 3(ii):

   Quek See Tiat* will, upon re-election, continue as Chairman of the Audit Committee and as a member of the Executive Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Quek and the other Directors or the Company.

3. In relation to Ordinary Resolution No. 3(iii):

   Tan Yen Yen* will, upon re-election, continue as a member of the Remuneration Committee and the Board Risk Committee. She is considered an independent Director. There are no relationships (including immediate family relationships) between Ms Tan and the other Directors or the Company.

4. In relation to Ordinary Resolution No. 4:

   Andrew Lim Ming-Hui* will, upon re-election, continue as Chairman of the Board Risk Committee and as a member of the Audit Committee and the Nominating Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Lim and the other Directors or the Company.

5. Ordinary Resolution No. 5, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is, during the financial year from 1 September 2017 to 31 August 2018. The amount of Directors' fees is computed based on the anticipated number of Board and Board Committee meetings, assuming full attendance by all the Directors. The amount also includes a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director, additional unscheduled Board meetings and/or for the formation of additional Board Committees. In order to align Directors' interests with that of shareholders, up to 25 per cent. of their fees may be used to acquire ordinary shares of the Company in their names from the open market.

6. The effects of the Resolutions under the heading "Special Business" in the Notice of the Thirty-Third Annual General Meeting are:

   (a) Ordinary Resolution No. 7(i) is to authorise the Directors of the Company from the date of that meeting until the next Annual General Meeting, subject to the provisions of the Newspaper and Printing Presses Act, Chapter 206, to issue shares of the Company and/or to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which up to 10 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) may be issued other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time that Ordinary Resolution No. 7(i) is passed, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution No. 7(i) is passed, and (ii) any subsequent bonus issue, consolidation or subdivision of shares. For the avoidance of doubt, any consolidation or subdivision of shares of the Company will require shareholders' approval. As at 3 October 2017 (the "**Latest Practicable Date**"), the Company had 2,036,910 treasury shares and no subsidiary holdings.

* *Details of the Director's current directorships in other listed companies and other principal commitments are set out on pages 24 to 27 of the Annual Report 2017.*

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) Co Regn No: 198402868E

(b) Ordinary Resolution No. 7(ii) is to empower the Directors to grant awards, and to allot and issue new ordinary shares of the Company, pursuant to the SPH Performance Share Plan 2016. The total number of ordinary shares which may be delivered pursuant to awards granted under the SPH Performance Share Plan 2016 (whether in the form of ordinary shares or in the form of cash in lieu of ordinary shares) shall not exceed 5 per cent. of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time. In addition, Ordinary Resolution No. 7(ii) will provide that the total number of ordinary shares under awards to be granted pursuant to the SPH Performance Share Plan 2016 from this Annual General Meeting to the next Annual General Meeting (the "**Relevant Year**") shall not exceed 1 per cent. of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"), provided that if the Yearly Limit is not fully utilised during the Relevant Year, any unutilised portion of the Yearly Limit may be used by the Directors to make grants of awards under the SPH Performance Share Plan 2016 in subsequent years, for the duration of the SPH Performance Share Plan 2016.

(c) Ordinary Resolution No. 7(iii) is to renew the mandate to permit the Company to purchase or acquire issued ordinary shares of the Company on the terms and subject to the conditions of the Resolution.

The Company may use internal sources of funds, or a combination of internal resources and external borrowings, to finance the purchase or acquisition of its ordinary shares. The amount of funding required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired and the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Buy Back Mandate on the audited financial statements of the Company and the Group for the financial year ended 31 August 2017, based on certain assumptions, are set out in paragraph 2.6 of the Letter to Shareholders dated 1 November 2017.

VOTING RIGHTS OF SHAREHOLDERS

The holders of management and ordinary shares shall be entitled to one (1) vote for each share, except that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, the holders of the management shares shall be entitled either on a poll or show of hands to two hundred (200) votes for each management share held in accordance with the provisions of the Newspaper and Printing Presses Act, Chapter 206.

PROXY FORM

SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Co Regn No: 198402868E

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in Singapore Press Holdings Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Member accepts and agrees to the personal data privacy terms set out in the accompanying Notice of Annual General Meeting.

Refreshments after Annual General Meeting

Coffee, tea and water will be served after the Annual General Meeting.

I/We, ______________________________ (Name) ______________________________ (NRIC/Passport/Co. Reg. No.)

of ____ (Address)

being a Member/Members of the abovenamed Company, hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

or failing him/her, or if no person is named above, the Chairman of the Annual General Meeting, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the Auditorium, 1000 Toa Payoh North, News Centre, 1st Storey, Annexe Block, Singapore 318994 on Friday, 1 December 2017 at 2.30 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting and at any adjournment thereof.

(Voting will be conducted by poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" in the relevant box provided below. Alternatively, if you wish to vote some of your shares "For" and some of your shares "Against" the relevant resolution, please insert the relevant number of shares (and, if you hold both ordinary shares and management shares, the relevant class of shares) in the relevant boxes provided below.)

No.	Resolutions		No. of votes For	No. of votes Against
	Routine Business			
1.	To receive and adopt the Directors' Statement and Audited Financial Statements and the Auditor's Report thereon			
2.	To declare a Final Dividend and a Special Dividend			
3.	To re-elect Directors pursuant to Articles 116 and 117	(i) Bahren Shaari		
		(ii) Quek See Tiat		
		(iii) Tan Yen Yen		
4.	To re-elect Director pursuant to Article 120	Andrew Lim Ming-Hui		
5.	To approve Directors' fees for the financial year ending 31 August 2018			
6.	To re-appoint the Auditor and authorise the Directors to fix its remuneration			
	Special Business			
7.	(i) To authorise the Directors to issue shares and instruments convertible into shares pursuant to Section 161 of the Companies Act, Chapter 50			
	(ii) To authorise the Directors to grant awards and allot and issue ordinary shares pursuant to the SPH Performance Share Plan 2016			
	(iii) To approve the renewal of the Share Buy Back Mandate			

Dated this ______________ day of ______________ 2017.

Total Number of Ordinary Shares held	
Total Number of Management Shares held	

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

PROXY FORM

SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Co Regn No: 198402868E

IMPORTANT

Note:

1. Please insert the total number of ordinary shares and/or management shares ("**Shares**") held by you. If you have ordinary shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of ordinary shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have ordinary shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. (a) A Member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting, provided that a Member holding management shares is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting in respect of the management shares held by him. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A Member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. A proxy need not be a Member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02, Singapore 068898, not less than 72 hours before the time appointed for the Annual General Meeting.

5. Completion and return of an instrument appointing a proxy or proxies shall not preclude a Member from attending, speaking and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy or proxies, to the Annual General Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

7. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the Member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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