



SINGAPORE PRESS HOLDINGS LIMITED

*Reg. No. 198402868E
(Incorporated in Singapore)*

**ANNOUNCEMENT
UNAUDITED RESULTS* FOR THE PERIOD ENDED MAY 31, 2017**

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

Results for the Third Quarter ended May 31, 2017

	Group		
	3Q 2017 S\$'000	3Q 2016 S\$'000	Change %
Operating revenue			
Media	182,496	216,554	(15.7)
Property	61,561	60,328	2.0
Others	15,906	14,697	8.2
	259,963	291,579	(10.8)
Other operating income	5,657	5,086	11.2
	265,620	296,665	(10.5)
Materials, production and distribution costs	(37,780)	(42,714)	(11.6)
Staff costs	(93,229)	(93,388)	(0.2)
Premises costs	(16,265)	(17,321)	(6.1)
Depreciation	(8,777)	(11,045)	(20.5)
Other operating expenses	(29,475)	(35,186)	(16.2)
Impairment of goodwill and intangibles	(37,780)	(28,353)	33.2
Finance costs	(8,049)	(7,888)	2.0
	34,265	60,770	(43.6)
Net income from investments	11,682	18,672	(37.4)
Share of results of associates and joint ventures	(560)	(1,526)	(63.3)
	45,387	77,916	(41.7)
Profit before taxation	45,387	77,916	(41.7)
Taxation	(8,611)	(15,936)	(46.0)
	36,776	61,980	(40.7)
Profit after taxation	36,776	61,980	(40.7)
Attributable to:			
Shareholders of the Company	28,872	52,656	(45.2)
Non-controlling interests	7,904	9,324	(15.2)
	36,776	61,980	(40.7)

* Please refer to the attached auditors' review report.

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

NM Not Meaningful

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

	Group		
	3Q 2017	3Q 2016	Change
	S\$'000	S\$'000	%
Write-back of allowance/(Allowance) for stock obsolescence	171	(164)	NM
Share-based compensation expense	(1,367)	(1,487)	(8.1)
Write-back of allowance for impairment of trade receivables	1,013	417	NM
Bad debts recovery	7	21	(66.7)
Net profit/(loss) on disposal of property, plant and equipment	8	(19)	NM
Amortisation of intangible assets	(2,825)	(2,771)	1.9
Impairment of goodwill	(9,879)	(26,775)	(63.1)
Impairment of intangible assets	(27,901)	(1,578)	NM
Gain on disposal of an associate	-	28	NM
Loss on dilution of interest in an associate	-	(66)	NM
Interest Income	2,010	1,285	56.4
Net profit on disposal of investments	1,806	1,304	38.5
Net fair value changes on			
- Internally-managed assets at fair value through profit or loss	(482)	386	NM
- Derivatives	1,478	3,949	(62.6)
Net foreign exchange differences	(381)	54	NM
Impairment of investments	(1,755)	(429)	NM
Net under-provision of prior years' taxation	(57)	(97)	(41.2)

1(a)(iii) Statement of Comprehensive Income

	Group		
	3Q 2017 S\$'000	3Q 2016 S\$'000	Change %
Profit after taxation	36,776	61,980	(40.7)
Other comprehensive income, net of tax			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Capital reserve			
- share of capital reserves of associates	-	4	NM
Cash flow hedges			
- net fair value changes	(3,110)	(3,580)	(13.1)
- transferred to income statement	1,304	523	NM
Net fair value changes on available-for-sale financial assets			
- net fair value changes	35,546	(5,975)	NM
- transferred to income statement	160	(959)	NM
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	(1,684)	(1,434)	17.4
	<u>32,216</u>	<u>(11,421)</u>	NM
Total comprehensive income	<u>68,992</u>	<u>50,559</u>	36.5
Attributable to:			
Shareholders of the Company	62,186	42,154	47.5
Non-controlling interests	6,806	8,405	(19.0)
	<u>68,992</u>	<u>50,559</u>	36.5

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

Statements of Financial Position as at May 31, 2017

	Note	Group		Company	
		May 31, 2017	Aug 31, 2016	May 31, 2017	Aug 31, 2016
		S\$'000	S\$'000	S\$'000	S\$'000
CAPITAL EMPLOYED					
Share capital		522,809	522,809	522,809	522,809
Treasury shares		(7,384)	(8,683)	(7,384)	(8,683)
Reserves		386,634	430,447	33,235	45,351
Retained profits		2,426,613	2,572,753	890,916	1,043,768
Shareholders' interests		3,328,672	3,517,326	1,439,576	1,603,245
Non-controlling interests		728,497	724,078	-	-
Total equity		4,057,169	4,241,404	1,439,576	1,603,245
EMPLOYMENT OF CAPITAL					
Non-current assets					
Property, plant and equipment		258,428	219,523	100,074	117,731
Investment properties		3,969,587	3,963,000	-	-
Subsidiaries		-	-	419,250	419,250
Associates		114,434	78,153	31,160	31,160
Joint ventures		9,067	12,417	-	-
Investments		574,637	628,860	28,110	38,105
Intangible assets		206,696	149,312	47,620	30,278
Trade and other receivables		8,626	5,731	4,851	4,457
Derivatives		200	200	-	-
		5,141,675	5,057,196	631,065	640,981
Current assets					
Inventories		22,106	21,225	19,620	19,112
Trade and other receivables		155,625	136,953	1,945,603	1,788,257
Investments		361,872	406,700	-	-
Asset held for sale		803	8,831	-	-
Derivatives		1,795	89	-	-
Cash and cash equivalents		233,763	312,894	62,575	162,764
		775,964	886,692	2,027,798	1,970,133
Total assets		5,917,639	5,943,888	2,658,863	2,611,114
Non-current liabilities					
Trade and other payables		37,706	43,444	2,735	4,103
Deferred tax liabilities		54,242	47,372	17,532	20,571
Borrowings	(a)	1,064,779	1,197,399	-	-
Derivatives		8,292	10,983	-	-
		1,165,019	1,299,198	20,267	24,674
Current liabilities					
Trade and other payables		232,228	245,665	901,374	871,065
Current tax liabilities		42,529	56,271	17,646	27,130
Borrowings	(a)	420,008	99,954	280,000	85,000
Derivatives		686	1,396	-	-
		695,451	403,286	1,199,020	983,195
Total liabilities		1,860,470	1,702,484	1,219,287	1,007,869
Net assets		4,057,169	4,241,404	1,439,576	1,603,245

Note to the Balance Sheets

- (a) The movements in the Group's borrowings arose mainly from the draw-down of S\$164 million short-term facilities to fund the acquisition of Orange Valley Healthcare Pte. Ltd. ("OVH") (refer to Note to Statement of Cash Flows on page 7). In addition, a tranche of SPH REIT's term loan facilities of S\$135 million repayable in March 2018 was reclassified from non-current borrowings to current borrowings.

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

Group Borrowings

Amount repayable in one year

As at May 31, 2017		As at August 31, 2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
134,711	285,297	-	99,954

Amount repayable after one year

As at May 31, 2017		As at August 31, 2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,012,028	52,751	1,145,362	52,037

Details of collateral

The secured bank loan facilities as at May 31, 2017 and as at August 31, 2016 comprised the term loan facilities of S\$975 million and S\$300 million undertaken by the subsidiaries, SPH REIT and The Seletar Mall Pte Ltd ("TSMPL") respectively. As at the reporting dates, the amounts drawn down were S\$850 million for SPH REIT and S\$300 million for TSMPL.

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

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

The total balance of S\$1,146.7 million as at May 31, 2017 (August 31, 2016: S\$1,145.4 million) represented the secured borrowings stated at amortised cost.

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

Consolidated Statement of Cash Flows for the Third Quarter ended May 31, 2017

	Note	3Q 2017 S\$'000	3Q 2016 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		45,387	77,916
Adjustments for:			
Depreciation		8,777	11,045
Net (profit)/loss on disposal of property, plant and equipment		(8)	19
Share of results of associates and joint ventures		560	1,526
Net income from investments		(11,682)	(18,672)
Gain on disposal of an associate		-	(28)
Loss on dilution of interest in an associate		-	66
Amortisation of intangible assets		2,825	2,771
Impairment of goodwill		9,879	26,775
Impairment of intangible assets		27,901	1,578
Finance costs		8,049	7,888
Share-based compensation expense		1,367	1,487
Other non-cash items		463	589
Operating cash flow before working capital changes		93,518	112,960
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:			
Inventories		(633)	(2,458)
Trade and other receivables, current		(3,888)	(17,489)
Trade and other payables, current		6,224	15,552
Trade and other receivables, non-current		(146)	(701)
Trade and other payables, non-current		(1,542)	(3,325)
Others		(43)	(815)
		93,490	103,724
Income tax paid		(21,585)	(20,515)
Dividends paid		(96,928)	(113,036)
Dividends paid (net) by a subsidiary to non-controlling interests		(10,672)	(10,564)
Net cash used in operating activities		(35,695)	(40,391)

**Consolidated Statement of Cash Flows for the Third Quarter ended May 31, 2017
(cont'd)**

	Note	3Q 2017 S\$'000	3Q 2016 S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(2,916)	(4,851)
Additions to intangible assets		(450)	-
Proceeds from disposal of property, plant and equipment		58	8
Additions to investment properties		(2,144)	(875)
Acquisition of a subsidiary (net of cash acquired)	(a)	(157,184)	-
Acquisition of interest in an associate		-	(6,800)
Acquisition of interests in joint ventures		(800)	(1,035)
Proceeds from disposal of an associate		-	30
Dividends received from an associate		2,735	-
(Increase)/Decrease in amounts owing by associates/ joint ventures		(64)	1,960
Increase/(Decrease) in amounts owing to associates/ joint ventures		286	(717)
Purchase of investments, non-current		(12,109)	(4,660)
Purchase of investments, current		-	(13,533)
Proceeds from capital distribution/disposal of investments, non-current		3,524	-
Proceeds from capital distribution/disposal of investments, current		9,451	69,128
Dividends received		9,433	12,802
Interest received		1,701	997
Other investment income		(530)	6,703
Net cash (used in)/from investing activities		(149,009)	59,157
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank loan	(a)	164,000	-
Repayment of bank loans		(7,467)	(20,000)
Interest paid		(7,406)	(8,491)
Share buy-back		(1,695)	-
Proceeds from partial divestment of interest in a subsidiary		1,529	-
Net cash from/(used in) financing activities		148,961	(28,491)
Net decrease in cash and cash equivalents		(35,743)	(9,725)
Cash and cash equivalents at beginning of period		269,506	288,185
Cash and cash equivalents at end of period		233,763	278,460

Note to the Statement of Cash Flows

- (a) On April 25, 2017, the Group acquired 100% stake in OVH at a consideration of S\$164 million. After accounting for cash acquired of S\$6.8 million, the net cashflow as of May 31, 2017 was S\$157.2 million. The acquisition was funded by short-term facilities of S\$164 million.

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

Statements of Changes in Total Equity for the Third Quarter ended May 31, 2017

(a) Group

	Attributable to Shareholders of the Company									Non-controlling Interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	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		
Balance as at March 1, 2017	522,809	(5,689)	(11,597)	5,713	(4,919)	366,517	(3,777)	2,494,659	3,363,716	730,860	4,094,576
Total comprehensive income for the quarter	-	-	-	-	(1,265)	35,706	(1,127)	28,872	62,186	6,806	68,992
Transactions with owners, recognised directly in equity											
<u>Contributions by and distributions to owners</u>											
Share-based compensation	-	-	-	1,367	-	-	-	-	1,367	-	1,367
Share buy-back – held as treasury shares	-	(1,695)	-	-	-	-	-	-	(1,695)	-	(1,695)
Dividends	-	-	-	-	-	-	-	(96,928)	(96,928)	(10,672)	(107,600)
<u>Changes in ownership interests in subsidiaries without a change in control</u>											
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	(16)	(16)	16	-
Dilution of interest in a subsidiary	-	-	12	-	4	-	-	26	42	1,487	1,529
Balance as at May 31, 2017	522,809	(7,384)	(11,585)	7,080	(6,180)	402,223	(4,904)	2,426,613	3,328,672	728,497	4,057,169

Statements of Changes in Total Equity for the Third Quarter ended May 31, 2017 (cont'd)

(a) Group (cont'd)

	Attributable to Shareholders of the Company									Non-controlling Interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	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		
Balance as at March 1, 2016	522,809	(8,683)	(11,530)	6,800	(724)	418,608	(1,894)	2,555,910	3,481,296	726,182	4,207,478
Total comprehensive income for the quarter	-	-	4	-	(2,147)	(6,934)	(1,425)	52,656	42,154	8,405	50,559
Transactions with owners, recognised directly in equity											
<u>Contributions by and distributions to owners</u>											
Share-based compensation	-	-	-	1,487	-	-	-	-	1,487	-	1,487
Dividends	-	-	-	-	-	-	-	(113,036)	(113,036)	(10,564)	(123,600)
<u>Changes in ownership interests in subsidiaries without a change in control</u>											
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	23	23	(23)	-
Balance as at May 31, 2016	522,809	(8,683)	(11,526)	8,287	(2,871)	411,674	(3,319)	2,495,553	3,411,924	724,000	4,135,924

Statements of Changes in Total Equity for the Third Quarter ended May 31, 2017 (cont'd)

(b) Company

	Share Capital S\$'000	Treasury Shares S\$'000	Share-based Compensation Reserve S\$'000	Fair Value Reserve S\$'000	Retained Profits S\$'000	Total Equity S\$'000
Balance as at March 1, 2017	522,809	(5,689)	5,713	27,821	905,456	1,456,110
Total comprehensive income for the quarter	-	-	-	(1,666)	82,388	80,722
Transactions with owners, recognised directly in equity						
<u>Contributions by and distributions to owners</u>						
Share-based compensation	-	-	1,367	-	-	1,367
Share buy-back – held as treasury shares	-	(1,695)	-	-	-	(1,695)
Dividends	-	-	-	-	(96,928)	(96,928)
Balance as at May 31, 2017	522,809	(7,384)	7,080	26,155	890,916	1,439,576
Balance as at March 1, 2016	522,809	(8,683)	6,800	33,443	655,098	1,209,467
Total comprehensive income for the quarter	-	-	-	1,249	41,044	42,293
Transactions with owners, recognised directly in equity						
<u>Contributions by and distributions to owners</u>						
Share-based compensation	-	-	1,487	-	-	1,487
Dividends	-	-	-	-	(113,036)	(113,036)
Balance as at May 31, 2016	522,809	(8,683)	8,287	34,692	583,106	1,140,211

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

Performance Shares

- (a) At the annual general meeting of the Company held on 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 .
- (b) As at May 31, 2017, the number of shares granted and outstanding (being contingent award) under the Share Plan and the 2016 Share Plan ("SPH PSP") was 4,407,623 (May 31, 2016: 5,116,249). Movements in the number of performance shares during the current quarter are summarised below:

<u>Outstanding as at 01.03.17</u> (‘000)	<u>Lapsed</u> (‘000)	<u>Outstanding as at 31.05.17</u> (‘000)
4,429	(21)	4,408

Share Buy Back

Under the Share Buy Back Mandate (first approved by the Shareholders on July 16, 1999 and last renewed at the Annual General Meeting on December 1, 2016), the Company bought back 500,000 ordinary shares during the current quarter. These shares are held as treasury shares, until released from time to time for the fulfilment of the awards under the SPH PSP. The amount paid, including brokerage fees, totalled S\$1.7 million and was deducted against shareholders' equity.

Share Capital and Treasury Shares

As at May 31, 2017, the Company had 1,598,612,211 ordinary shares, 16,361,769 management shares and 2,036,910 treasury shares (May 31, 2016: 1,598,440,203 ordinary shares, 16,361,769 management shares and 2,208,918 treasury shares).

The treasury shares held represent 0.1% (May 31, 2016: 0.1%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at May 31, 2017 and May 31, 2016.

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

As at May 31, 2017, the Company had 1,598,612,211 ordinary shares and 16,361,769 management shares (August 31, 2016: 1,598,440,203 ordinary shares and 16,361,769 management shares).

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

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

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

The Company has no subsidiary holdings as at May 31, 2017.

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

The financial information as set out in paragraphs 1, 4, 5, 6, 7, 9, 10, 11, 17 and 18 of this announcement has been extracted from the condensed interim financial information that has been reviewed by our auditors, KPMG LLP, in accordance with Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

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

Please refer to the attached auditors' review report.

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

Accounting Policies

The financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the previous financial year, except for new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") which became effective from this financial year.

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

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

Earnings Per Share for the Third Quarter ended May 31, 2017

	Group	
	3Q 2017	3Q 2016
(a) Based on the weighted average number of shares on issue (S\$)	0.02	0.03
(b) On fully diluted basis (S\$)	0.02	0.03

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

Net Asset Value Per Share

	Group		Company	
	May 31, 2017	Aug 31, 2016	May 31, 2017	Aug 31, 2016
Net asset value per share based on total number of issued shares at the end of period/year (S\$)	2.06	2.18	0.89	0.99

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

Business Segments/Review of Results

Business Segments

The Group is organised into three major operating segments, namely Media, Property, and Treasury and Investment. The Media segment is involved in the production of content for distribution on print and other media platforms. The Property segment holds, manages and develops properties 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.

Review of Results for the Third Quarter ended May 31, 2017 (“3Q 2017”) compared with the Third Quarter ended May 31, 2016 (“3Q 2016”)

- 7.1 Group operating revenue of S\$260 million was S\$31.6 million (10.8%) lower compared to 3Q 2016. Revenue for the Media business declined S\$34.1 million (15.7%) to S\$182.5 million as advertisement and circulation revenue fell S\$29.2 million (18.7%) and S\$4.8 million (10.6%) respectively.

Revenue for the Property segment grew by S\$1.2 million (2%) to S\$61.6 million on the back of higher rental income from the retail assets of the Group.

Revenue from the Group’s other businesses rose S\$1.2 million (8.2%) to S\$15.9 million. The increase came from the newly acquired healthcare business partially offset by decrease in revenue from the exhibitions business.

- 7.2 Materials, production and distribution costs decreased by S\$4.9 million (11.6%) due to lower newsprint and events production costs.

Staff costs, including bonus provision, was flat year-on-year.

Depreciation charges was lower by S\$2.3 million (20.5%) as certain assets were fully depreciated or impaired.

Other operating expenses fell S\$5.7 million (16.2%) mainly due to lower business promotion costs.

Impairment charges on goodwill and intangibles of S\$37.8 million and S\$28.4 million were recognised in 3Q 2017 and 3Q 2016 respectively. These charges primarily related to the magazine business whose performance continued to deteriorate further amid unfavourable market conditions.

- 7.3 Operating profit of S\$34.3 million was S\$26.5 million (43.6%) lower compared to 3Q 2016. Excluding impairment charges, operating profit would have fallen by S\$17.1 million (19.2%).

- 7.4 Investment income of S\$11.7 million fell S\$7 million (37.4%) due to lower dividend income and lower fair value gains on hedges for portfolio investments.

- 7.5 The share of results of associates and joint ventures improved by S\$1 million (63.3%) attributable to a newly acquired associate.

- 7.6 Taxation charge of S\$8.6 million was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. There were no material adjustments for over- or under- provision of taxation in respect of prior years.

- 7.7 Net profit attributable to shareholders of S\$28.9 million was S\$23.8 million (45.2%) lower compared to 3Q 2016.

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

No forecast was made previously.

9(a)(i) Performance for the Year-To-Date ended May 31, 2017

Results for the Year-To-Date ended May 31, 2017

	Group		Change %
	YTD 3Q 2017 S\$'000	YTD 3Q 2016 S\$'000	
Operating revenue			
Media	552,433	630,236	(12.3)
Property	183,978	181,138	1.6
Others	39,827	35,707	11.5
	<u>776,238</u>	<u>847,081</u>	(8.4)
Other operating income	13,000	18,538	(29.9)
	<u>789,238</u>	<u>865,619</u>	(8.8)
Materials, production and distribution costs	(115,740)	(120,528)	(4.0)
Staff costs	(275,631)	(277,384)	(0.6)
Premises costs	(48,094)	(53,246)	(9.7)
Depreciation	(28,446)	(33,450)	(15.0)
Other operating expenses	(102,405)	(101,150)	1.2
Impairment of goodwill and intangibles	(37,780)	(28,358)	33.2
Finance costs	(23,086)	(23,626)	(2.3)
	<u>158,056</u>	<u>227,877</u>	(30.6)
Operating profit [#]	26,597	36,230	(26.6)
Net income from investments			
Share of results of associates and joint ventures	808	(4,047)	NM
Profit before taxation	185,461	260,060	(28.7)
Taxation	(28,994)	(43,271)	(33.0)
Profit after taxation	<u>156,467</u>	<u>216,789</u>	(27.8)
Attributable to:			
Shareholders of the Company	128,109	188,111	(31.9)
Non-controlling interests	28,358	28,678	(1.1)
	<u>156,467</u>	<u>216,789</u>	(27.8)

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

NM Not Meaningful

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

	Group		Change
	YTD 3Q	YTD 3Q	
	2017	2016	
	S\$'000	S\$'000	%
Write-back of allowance/(Allowance) for stock obsolescence	112	(156)	NM
Share-based compensation expense	(3,914)	(3,955)	(1.0)
Retrenchment and outplacement costs	(7,238)	-	NM
Write-back of allowance/(Allowance) for impairment of trade receivables	1,766	(1,707)	NM
Bad debts recovery	145	150	(3.3)
Impairment of property, plant and equipment	(2,614)	-	NM
Net loss on disposal of property, plant and equipment	(97)	(129)	(24.8)
Amortisation of intangible assets	(8,272)	(8,378)	(1.3)
Impairment of goodwill	(9,879)	(26,775)	(63.1)
Impairment of intangible assets	(27,901)	(1,583)	NM
Gain on disposal of an associate	-	28	NM
Loss on dilution of interest in an associate	-	(66)	NM
Gain on dilution of interest in a joint venture	298	-	NM
(Allowance)/Write-back of allowance for impairment of associates	(4,786)	259	NM
Allowance for impairment of a joint venture	(159)	-	NM
Interest income	5,989	4,429	35.2
Net profit on disposal of investments	17,607	11,702	50.5
Net fair value changes on			
- Internally-managed assets at fair value through profit or loss	(512)	(146)	NM
- Derivatives	(4,177)	5,810	NM
Net foreign exchange differences	(1,389)	444	NM
Impairment of investments	(2,476)	(429)	NM
Net over/(under)-provision of prior years' taxation	292	(161)	NM

9(a)(iii) Statement of Comprehensive Income

	Group		Change %
	YTD 3Q 2017 S\$'000	YTD 3Q 2016 S\$'000	
Profit after taxation	156,467	216,789	(27.8)
Other comprehensive income, net of tax			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Capital reserve			
- share of capital reserves of associates	-	4	NM
Cash flow hedges			
- net fair value changes	(2,222)	(10,010)	(77.8)
- transferred to income statement	4,183	1,042	NM
Net fair value changes on available-for-sale financial assets			
- net fair value changes	(28,823)	(57,310)	(49.7)
- transferred to income statement	(12,902)	(8,905)	44.9
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	(2,149)	(2,144)	0.2
	(41,913)	(77,323)	(45.8)
Total comprehensive income	114,554	139,466	(17.9)
Attributable to:			
Shareholders of the Company	86,338	113,489	(23.9)
Non-controlling interests	28,216	25,977	8.6
	114,554	139,466	(17.9)

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

Consolidated Statement of Cash Flows for the Year-To-Date ended May 31, 2017

	YTD 3Q 2017 S\$'000	YTD 3Q 2016 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	185,461	260,060
Adjustments for:		
Depreciation	28,446	33,450
Impairment of property, plant and equipment	2,614	-
Net loss on disposal of property, plant and equipment	97	129
Share of results of associates and joint ventures	(808)	4,047
Gain on disposal of an associate	-	(28)
Loss on dilution of interest in an associate	-	66
Gain on dilution of interest in a joint venture	(298)	-
Allowance/(Write-back of allowance) for impairment of associates	4,786	(259)
Allowance for impairment of a joint venture	159	-
Net income from investments	(26,597)	(36,230)
Amortisation of intangible assets	8,272	8,378
Impairment of goodwill	9,879	26,775
Impairment of intangible assets	27,901	1,583
Finance costs	23,086	23,626
Share-based compensation expense	3,914	3,955
Other non-cash items	1,496	1,757
Operating cash flow before working capital changes	268,408	327,309
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	(106)	(2,916)
Trade and other receivables, current	3,118	(5,680)
Trade and other payables, current	(14,461)	(1,870)
Trade and other receivables, non-current	(2,895)	(992)
Trade and other payables, non-current	(5,738)	(4,106)
Others	(440)	(1,446)
	247,886	310,299
Income tax paid	(51,075)	(56,902)
Dividends paid	(274,556)	(322,818)
Dividends paid (net) by subsidiaries to non-controlling interests	(31,415)	(31,084)
Net cash used in operating activities	(109,160)	(100,505)

**Consolidated Statement of Cash Flows for the Year-To-Date ended May 31, 2017
(cont'd)**

	YTD 3Q 2017 S\$'000	YTD 3Q 2016 S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(6,591)	(9,486)
Additions to intangible assets	(450)	-
Proceeds from disposal of property, plant and equipment	182	39
Additions to investment properties	(6,587)	(11,094)
Acquisition of a subsidiary (net of cash acquired)	(157,184)	-
Acquisition of interests in associates	(30,981)	(6,800)
Acquisition of interests in joint ventures	(878)	(3,414)
Proceeds from disposal of associates	-	289
Dividends received from associates	6,268	1,805
Decrease/(Increase) in amounts owing by associates/ joint ventures	197	(223)
Decrease in amounts owing to associates/ joint ventures	(1,855)	(12,169)
Purchase of investments, non-current	(19,721)	(45,777)
Purchase of investments, current	(53,382)	(48,507)
Proceeds from capital distribution/disposal of investments, non-current	15,170	1,358
Proceeds from capital distribution/disposal of investments, current	110,911	228,355
Dividends received	11,860	16,248
Interest received	5,166	3,599
Other investment income	(7,746)	(130)
Net cash (used in)/from investing activities	(135,621)	114,093
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans	195,000	20,000
Repayment of bank loans	(10,023)	(22,327)
Interest paid	(22,374)	(23,287)
Share buy-back	(4,486)	(1,760)
Proceeds from partial divestment of interest in a subsidiary	7,522	-
Loan from a non-controlling interest	11	-
Net cash from/(used in) financing activities	165,650	(27,374)
Net decrease in cash and cash equivalents	(79,131)	(13,786)
Cash and cash equivalents at beginning of period	312,894	292,246
Cash and cash equivalents at end of period	233,763	278,460

10. Earnings Per Share for the Year-To-Date ended May 31, 2017

	Group	
	YTD 3Q 2017	YTD 3Q 2016
(a) Based on the weighted average number of shares on issue (S\$)	0.08	0.12
(b) On fully diluted basis (S\$)	0.08	0.12

11. Review of Results for the Year-to-date ended May 31, 2017 (“YTD 3Q 2017”) compared with the Year-to-date ended May 31, 2016 (“YTD 3Q 2016”)

11.1 Group operating revenue of S\$776.2 million was S\$70.8 million (8.4%) lower compared to the same period last year. Revenue for the Media business declined S\$77.8 million (12.3%) to S\$552.4 million as advertisement and circulation revenue fell S\$75 million (16.2%) and S\$4.4 million (3.5%) respectively.

Revenue for the Property segment rose S\$2.8 million (1.6%) to S\$184 million, on the back of higher rental income from the retail assets of the Group.

Revenue from the Group’s other businesses increased S\$4.1 million (11.5%) to S\$39.8 million, including income from the newly acquired healthcare business.

11.2 Other operating income was lower by S\$5.5 million (29.9%) mainly due to write-back of contingent consideration for an acquired business recognised in YTD 3Q 2016.

11.3 Materials, production and distribution costs saw a reduction of S\$4.8 million (4%) in line with lower revenue.

Staff costs, including bonus provision, decreased by S\$1.8 million (0.6%).

Premises costs decreased by S\$5.2 million (9.7%) as YTD 3Q 2016 included additional property tax on the Group’s investment property.

Depreciation charges reduced by S\$5 million (15%) as certain assets were fully depreciated or impaired.

Other operating expenses increased by S\$1.3 million (1.2%). This was due to charges of S\$15.9 million arising from the media business review and impairment of an associate, partially offset by reduced business promotion costs and lower provision for doubtful debts.

Impairment charges on goodwill and intangibles of S\$37.8 million and S\$28.4 million were recognised in YTD 3Q 2017 and YTD 3Q 2016 respectively. These charges primarily related to the magazine business whose performance continued to deteriorate further amid unfavourable market conditions.

11.4 Operating profit of S\$158.1 million was S\$69.8 million (30.6%) lower year-on-year. Besides the decline in Media revenue, the current quarter’s impairment charges and restructuring charges in 1Q 2017 were also major factors in the weaker year-to-date results. Excluding these charges, operating profit would have declined by S\$44.5 million (17.3%).

11.5 Investment income of S\$26.6 million decreased by S\$9.6 million (26.6%) mainly due to fair value losses on hedges for portfolio investments.

- 11.6 The share of results of associates and joint ventures improved by S\$4.8 million due to lower losses recorded by the regional online classifieds business and gain arising from the acquisition of interest of an associate.
- 11.7 Taxation charge of S\$29 million was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. There were no material adjustments for over- or under- provision of taxation in respect of prior years.
- 11.8 Net profit attributable to shareholders of S\$128.1 million was S\$60 million (31.9%) lower compared to YTD 3Q 2016.

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

- 12.1 The operating environment is expected to remain challenging in view of the continuing disruption of the media industry.
- 12.2 Newsprint prices are expected to strengthen but remain dependent on the degree of market balance between supply and demand.
- 12.3 The retail assets of the Group, comprising Paragon, The Clementi Mall and The Seletar Mall will continue to provide a recurrent income stream for the Group.
- 12.4 The Group will maintain a conservative stance on its investment portfolio allocation with focus on capital preservation. Returns are expected to be commensurate with a low risk-return profile to mitigate against volatility.
- 12.5 The Group will forge ahead with its drive to transform the core Media business while pursuing other growth opportunities to diversify revenue streams.

13. **Dividends**

(a) **Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on?

No.

(b) **Corresponding Period of the Immediately Preceding Financial Year**

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

No.

(c) **Date payable**

Not applicable.

(d) **Record Date**

Not applicable.

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

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

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

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

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

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

17. **Segmental information (of the group) for the Year-To-Date ended May 31, 2017**

YTD 3Q 2017

	Media	Property	Treasury and Investment	Others	Eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Operating revenue						
External sales	552,433	183,978	-	39,827	-	776,238
Inter-segmental sales	3,263	1,698	-	2,700	(7,661)	-
Total operating revenue	555,696	185,676	-	42,527	(7,661)	776,238
Result						
Segment result	52,229	141,437	21,199	(7,126)	-	207,739
Finance costs	-	(21,832)	(1,244)	(10)	-	(23,086)
Share of results of associates and joint ventures	542	3,036	-	(2,770)	-	808
Profit/(Loss) before taxation*	52,771	122,641	19,955	(9,906)	-	185,461

* The results for YTD 3Q 2017 included impairment charges for goodwill and intangibles of S\$37.8 million (YTD 3Q 2016: S\$28.4 million); and charges of S\$15.9 million relating to the media business review and impairment of an associate.

YTD 3Q 2016

	Media	Property	Treasury and Investment	Others	Eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Operating revenue						
External sales	630,236	181,138	-	35,707	-	847,081
Inter-segmental sales	3,569	1,460	-	484	(5,513)	-
Total operating revenue	633,805	182,598	-	36,191	(5,513)	847,081
Result						
Segment result	131,742	133,836	34,949	(12,794)	-	287,733
Finance costs	(30)	(22,568)	(1,005)	(23)	-	(23,626)
Share of results of associates and joint ventures	2,188	-	-	(6,235)	-	(4,047)
Profit/(Loss) before taxation	133,900	111,268	33,944	(19,052)	-	260,060

18. Subsequent Event

Completion of Divestment of Stake in 701Search Pte. Ltd.

The Company has on May 12, 2017 announced that its wholly-owned subsidiary, SPH Interactive International Pte. Ltd. (“SPHII”), had entered into a conditional agreement (the “Agreement”) with Telenor Communication II AS for the divestment of SPHII’s stake in 701Search Pte. Ltd. (“701Search”), for a consideration of approximately US\$109 million.

All the conditions precedent under the Agreement have been satisfied, and the divestment of SPHII’s stake in 701Search has been completed on June 30, 2017. The Group expects to recognise a profit of approximately S\$150 million from the divestment in the next reporting period.

Following the completion, 701Search has ceased to be a joint venture company of the Group.

BY ORDER OF THE BOARD

Ginney Lim May Ling
Khor Siew Kim

Company Secretaries

Singapore,
July 14, 2017



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

We, Lee Boon Yang and Chan Heng Loon Alan, being two directors of Singapore Press Holdings Limited (“the Company”), do hereby confirm on behalf of the directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the third quarter ended May 31, 2017 to be false or misleading in any material respect.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read 'Boon Yang', written over a horizontal line.

LEE BOON YANG
Chairman

A handwritten signature in blue ink, appearing to read 'Chan Heng Loon Alan', written over a horizontal line.

CHAN HENG LOON ALAN
Director

Singapore,
July 14, 2017



KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet kpmg.com.sg

Report on review of Condensed Interim Financial Information

The Board of Directors
Singapore Press Holdings Limited

Introduction

We have reviewed the accompanying statement of financial position and changes in total equity of Singapore Press Holdings Limited (the “Company”) and consolidated statement of financial position of Singapore Press Holdings Limited and its Subsidiaries (the “Group”) as at May 31, 2017, and the related consolidated statements of income, comprehensive income, changes in total equity and cash flows for the Group for the three-month and nine-month periods then ended, and certain explanatory notes (the “Condensed Interim Financial Information”). Management is responsible for the preparation and presentation of this Condensed Interim Financial Information in accordance with Singapore Financial Reporting Standard (“FRS”) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

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

Conclusion

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



Restriction on use

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
July 14, 2017