IMPORTANT NOTICE

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The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Singapore Press Holdings Limited, DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version.

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Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of Singapore Press Holdings Limited, DBS Bank Ltd. or Oversea-Chinese Banking Corporation Limited to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering of securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of securities be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of securities shall be deemed to be made by the dealers or such affiliate on behalf of Singapore Press Holdings Limited in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession the attached information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.**

Actions that You May Not Take: If you receive the attached information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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INFORMATION MEMORANDUM DATED 2 MAY 2019

SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore with limited liability)
(UEN/Company Registration No. 198402868E)

S$1,000,000,000
Multicurrency Debt Issuance Programme
(the "Programme")

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") and perpetual securities (the "**Perpetual Securities**" and, together with the Notes, the "**Securities**") to be issued from time to time by Singapore Press Holdings Limited (the "**Issuer**") pursuant to the Programme may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Application has been made to the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**) for permission to deal in and the listing and quotation of any Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of any Securities on, the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Programme or such Securities.

Arrangers

DBS　　OCBC Bank

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APPENDICES

NOTICE

DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited (the "**Arrangers**") have been authorised by the Issuer to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Securities denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries and associated companies (if any), the Programme and the Securities. The Issuer accepts responsibility for the information contained or incorporated by reference in this Information Memorandum, and confirms that, having made all due and careful enquiries, that to the best of its knowledge and belief, (a) such information is or will be true and accurate in all material respects; (b) the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are and will be based on all relevant considerations and facts known to the Issuer existing at the date of this Information Memorandum, and are and will be fairly, reasonably and honestly held; and (c) there are no facts the omission of which would make any such information or expressions of opinion, expectation or intention, in the light of the circumstances in which they were made, misleading in any material respect. Where information contained or incorporated by reference in this Information Memorandum includes extracts from summaries of information and data from public sources, the Issuer accepts responsibility for accurately reproducing such summaries and data.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section "Summary of the Programme")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Security (as defined herein) in bearer form or a Permanent Global Security (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with, or registered in the name of, or in the name of a nominee of, either CDP (as defined herein) or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in series having one or more issue dates, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each series may be issued in one or more tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, CDP or a common depositary for Euroclear and Clearstream, Luxembourg or otherwise delivered as agreed between the Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual

Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each series or tranche of Perpetual Securities will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to herein) shall be S$1,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be increased pursuant to the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum in connection with the Programme and the issue, offer or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, either of the Arrangers or any of the Dealers. The delivery or dissemination of this Information Memorandum at any time after the date of this Information Memorandum does not imply that the information contained in this Information Memorandum or any part of this Information Memorandum is correct at any time after such date. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries or associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme and the issue of the Securities may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, either of the Arrangers or any of the Dealers to subscribe for or purchase, the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum (or any part thereof) or any such other document or information and the offer of the Securities in certain jurisdictions may be prohibited or restricted by law. Persons who distribute or publish this Information Memorandum (or any part thereof) or any such other document or information (or any part thereof) or into whose possession this Information Memorandum or any such other document or information (or any part thereof) comes are required to inform themselves about and to observe any such prohibitions and restrictions and all applicable laws, orders, rules and regulations.

The Securities have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the United States and include Securities in bearer form that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, either of the Arrangers or any of the Dealers to subscribe for or purchase, any of the Securities.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Securities from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arrangers and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arrangers, any of the Dealers or any of their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, none of the Arrangers or any of the Dealers makes any representation or warranty as to the Issuer, its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, either of the Arrangers or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Securities. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arrangers, the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Arrangers or any of the Dealers accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by either of the Arrangers or any of the Dealers or on its behalf in connection with the Issuer, the Group (as defined herein), the Programme or the issue and offering of the Securities. Each Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

In connection with the issue of any series of Securities, one or more Dealers named as stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the relevant series of Securities is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant series of Securities and 60 days after the date of the allotment of the relevant series of Securities. Any stabilisation action will be conducted in accordance with the law.

The following documents publicly announced, published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any audited consolidated accounts and/or publicly announced unaudited consolidated financial statements of the Issuer and its subsidiaries and associated companies (if any) and the Issuer's most recent annual report and (2) any supplement or amendment to this Information Memorandum issued by the Issuer (including each relevant Pricing Supplement). This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Securities, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the CDP Issuing and Paying Agent (as defined herein).

Website addresses contained or incorporated by reference in this Information Memorandum are included for reference only, and the contents of such websites are not incorporated by reference into, and do not form part of, this Information Memorandum.

Any purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Securities by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, either of the Arrangers or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The distribution of this Information Memorandum and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions. The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities and distribution of this Information Memorandum set out under the section "Subscription, Purchase and Distribution" on pages 170 to 174 of this Information Memorandum.

Any person(s) who is/are invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities.

Prospective investors should pay attention to the risk factors set out in the section titled "Risk Factors".

Prospective investors are advised to consult their own tax advisors concerning the tax consequences of the acquisition, ownership or disposal of the Securities.

Notification under Section 309B of the SFA: Unless otherwise stated in the Pricing Supplement in respect of any Securities, all Securities issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Markets in Financial Instruments Directive II

The Pricing Supplement in respect of any Securities may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Packaged Retail Investment and Insurance Products – Prohibition of Sales to Retail Investors

If the Pricing Supplement in respect of any Securities includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and/or the Group (including statements as to the Issuer's and/or the Group's revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer and/or the Group, expected growth in the Issuer and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements relate to matters involving known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, the discussion under the section "Risk Factors".

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Arrangers and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Securities by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the prospects, results of operations or general affairs of the Issuer, the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Arrangers and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**Agency Agreement**"	:	The agency agreement dated 22 February 2010 made between (1) the Issuer, as issuer, (2) Oversea-Chinese Banking Corporation Limited, as issuing and paying agent, paying agent and calculation agent, and (3) British and Malayan Trustees Limited, as trustee, as amended and restated by an amendment and restatement agency agreement dated 2 May 2019 made between (1) the Issuer, as issuer, (2) The Bank of New York Mellon, Singapore Branch, as CDP issuing and paying agent, CDP calculation agent, CDP transfer agent and CDP registrar, (3) The Bank of New York Mellon, London Branch, as non-CDP issuing and paying agent and non-CDP calculation agent, (4) The Bank of New York Mellon SA/NV, Luxembourg Branch, as non-CDP transfer agent and non-CDP registrar, and (5) the Trustee, as trustee, as amended, restated and supplemented from time to time.
"**Arrangers**"	:	DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited.
"**A$**"	:	Australian Dollars.
"**Bearer Securities**"	:	Securities in bearer form.
"**Business Day**"	:	In respect of each Security, (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and/or the Depository, as applicable, are operating, (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office and (c) (if a payment is to be made on that day) (i) (in the case of Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency.
"**CDP**" or the "**Depository**"	:	The Central Depository (Pte) Limited.
"**CDP Calculation Agent**"	:	The Bank of New York Mellon, Singapore Branch.
"**CDP Issuing and Paying Agent**"	:	The Bank of New York Mellon, Singapore Branch.
"**CDP Registrar**"	:	The Bank of New York Mellon, Singapore Branch.

"**CDP System**"	:	The computerised system operated by the Depository whereby Securities Accounts are maintained by Depositors with the Depository and, inter alia, transfers of the Securities are effected electronically between Securities Accounts.
"**CDP Transfer Agent**"	:	The Bank of New York Mellon, Singapore Branch.
"**Certificate**"	:	A registered certificate representing one or more Registered Securities of the same Series and, save as provided in the Conditions of the Notes or the Conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series.
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
"**Conditions**"	:	(i) In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly; and (ii) in relation to the Perpetual Securities of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 5 to the Trust Deed, as modified, with respect to any Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Perpetual Securities" as set out in Part III of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
"**Couponholders**"	:	The holders of the Coupons.

"**Coupons**"	:	The bearer coupons appertaining to an interest or distribution bearing Bearer Security.
"**Dealers**"	:	Persons appointed as dealers under the Programme.
"**Definitive Security**"	:	A definitive Bearer Security being substantially in the form set out in Part 1 of Schedule 1 or, as the case may be, Part I of Schedule 5 to the Trust Deed and having, where appropriate, Coupons and/or a Talon attached on issue.
"**Depositors**"	:	Persons (including Depository Agents) having any Securities standing to the credit of their Securities Accounts at that time.
"**Depository Agent**"	:	A corporation authorised by the Depository to maintain Sub-Accounts.
"**Directors**" or "**Board**"	:	The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum.
"**Euro**"	:	The lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
"**FY**"	:	Financial year ended or ending 31 August.
"**Global Certificate**"	:	A global Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (i) CDP, (ii) a common depositary for Euroclear and/or Clearstream, Luxembourg and/or (iii) any other clearing system.
"**Global Security**"	:	A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or Talons.
"**Group**" or "**SPH Group**"	:	The Issuer and its subsidiaries.
"**Issuer**" or "**SPH**"	:	Singapore Press Holdings Limited.
"**Issuing and Paying Agent**"	:	(In the case of Securities cleared or to be cleared through the CDP System), the CDP Issuing and Paying Agent and (in the case of Non-CDP Securities) the Non-CDP Issuing and Paying Agent.
"**ITA**"	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
"**IRAS**"	:	Inland Revenue Authority of Singapore.
"**Latest Practicable Date**" or "**LPD**"	:	25 April 2019.
"**MAS**"	:	The Monetary Authority of Singapore.
"**Non-CDP Calculation Agent**"	:	The Bank of New York Mellon, London Branch.

“**Non-CDP Issuing and Paying Agent**”	:	The Bank of New York Mellon, London Branch.
“**Non-CDP Registrar**”	:	The Bank of New York Mellon SA/NV, Luxembourg Branch.
“**Non-CDP Transfer Agent**”	:	The Bank of New York Mellon SA/NV, Luxembourg Branch.
“**Non-CDP Securities**”	:	Each Series of Securities other than Securities cleared or to be cleared through the CDP System.
“**Noteholders**”	:	The holders of the Notes.
“**Notes**”	:	The notes issued or to be issued by the Issuer under the Programme.
“**Paying Agents**”	:	The CDP Issuing and Paying Agent and the Non-CDP Issuing and Paying Agent, or such other or further institutions as may from time to time be appointed by the Issuer as paying agent for the Securities and Coupons.
“**Permanent Global Security**”	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security.
“**Perpetual Securities**”	:	The perpetual securities issued or to be issued by the Issuer under the Programme.
“**Perpetual Securityholders**”	:	The holders of the Perpetual Securities.
“**Pricing Supplement**”	:	In relation to any Tranche or Series, a pricing supplement supplemental to this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series.
“**Programme**”	:	The S$1,000,000,000 Multicurrency Debt Issuance Programme of the Issuer.
“**Programme Agreement**”	:	The programme agreement dated 22 February 2010 made between (1) the Issuer, as issuer, (2) Oversea-Chinese Banking Corporation Limited, as arranger, and (3) Oversea-Chinese Banking Corporation Limited, as dealer (as amended and restated by an amendment and restatement programme agreement dated 2 May 2019 made between (1) the Issuer, as issuer, (2) the Arrangers as arrangers, and (3) DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited, as dealers, and as further amended, restated or supplemented from time to time.
“**Securities**”	:	The Notes and the Perpetual Securities.
“**Securities Act**”	:	Securities Act of 1933 of the United States, as amended or modified from time to time.
“**Securityholders**”	:	The Noteholders and the Perpetual Securityholders.
“**Security Accounts**”	:	The securities accounts of the Depositors maintained with the Depository (but does not include Sub-Accounts).

"**Senior Perpetual Securities**"	:	Perpetual Securities which are expressed to rank as senior obligations of the Issuer.
"**Series**"	:	(1) (in relation to Securities other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of (in the case of Notes) interest or (in the case of Perpetual Securities) distribution and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
"**SFA**"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**Shares**"	:	Ordinary shares in the capital of the Issuer.
"**SPH REIT**"	:	The trust known as "SPH REIT", constituted under the SPH REIT Deed.
"**SPH REIT Deed**"	:	The trust deed dated 9 July 2013 entered into between SPH REIT Management Pte. Ltd. (in its capacity as manager of SPH REIT) and DBS Trustee Limited (in its capacity as trustee of SPH REIT) constituting SPH REIT, as amended and supplemented by way of a first supplemental deed dated 7 November 2016 and a second supplemental deed dated 6 January 2017 and as may be further amended and/or supplemented from time to time.
"**Sub-Accounts**"	:	The securities sub-accounts maintained by each Depository Agent for its own account and for the account of its clients.
"**Subordinated Perpetual Securities**"	:	Perpetual Securities which are expressed to rank as subordinated obligations of the Issuer.
"**subsidiary**"	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act).
"**Talons**"	:	Talons for further Coupons or, as the context may require, a specific number of them and includes any replacement Talons issued pursuant to the Conditions.
"**TARGET System**"	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.
"**Temporary Global Security**"	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue.
"**Tranche**"	:	Securities which are identical in all respects (including as to listing).

"**Trust Deed**"	:	The trust deed dated 22 February 2010 made between (1) the Issuer, as issuer, and (2) British and Malayan Trustees Limited, as trustee, as amended and restated by an amendment and restatement deed dated 2 May 2019 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, restated, varied or supplemented from time to time.
"**Trustee**"	:	The Bank of New York Mellon, Singapore Branch.
"**United States**" or "**U.S.**"	:	United States of America.
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively.
"**US$**" or "**US dollars**"	:	United States dollars.
"**£**"	:	Pound Sterling, the lawful currency of the United Kingdom.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Board of Directors	:	Mr Lee Boon Yang Mr Ng Yat Chung Ms Janet Ang Guat Har Mr Bahren Shaari Ms Chong Siak Ching Mr Andrew Lim Ming-Hui Mr Quek See Tiat Mr Tan Chin Hwee Ms Tan Yen Yen
Company Secretaries	:	Ms Ginney Lim May Ling Ms Khor Siew Kim
Registered Office	:	1000 Toa Payoh North News Centre Singapore 318994
Independent Auditors to the Issuer	:	KPMG LLP #22-00 Hong Leong Building 16 Raffles Quay Singapore 048581
Arrangers and Dealers of the Programme	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982 Oversea-Chinese Banking Corporation Limited 63 Chulia Street #03-05 OCBC Centre East Singapore 049514
Legal Advisers to the Arrangers	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuer	:	Rajah & Tann Singapore LLP 9 Battery Road #25-01 Singapore 049910
Legal Advisers to the Trustee, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the CDP Registrar, the Non-CDP Calculation Agent, the Non-CDP Registrar, the CDP Transfer Agent and the Non-CDP Transfer Agent	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
CDP Issuing and Paying Agent, CDP Calculation Agent, CDP Transfer Agent and CDP Registrar	:	The Bank of New York Mellon, Singapore Branch One Temasek Avenue #02-01 Millenia Tower Singapore 039192

Non-CDP Issuing and Paying Agent and Non-CDP Calculation Agent	:	The Bank of New York Mellon, London Branch One Canada Square London E14 5AL United Kingdom
Non-CDP Registrar and Non-CDP Transfer Agent	:	The Bank of New York Mellon SA/NV, Luxembourg Branch Vertigo Building-Polaris 2-4, rue. Eugène Ruppert L-2453 Luxembourg
Trustee for the Securityholders	:	The Bank of New York Mellon, Singapore Branch One Temasek Avenue #02-01 Millenia Tower Singapore 039192

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	Singapore Press Holdings Limited.
Arrangers	:	DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited.
Dealers	:	DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	The Bank of New York Mellon, Singapore Branch.
CDP Issuing and Paying Agent	:	The Bank of New York Mellon, Singapore Branch.
Non-CDP Issuing and Paying Agent	:	The Bank of New York Mellon, London Branch.
Description	:	S$1,000,000,000 Multicurrency Debt Issuance Programme.
Programme Size	:	The maximum aggregate principal amount of the Securities outstanding at any time shall be S$1,000,000,000 (or its equivalent in other currencies) or such higher amount as may be increased pursuant to the Programme Agreement.
Purpose	:	Net proceeds from the issue of the Securities under the Programme (after deducting issue expenses) will be used for the general working capital, capital expenditure and corporate requirements (including acquisitions and investments), and/or refinancing existing borrowings, of the Issuer and its subsidiaries, or such other purposes as may be specified in the relevant Pricing Supplement.

NOTES

Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars, United States dollars, Australian dollars, Canadian dollars, Euro, Hong Kong dollars, Japanese yen or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.

Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.
Tenor	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ SWAP RATE (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such

		benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Form and Denomination of Notes	:	The Notes will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Notes may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Notes upon the terms therein. Each Tranche or Series of registered Notes will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Notes, a Certificate shall be issued in respect of each Noteholder's entire holding of registered Notes of one Series.
Custody of the Notes	:	Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.
Status of the Notes	:	The Notes and Coupons relating to them will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

Optional Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/ or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
Redemption upon Cessation or Suspension of Trading of Shares at the option of Noteholders	:	In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than ten market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 60 days after the Effective Date. For the purposes of this paragraph: (1) "**Effective Date**" means (in the case of (i) above) the date of cessation of trading or (in the case of (ii) above) the business day immediately following the expiry of such continuous period of ten market days; and (2) "**market day**" means a day on which the SGX-ST is open for securities trading.
Redemption for Taxation Reasons	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(j) of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such

		obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.
Redemption in the case of minimum outstanding amount	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.
Negative Pledge	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in the Conditions of the Notes) (other than SPH REIT) will, create or have outstanding any security upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness (as defined in the Conditions of the Notes), or any guarantee or indemnity in respect of any Relevant Indebtedness, unless at the same time or prior thereto the Notes and the Coupons are accorded (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.
Non-Disposal Covenant	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remain outstanding, it will ensure that it will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 7.3 of the Trust Deed is substantial in relation to its assets, or those of itself and its subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) could have a material adverse effect on

it. The following disposals shall not be taken into account under Clause 7.3 of the Trust Deed:

(i) disposals in the ordinary course of business (including, without limitation, disposals to any real estate investment trust or entity where the Issuer or any member of the Group has a minimum 51 per cent. ownership in the real estate investment trust manager of such real estate investment trust or, as the case may be, a minimum 51 per cent. ownership in such entity) on normal commercial terms and on an arm's length basis;

(ii) disposals on normal commercial terms and on arm's length basis of obsolete assets or assets no longer required for the purpose of the Group's business;

(iii) the payment of cash (being the asset) as consideration for the acquisition of any asset on normal commercial terms;

(iv) the exchange of assets on arm's length basis and normal commercial terms for other assets which are comparable or superior as to type, value and quality;

(v) disposals pursuant to any reorganisation or restructuring exercise provided that the assets either remain with the Issuer or any of its Principal Subsidiaries (or subsidiaries of the Issuer which will as a result of such disposal become a Principal Subsidiary) or are disposed to the Issuer or any of its Principal Subsidiaries (or subsidiaries of the Issuer which will as a result of such disposal become a Principal Subsidiary); and

(vi) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

Events of Default : See Condition 10 of the Notes.

Taxation : All payments in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or

		withholding been required, save for certain exceptions. For further details, please see the section on “Singapore Taxation” herein.
Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies).
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on “Subscription, Purchase and Distribution” herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law	:	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

PERPETUAL SECURITIES

Currency	:	Subject to compliance with all relevant laws, regulations and directives, Perpetual Securities may be issued in Singapore dollars, United States dollars, Australian dollars, Canadian dollars, Euro, Hong Kong dollars, Japanese yen or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	Perpetual Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Perpetual Securities may be issued at par or at a discount, or premium, to par.
No Fixed Maturity	:	The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right (but not the obligation) to redeem or purchase them in accordance with the provisions of the Conditions of the Perpetual Securities.

Distribution Basis	:	Perpetual Securities may confer a right to receive distribution at fixed or floating rates.
Fixed Rate Perpetual Securities	:	Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities, the distribution rate may be reset on such dates and bases as may be set out in the applicable Pricing Supplement.
Floating Rate Perpetual Securities	:	Floating Rate Perpetual Securities which are denominated in Singapore dollars will confer a right to receive distribution at a rate to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Perpetual Securities which are denominated in other currencies will confer a right to receive distribution at a rate to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Distribution Discretion	:	If Optional Payment is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in Condition 4(II)(a) of the Perpetual Securities) by giving notice to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the Perpetual Securities) not more than 15 nor less than 10 business days (or such other notice period as may be specified on the face of the Perpetual Security and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date. If a Dividend Pusher is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following have occurred: (i) a dividend, distribution or other payment has been declared or paid on or in respect of any of

the Issuer's Junior Obligations (as defined in Condition 4(IV)(a)(A) of the Perpetual Securities) or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations (as defined in Condition 4(IV)(a)(B) of the Perpetual Securities); or

(ii) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations has been redeemed, reduced cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group, (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for Junior Obligations of the Issuer, and/or (3) as otherwise specified in the applicable Pricing Supplement.

Non-Cumulative Deferral and Cumulative Deferral : If Non-Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities.

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a pro rata basis.

If Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the Perpetual Securities) to further defer any Arrears of Distribution by complying with the notice requirement in Condition 4(IV)(e) of the Perpetual Securities applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 of the Perpetual Securities and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise mutatis mutandis as provided in the provisions of Condition 4 of the Perpetual Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Restrictions in the case of Non-Payment : If Dividend Stopper is so provided on the face of the Perpetual Security and the relevant Pricing Supplement and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Perpetual Securities, the Issuer shall not and shall procure that none of its subsidiaries shall:

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a pro rata basis) any of the Issuer's Specified Parity Obligations; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a pro rata basis) any of the Issuer's Specified Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group, (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer, and/or (3) as otherwise specified in the applicable Pricing Supplement, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

Form and Denomination of Perpetual Securities : The Perpetual Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Perpetual Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Perpetual Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Perpetual Securities upon the terms therein. Each Tranche or Series of registered Perpetual Securities will initially be represented by a Global Certificate.

Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Perpetual Securities, a Certificate shall be issued in respect of each Perpetual Securityholder's entire holding of registered Perpetual Securities of one Series.

Custody of the Perpetual Securities	:	Perpetual Securities which are to be listed on the SGX-ST may be cleared through CDP. Perpetual Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Perpetual Securities which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.
Status of the Senior Perpetual Securities	:	The Senior Perpetual Securities and Coupons relating to them will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Status of the Subordinated Perpetual Securities	:	The Subordinated Perpetual Securities and Coupons relating to them will constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer.
Subordination of the Subordinated Perpetual Securities	:	Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-up (as defined in Condition 9(b) of the Perpetual Securities) of the Issuer, the rights of the Perpetual Securityholders and Couponholders in respect of Subordinated Perpetual Securities to payment of principal of and distribution and any other amounts in respect of, the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.
Set-off in relation to the Subordinated Perpetual Securities	:	Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or

retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-up or judicial management, the liquidator or, as appropriate, judicial manager of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, judicial manager of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

Redemption at the Option of the Issuer : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face thereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) (if any) to (but excluding) the date fixed for redemption.

Redemption for Taxation Reasons : If so provided on the face of the Perpetual Securities and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption) if:

(i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(a) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(b) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement; and

(b) such obligations cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Redemption for Accounting Reasons : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or at any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the "**SFRS**") or, as the case may be, the Singapore Financial Reporting

Standards (International) issued by the Singapore Accounting Standards Council, as amended from time to time (the "**SFRS(I)**") or any other accounting standards that may replace SFRS or, as the case may be, SFRS(I) for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

Redemption for Tax Deductibility : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(a) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;

(b) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or

(c) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Arrears of Distribution and any Additional Distribution Amount) would not be regarded as such sums; or

(ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Redemption in the case of Minimal Outstanding Amount	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.
Redemption upon Cessation or Suspension of Trading of Shares	:	The Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), following the occurrence of a Cessation/Suspension of Trading Event.

For the purposes of the above paragraph:

(1) a "**Cessation/ Suspension of Trading Event**" occurs when (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than ten market days; and

		(2) "**market day**" means a day on which the SGX-ST is open for securities trading.
Limited right to institute proceedings in relation to Perpetual Securities	:	The right to institute proceedings for Winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.
Proceedings for Winding-Up	:	If (i) a final and effective order is made or an effective resolution is passed for the Winding-up of the Issuer or (ii) the Issuer fails to make payment in respect of the Perpetual Securities when due and such failure continues for a period of five business days (each an "**Enforcement Event**"), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the Winding-up of the Issuer and/or prove in the Winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.
Taxation	:	All payments in respect of the Perpetual Securities and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "Singapore Taxation" herein.
Listing	:	Each Series of the Perpetual Securities may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Perpetual Securities is approved, for so long as such Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Perpetual Securities will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies).

Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Perpetual Securities and the distribution of offering material relating to the Perpetual Securities, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Perpetual Securities.
Governing Law	:	The Programme and any Perpetual Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a trust deed dated 22 February 2010 made between (1) Singapore Press Holdings Limited, as issuer (the "**Issuer**") and (2) British and Malayan Trustees Limited, as trustee, as amended and restated by an amendment and restatement trust deed dated 2 May 2019 made between (1) the Issuer, as issuer, and (2) The Bank of New York Mellon, Singapore Branch (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below) (as amended, restated and supplemented from time to time, the "**Trust Deed**"), and (where applicable) the Notes are issued with the benefit of a deed of covenant dated 31 August 2012 (as amended and supplemented by a supplemental deed of covenant dated 2 May 2019 and as further amended and supplemented from time to time, the "**Deed of Covenant**") executed by the Issuer relating to the Notes cleared or to be cleared through the CDP System (as defined in the Trust Deed) ("**CDP Notes**"). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an agency agreement dated 22 February 2010 made between (1) the Issuer, as issuer, (2) Oversea-Chinese Banking Corporation Limited, as issuing and paying agent, paying agent and calculation agent, and (3) British and Malayan Trustees Limited, as trustee, as amended and restated by an amendment and restatement agency agreement dated 2 May 2019 made between (1) the Issuer, as issuer, (2) The Bank of New York Mellon, Singapore Branch, as issuing and paying agent in respect of CDP Notes (in such capacity, the "**CDP Issuing and Paying Agent**"), transfer agent in respect of CDP Notes (in such capacity, the "**CDP Transfer Agent**"), registrar in respect of CDP Notes (in such capacity, the "**CDP Registrar**") and calculation agent in respect of CDP Notes (in such capacity, the "**CDP Calculation Agent**"), (3) The Bank of New York Mellon, London Branch, as issuing and paying agent in respect of Notes cleared or to be cleared through Euroclear (as defined below) and/or Clearstream, Luxembourg (as defined below) ("**Non-CDP Notes**") (in such capacity, the "**Non-CDP Issuing and Paying Agent**" and, together with the CDP Issuing and Paying Agent and any other issuing and paying agents that may be appointed, the "**Issuing and Paying Agents**" and the Issuing and Paying Agents together with any other paying agents, the "**Paying Agents**") and as calculation agent in respect of Non-CDP Notes (in such capacity, the "**Non-CDP Calculation Agent**"), (4) The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent in respect of Non-CDP Notes (in such capacity, the "**Non-CDP Transfer Agent**" and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the "**Transfer Agents**") and registrar in respect of Non-CDP Notes (in such capacity, the "**Non-CDP Registrar**" and, together with the CDP Registrar, the "**Registrars**"), and (5) the Trustee, as trustee for the Noteholders (as amended, restated and supplemented from time to time, the "**Agency Agreement**"). The Noteholders and the holders (the "**Couponholders**") of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Issuing and Paying Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Issuing and Paying Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Issuing and Paying Agent, (b) the Calculation Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Calculation Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Calculation Agent, (c) the Registrar shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Registrar, and (d) the Transfer Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Transfer Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Paying Agents for the time being upon prior written request and satisfactory proof of holdings.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), in each case in the Denomination Amount shown hereon. Subject to applicable laws, in the case of Registered Notes, such Notes are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note, a combination of any of the foregoing or any other type of Note (depending upon the Interest Basis shown on its face).

(iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.

(iv) Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

(i) Subject as set out below, title to the Bearer Notes and the Coupons and, where applicable, Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), The Central Depository (Pte) Limited (the "**Depository**") and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agents and all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agents, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate and held by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

(iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing such Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Noteholder**" means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), "**Series**" means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (aa) expressed to be consolidated and forming a single series and (bb) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes**: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes:** Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, and by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes:** In the case of an exercise of the Issuer's or Noteholders' option in respect of, or a partial redemption or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)(i)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) **Transfers Free of Charge:** Transfers of Notes and registration and issues of Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of such tax or governmental charges.

(f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of 15 days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3. Status

The Notes and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

4. Negative Pledge and Non-Disposal Covenant

(a) Negative Pledge: The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined below) (other than SPH REIT (as defined in the Trust Deed)) will, create or have outstanding any security upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, unless at the same time or prior thereto the Notes and the Coupons are accorded (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of this Condition 4(a), "**Relevant Indebtedness**" means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market (which, for the avoidance of doubt, shall not include bilateral and syndicated loans arranged or granted by a bank or other financial institution).

(b) Non-disposal: The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remain outstanding, it will ensure that it will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 7.3 of the Trust Deed is substantial in relation to its assets, or those of itself and its subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) could have a material adverse effect on it. The following disposals shall not be taken into account under Clause 7.3 of the Trust Deed:

(i) disposals in the ordinary course of business (including, without limitation, disposals to any real estate investment trust or entity where the Issuer or any member of the Group has a minimum 51 per cent. ownership in the real estate investment trust manager of such real estate investment trust or, as the case may be, a minimum 51 per cent. ownership in such entity) on normal commercial terms and on an arm's length basis;

(ii) disposals on normal commercial terms and on arm's length basis of obsolete assets or assets no longer required for the purpose of the Group's business;

(iii) the payment of cash (being the asset) as consideration for the acquisition of any asset on normal commercial terms;

(iv) the exchange of assets on arm's length basis and normal commercial terms for other assets which are comparable or superior as to type, value and quality;

(v) disposals pursuant to any reorganisation or restructuring exercise provided that the assets either remain with the Issuer or any of its Principal Subsidiaries (or subsidiaries of the Issuer which will as a result of such disposal become a Principal Subsidiary) or are disposed to the Issuer or any of its Principal Subsidiaries (or subsidiaries of the Issuer which will as a result of such disposal become a Principal Subsidiary); and

(vi) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

For the purposes of the Trust Deed and these Conditions,

(1) "**Principal Subsidiaries**" means, at any particular time, any subsidiary of the Issuer:

(aa) whose net assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least five per cent. of the net assets of the Group as shown by such audited consolidated accounts; and

(bb) whose profits attributable to shareholders, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least five per cent. of the consolidated profits attributable to shareholders of the Group as shown by such audited consolidated accounts,

provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary of the Issuer (the "**transferee**") then:

(I) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(II) if a part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as of a date later than the date of the relevant transfer which show the net assets, or (as the case may be) profit attributable to shareholders as shown by the accounts of such subsidiary (consolidated (if any) in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than five per cent. of the net assets of the Group, or, as the case may be, five per cent. of the consolidated profits attributable to shareholders of the Group, as shown by such audited consolidated accounts. A report by the Auditors (as defined in the Trust Deed), who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

5. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date (as defined in Condition 5(II)(e)) in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from (and including) the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) to (but excluding) the Relevant Date (as defined in Condition 8).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction (as defined in Condition 5(II)(e)) shown on the face of the Note. The amount of interest payable per Calculation Amount (as defined in Condition 5(II)(e)) for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the face of the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (as defined in Condition 5(II)(e)).

For the purposes of these Conditions, "**Fixed Rate Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) to (but excluding) the Relevant Date.

(b) Rate of Interest – Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "Spread" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR"(or such other replacement page as aforesaid) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);

(C) if on any Interest Determination Date, no such rate appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Bloomberg Screen

Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;

(D) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (C) above on the basis of the quotations of those Reference Banks providing such quotations;

(E) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any); and

(F) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with paragraphs (b)(ii)(1)(A) to (b)(ii)(1)(E) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (b)(ii)(1)(A), (b)(ii)(1)(B), (b)(ii)(1)(C), (b)(ii)(1)(D) or (b)(ii)(1)(E) above shall have applied;

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX1 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date no such rate is quoted on the Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) or if the Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page under the column headed "SGD Swap Offer" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(C) if on any Interest Determination Date, no such rate is quoted on Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) or if the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the next 1/16 per cent.)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as may be agreed between the Calculation Agent and the Issuer and as adjusted by the Spread (if any);

(D) if on any Interest Determination Date, the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (b)(ii)(2)(A), (b)(ii)(2)(B) and (b)(ii)(2)(C) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

(E) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with paragraphs (b)(ii)(2)(A) to (b)(ii)(2)(D) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (b)(ii)(2)(A), (b)(ii)(2)(B), (b)(ii)(2)(C) or (b)(ii)(2)(D) above shall have applied; and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate Notes is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate Notes is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any);

(C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date; and

(D) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with paragraphs (b)(ii)(3)(A) to (b)(ii)(3)(C) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (b)(ii)(3)(A), (b)(ii)(3)(B) or (b)(ii)(3)(C) above shall have applied.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest as determined in accordance with the foregoing in relation to any Interest Period is less than zero, (subject to any applicable Minimum Rate of Interest) the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest – Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Rate of Interest for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken in the Agency Agreement that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify the Issuer, the Issuing and Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "Spread" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 5(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest as determined in accordance with the foregoing in relation to any Interest Period is less than zero, (subject to any applicable Minimum Rate of Interest) the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Minimum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Condition 5(II)(b) or Condition 5(II)(c) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

(e) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent's specified office and (iii) (if a payment is to be made on that day):

(1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore;

(2) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros; and

(3) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with Condition 5:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360;

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365; and

(iv) if "30/360" is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Issue Date**" means the date specified as such in the applicable Pricing Supplement;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**") or the Bloomberg agency) agreed to by the Calculation Agent;

"**Reference Banks**" means the institutions specified in the applicable Pricing Supplement or, if none, three financial institutions of international repute selected by the Calculation Agent;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement specified in the Pricing Supplement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters and the Bloomberg agency) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to (but excluding) the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of such Hybrid Note during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from (and including) the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) and the Agency Agreement to (but excluding) the Relevant Date.

(iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(j)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(j)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in any event not later than the fourth business day after the Interest Determination Date. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Failure to Determine or Calculate Rate of Interest or Interest Amount

If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Issuer will, in consultation with the Trustee and by no later than the end of the relevant Interest Period, appoint another bank with an office in the Relevant Financial Centre to act as such in its place. In doing so, such bank shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. In the event that the Issuer fails to appoint another bank with an office in the Relevant Financial Centre to determine such Rate of Interest or Interest Amount by the end of the relevant Interest Period, the Notes will, for the relevant Interest Period, bear interest at the rate in effect for the last preceding Interest Period to which Condition 5(II) or, as the case may be, Condition 5(III)(c) above shall have applied and the Issuing and Paying Agent will determine the relevant Interest Amount. For the avoidance of doubt, nothing in this Condition shall discharge or release the Issuer or the Calculation Agent from their respective duties and obligations set out in the Agency Agreement and/or the Trust Deed.

(d) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

6. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Variable Rate Notes to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent and any other Paying

Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes or Certificates representing such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued (if any) to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any notice of redemption of such Notes.

(e) Redemption at the Option of Noteholders

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued (if any) to (but excluding) the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified on the face of the Note, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(j) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(f), the Issuer shall deliver to the Trustee and the Issuing and Paying Agent a certificate signed by an authorised signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal, tax or any other professional advisers of recognised standing, which shall be addressed to the Trustee, to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change, amendment, interpretation or pronouncement.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent to the right of the Issuer so to redeem has occurred, in which event it shall be conclusive and binding on the Noteholders.

(g) Redemption upon Cessation or Suspension of Trading of Shares

In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST (as defined in the Trust Deed) or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than ten market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 60 days after the Effective Date.

The Issuer shall within seven days after the Effective Date, give written notice to the Trustee, the Issuing and Paying Agent and the Noteholders of the occurrence of the event specified in this Condition 6(g) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar at its specified office, together with an Exercise Notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable) not later than 30 days after the Effective Date. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 6(g):

(1) "**Effective Date**" means (in the case of (i) above) the date of cessation of trading or (in the case of (ii) above) the business day immediately following the expiry of such continuous period of ten market days; and

(2) "**market day**" means a day on which the SGX-ST is open for securities trading.

(h) Redemption in the case of Minimum Outstanding Amount

If so provided heron, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

(i) Purchases

The Issuer and/or any of its related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Notes so purchased, while held by or on behalf of the Issuer and/or any of its related corporations shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

Notes purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer or, as the case may be, the relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(j) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

(k) Cancellation

All Notes purchased by or on behalf of the Issuer and/or any of its related corporations may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

7. Payments

(a) Principal and Interest in respect of Bearer Notes

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of any Paying Agent by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(b) Principal and Interest in respect of Registered Notes

(i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).

(ii) Interest on Registered Notes shall be paid to the person shown as the holder thereof on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(iii) So long as the Global Certificate representing Registered Notes of any Series is held on behalf of Euroclear, Clearstream or any other clearing system (other than the Depository), each payment will be made to the person shown as the holder of such Series in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

(c) Payments subject to law etc.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, any other Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, any other Transfer Agent, the CDP Registrar, the Non-CDP Registrar, the CDP Calculation Agent and the Non-CDP Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents, Registrars and Calculation Agents, provided that it will at all times maintain (i) a CDP Issuing and Paying Agent having a specified office in Singapore and (in the case of Non-CDP Notes) a Non-CDP Issuing and Paying Agent, as the case may be, (ii) a Transfer Agent in relation to Registered Notes, (iii) a Registrar in relation to Registered Notes and (iv) a Calculation Agent where the Conditions so require.

Notice of any such change of appointment or any change of any specified office will promptly be given by the Issuer to the Noteholders in accordance with Condition 16.

The Agency Agreement may be amended by the Issuer, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of the holder of any Note or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer and the Trustee, materially and adversely affect the interests of the holders of the Notes or the Coupons.

(e) Unmatured Coupons and Unexchanged Talons

(i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes (in the case of Bearer Notes) or the Certificates representing the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

8. Taxation

All payments in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore, otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by, or on behalf of, a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

For the avoidance of doubt, neither the Issuer nor any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

9. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate Relevant Date for payment.

10. Events of Default

If any of the following events ("**Events of Default**") occurs and is continuing and is not waived the Trustee at its discretion may (but is not obliged to), and if so requested in writing by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice in writing to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer does not pay any sum payable by it under any of the Notes or the Issue Documents (as defined in the Trust Deed) when due at the place at and in the currency in which it is expressed to be payable and such default continues for a period of five business days after the due date;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents or any of the Notes and if that default is capable of remedy, it is not remedied within 30 days of the Trustee giving written notice of the failure to perform or comply to the Issuer of the default and requiring the same to be remedied;

(c) any representation, warranty or statement by the Issuer in the Trust Deed or any of the Notes or in any document delivered under the Trust Deed or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if the circumstances resulting in such non-compliance or incorrectness is capable of remedy, it is not remedied within 30 days of the Trustee giving notice to the Issuer of the default requiring the same to be remedied;

(d) (i) any other indebtedness of the Issuer or any of its Principal Subsidiaries in respect of borrowed moneys is or is declared to be rendered due and payable prior to its stated maturity by reason of any default, event of default or the like (however described) or is not paid when due or, as a result of any default, event of default or the like (however described) any facility relating to any such indebtedness is or is declared to be cancelled or terminated before its normal expiry date; or

(ii) the Issuer or any of its Principal Subsidiaries fails to pay when due or when properly called upon to pay any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided however that no Event of Default will occur under paragraph (d)(i) or (d)(ii) above if the aggregate amount of indebtedness for borrowed moneys or guarantee of indebtedness for borrowed moneys falling within paragraphs (d)(i) and (d)(ii) above is less than S$75,000,000 (or its equivalent in any other currency or currencies);

(e) the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any material part of (or of a particular type of) its indebtedness (or of any material part which it will or might otherwise be unable to pay when due), applies for a moratorium in respect of or affecting all or any material part of its indebtedness or proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed, effected, declared or otherwise arises in respect of or affecting all or any material part of (or of a particular type of) the indebtedness or property of the Issuer or any of its Principal Subsidiaries;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not removed, dismissed, discharged or stayed within 60 days;

(g) any security on or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries becomes enforceable (including the taking of possession or the appointment of a receiver, manager or other similar person);

(h) any step, corporate action or legal proceeding is taken by any person with a view to the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries or for the appointment of a liquidator (including a provisional liquidator), receiver, manager, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of its Principal Subsidiaries or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries (except for the purpose of a reconstruction, amalgamation, merger, consolidation or reorganisation of the Issuer or such Principal Subsidiary (i) which is made on solvent terms, (ii)(1) (in the case where the Issuer is a party to, or subject of, the reconstruction, amalgamation, merger, consolidation or reorganisation) where the Issuer is the surviving entity, or (2) (in the case where the Issuer is not a party to, or a subject of, the reconstruction, amalgamation, merger, consolidation or reorganisation) where such Principal Subsidiary (or subsidiaries of the Issuer which will as a result of such reconstruction, amalgamation, merger, consolidation or reorganisation become a Principal Subsidiary) is the surviving entity and (iii) which is not reasonably likely to have a material adverse effect (as defined in the Trust Deed) on the Issuer);

(i) the Issuer or the Group taken as a whole ceases or (through an official action of the board of directors of the Issuer or any member of the Group) threatens to cease to carry on all or any material part of its business (other than as permitted by Clause 7.2.5 of the Trust Deed);

(j) any step is taken by any governmental authority or agency with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any part of the assets of the Issuer or any of its Principal Subsidiaries which is likely to have a material adverse effect on the Issuer;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer to lawfully enter into, exercise its rights and perform and comply with its obligations under each of the Issue Documents, the Notes and the Coupons, (ii) to ensure that those obligations are valid, legally binding and enforceable, (iii) to ensure that those obligations rank and will rank at all times in accordance with Clause 8.1 of the Trust Deed, or (iv) to make the Issue Documents, the Notes and the Coupons admissible in evidence in the courts of Singapore, is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes;

(m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(n) any litigation, arbitration or administrative proceeding (other than those of a frivolous and vexatious nature and discharged within 14 days of its commencement) is current or pending against the Issuer or any of its Principal Subsidiaries (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or could have a material adverse effect on the Issuer; and

(o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j).

11. Enforcement of Rights

At any time after an Event of Default shall have occurred and is continuing but not waived or after the Notes shall have become due and payable (after the expiry of any originally applicable grace period, where applicable), the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes (together with accrued interest) or to enforce the provisions of the Issue Documents, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

12. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than 10 per cent. of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by the relevant Stock Exchange, Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed or any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and if, but only if, the Trustee shall so require, such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

13. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations at the specified office of the Issuing and Paying Agent (in the case of

Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the fees, expenses, duties and costs incurred in connection with the replacement and on such terms as to evidence, undertaking security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding notes of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 14 and forming a single series with the Notes. Any further notes forming a single series with the outstanding notes of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee) be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer (or any of its related corporations) without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder and Couponholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder and Couponholder shall not rely on the Trustee in respect thereof.

16. Notices

Notices to the holders of Registered Notes shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, and shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a leading newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in *The Business Times*. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

In the case where the Issuer is listed on the SGX-ST or where the Notes are listed on the SGX-ST, notices to the holders of such Notes shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the Noteholders on the date on which the said notice was uploaded as an announcement on the SGX-ST. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16. In the case where notices to holders of Notes are made by more than one of the prescribed forms above, notice would be deemed to have been given on the first date in which the notices were validly given in accordance with the paragraphs above.

So long as the Notes are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system, there may be substituted for such publication in such newspapers or announcement on the SGX-ST the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg, (subject to the agreement of the Depository) the Depository and/or such other clearing system for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be given or published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository and/or such other clearing system.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Noteholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

17. Governing Law and Jurisdiction

(a) **Governing law:** The Trust Deed, the Notes, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) **Jurisdiction:** The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes, Coupons or Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) **No immunity:** The Issuer agrees that in any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes, the Coupons or the Talons against it or any of its assets, no immunity from such legal action or proceedings (which shall include, without limitation, suit, attachment prior to award, other attachment, the obtaining of an award, judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets and irrevocably waives any such right of immunity which it or its assets now have or may hereafter acquire or which may be attributed to it or its assets and consents generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, award or judgment which may be made or given in such action or proceedings.

18. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to "**Perpetual Securities**" are to the Perpetual Securities of one Series only, not to all Perpetual Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Perpetual Securities and in the relevant Pricing Supplement.*

The Perpetual Securities are constituted by a trust deed dated 22 February 2010 made between (1) Singapore Press Holdings Limited, as issuer (the "**Issuer**") and (2) British and Malayan Trustees Limited, as trustee, as amended and restated by an amendment and restatement trust deed dated 2 May 2019 made between (1) the Issuer, as issuer, and (2) The Bank of New York Mellon, Singapore Branch (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Perpetual Securityholders (as defined below) (as amended, restated and supplemented from time to time, the "**Trust Deed**"), and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant dated 31 August 2012 (as amended and supplemented by a supplemental deed of covenant dated 2 May 2019 and as further amended and supplemented from time to time, the "**Deed of Covenant**") executed by the Issuer relating to the Perpetual Securities cleared or to be cleared through the CDP System (as defined in the Trust Deed) ("**CDP Perpetual Securities**"). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer has entered into an agency agreement dated 22 February 2010 made between (1) the Issuer, as issuer, (2) Oversea-Chinese Banking Corporation Limited, as issuing and paying agent, paying agent and calculation agent, and (3) British and Malayan Trustees Limited, as trustee, as amended and restated by an amendment and restatement agency agreement dated 2 May 2019 made between (1) the Issuer, as issuer, (2) The Bank of New York Mellon, Singapore Branch, as issuing and paying agent in respect of CDP Perpetual Securities (in such capacity, the "**CDP Issuing and Paying Agent**"), transfer agent in respect of CDP Perpetual Securities (in such capacity, the "**CDP Transfer Agent**"), registrar in respect of CDP Perpetual Securities (in such capacity, the "**CDP Registrar**") and calculation agent in respect of CDP Perpetual Securities (in such capacity, the "**CDP Calculation Agent**"), (3) The Bank of New York Mellon, London Branch, as issuing and paying agent in respect of Perpetual Securities cleared or to be cleared through Euroclear (as defined below) and/or Clearstream, Luxembourg (as defined below) ("**Non-CDP Perpetual Securities**") (in such capacity, the "**Non-CDP Issuing and Paying Agent**" and, together with the CDP Issuing and Paying Agent and any other issuing and paying agents that may be appointed, the "**Issuing and Paying Agents**" and the Issuing and Paying Agents together with any other paying agents, the "**Paying Agents**") and as calculation agent in respect of Non-CDP Perpetual Securities (in such capacity, the "**Non-CDP Calculation Agent**"), (4) The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent in respect of Non-CDP Perpetual Securities (in such capacity, the "**Non-CDP Transfer Agent**" and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the "**Transfer Agents**") and registrar in respect of Non-CDP Perpetual Securities (in such capacity, the "**Non-CDP Registrar**" and, together with the CDP Registrar, the "**Registrars**"), and (5) the Trustee, as trustee for the Perpetual Securityholders (as amended, restated and supplemented from time to time, the "**Agency Agreement**"). The Perpetual Securityholders and the holders (the "**Couponholders**") of the distribution coupons (the "**Coupons**") appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Issuing and Paying Agent shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Issuing and Paying Agent and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Issuing and Paying Agent, (b) the Calculation Agent shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Calculation Agent and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Calculation Agent, (c) the Registrar shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Registrar, and (d) the Transfer Agent shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Transfer Agent and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Paying Agents for the time being upon prior written request and satisfactory proof of holdings.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the "**Perpetual Securities**") are issued in bearer form ("**Bearer Perpetual Securities**") or in registered form ("**Registered Perpetual Securities**"), in each case in the Denomination Amount shown hereon. Subject to applicable laws, in the case of Registered Perpetual Securities, such Perpetual Securities are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement

(ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown on its face).

(iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.

(iv) Registered Perpetual Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

(b) Title

(i) Subject as set out below, title to the Bearer Perpetual Securities and the Coupons and, where applicable, Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), The Central Depository (Pte) Limited (the "**Depository**") and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agents and all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agents, all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Perpetual Securityholder**" and "**holder of Perpetual Securities**" and related expressions shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate and held by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

(iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing such Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Perpetual Securityholder**" means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and "**holder**" (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name a Registered Perpetual Security is registered (as the case may be), "**Series**" means a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and "**Tranche**" means Perpetual Securities which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Perpetual Securities and Transfers of Registered Perpetual Securities

(a) **No Exchange of Perpetual Securities:** Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.

(b) **Transfer of Registered Perpetual Securities:** Subject to Conditions 2(e) and 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, and by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be made available by the Registrar to any Perpetual Securityholder upon request.

(c) **Exercise of Options or Partial Redemption or Purchase in Respect of Registered Perpetual Securities:** In the case of an exercise of the Issuer's option in respect of, or a partial redemption or purchase of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) **Transfers Free of Charge:** Transfers of Perpetual Securities and registration and issues of Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of such tax or governmental charges.

(f) **Closed Periods:** No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of 15 days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

3. Status

(a) **Senior Perpetual Securities:** This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement). The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

(b) **Subordinated Perpetual Securities:** This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities (being the Perpetual Securities that specify their status as subordinated in the applicable Pricing Supplement).

(i) **Status of Subordinated Perpetual Securities**

The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3(b).

In these Conditions, "**Parity Obligation**" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Subordinated Perpetual Securities and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

(ii) **Ranking of claims on Winding-up**

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-up of the Issuer, the rights of the Perpetual Securityholders and Couponholders in respect of Subordinated Perpetual Securities to payment of principal of and distribution and any other amounts in respect of, the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

(iii) **No set-off**

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-up or judicial management, the liquidator or, as appropriate, judicial manager of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, judicial manager of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

4. Distribution and other Calculations

(I) Distribution on Fixed Rate Perpetual Securities

(a) Distribution Rate and Accrual

Each Fixed Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date (as defined in Condition 4(II)(c)) in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as a percentage) equal to the Distribution Rate shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, will amount to the Initial Broken Amount shown on the face of such Perpetual Security).

Distribution will cease to accrue on each Fixed Rate Perpetual Security from (and including) the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Perpetual Security is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to (but excluding) the Relevant Date (as defined in Condition 7).

(b) Distribution Rate

The Distribution Rate applicable to each Fixed Rate Perpetual Security shall be:

(i) (if no Reset Date is specified in the applicable Pricing Supplement),

(1) if no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or

(2) if a Step-Up Margin is specified in the applicable Pricing Supplement, (A) for the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (B) for the period from (and including) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and

(ii) (if a Reset Date is specified in the applicable Pricing Supplement), (1) for the period from, and including, the Distribution Commencement Date to, but excluding, the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from, and including, the First Reset Date and each Reset Date (as specified in the applicable Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the Reset Distribution Rate,

provided always that if Redemption upon Cessation or Suspension of Trading of Shares is specified on the face of such Perpetual Security and a Cessation/Suspension of Trading of Shares Margin is specified in the applicable Pricing Supplement, in the event that a Cessation/Suspension of Trading Event (as defined in Condition 5(g)) has occurred, so long as the Issuer has not already redeemed the Perpetual Securities in accordance with Condition 5(g), the then prevailing Distribution Rate shall be increased by the Cessation/Suspension of Trading Margin with effect from (and including) the Distribution Payment Date immediately following the date on which the Cessation/Suspension of Trading Event occurred (or, if the Cessation/Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

For the purposes of these Conditions:

"**Reset Distribution Rate**" means the Swap Offer Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement) plus the Cessation/Suspension of Trading Margin (if applicable, as specified in the applicable Pricing Supplement) as contemplated in the proviso to Condition 4(I)(b)(ii) above; and

"**Swap Offer Rate**" means:

(aa) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the "**Reset Determination Date**");

(bb) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Calculation Agent will determine the swap offer rate for such Reset Period (determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of the rates (excluding the highest and the lowest rates) which appears on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);

(cc) if on the Reset Determination Date, rates are not available on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Calculation Agent to the Issuer equal to the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and

(dd) if on the Reset Determination Date, no rate is available on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of such offered quotations, as determined by the Calculation Agent or, if only one of the Reference Banks provides the Calculation Agent with such quotation, such rate quoted by that Reference Bank,

provided that, in each case, in the event the Swap Offer Rate is less than zero, the Swap Offer Rate shall be equal to zero per cent. per annum.

(c) Calculation of Distribution Rate or Reset Distribution Rate

The Calculation Agent will, on the second business day prior to each Fixed Rate Determination Date, determine the applicable Reset Distribution Rate or (if a Cessation/ Suspension of Trading Event has occurred) the applicable Distribution Rate payable in respect of each Perpetual Security. The determination of any rate, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In these Conditions, "**Fixed Rate Determination Date**" means each Step-Up Date, each Reset Date or (if a Cessation/Suspension of Trading Event has occurred) the Distribution Payment Date immediately following the date on which the Cessation/ Suspension of Trading Event occurred (or, if the Cessation/Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

(d) Notification of Relevant Distribution Rate or Reset Distribution Rate

The Calculation Agent will cause the applicable Reset Distribution Rate or (if a Cessation/ Suspension of Trading Event has occurred or if a Step-Up Margin is specified in the applicable Pricing Supplement) the applicable Distribution Rate to be notified to the Issuing and Paying Agent, the Trustee and the Issuer as soon as possible after its determination but in no event later than the fourth business day thereafter. The Calculation Agent shall cause notice of the then applicable Reset Distribution Rate or (if a Cessation/Suspension of Trading Event has occurred or if a Step-Up Margin is specified in the applicable Pricing Supplement) the applicable Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as possible after determination but in no event later than the fourth business day thereafter. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Issuing and Paying Agent, the Registrar, the Transfer Agent, the Trustee and the Perpetual Securityholders and (except as provided in the Agency Agreement) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(e) Failure to Determine or Calculate Distribution Rate or Reset Distribution Rate

If the Calculation Agent does not at any material time determine or calculate the applicable Distribution Rate or the applicable Reset Distribution Rate (as the case may be), the Issuer will, in consultation with the Trustee and by no later than the end of the relevant Distribution Period, appoint another bank with an office in the Relevant Financial Centre to act as such in its place. In doing so, such bank shall apply the provisions of this Condition 4(I), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(f) Calculations

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction (as defined in Condition 4(II)(c)) shown on the face of the Perpetual Security. The amount of distribution payable per Calculation Amount (as defined in Condition 4(II)(c)) for any Fixed Rate Distribution Period in respect of any Fixed Rate Perpetual Security shall be calculated by multiplying the product of the Distribution Rate or Reset Distribution Rate and the Calculation Amount, by the Day Count Fraction shown on the face of the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (as defined in Condition 4(II)(c)).

For the purposes of these Conditions, "**Fixed Rate Distribution Period**" means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date.

(II) Distribution on Floating Rate Perpetual Securities

(a) Distribution Payment Dates

Each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each distribution payment date ("**Distribution Payment Date**"). Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period (as defined below) on the face of the Perpetual Security (the "**Specified Number of Months**") after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be). If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date is herein called a "**Distribution Period**".

Distribution will cease to accrue on each Floating Rate Perpetual Security from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to (but excluding) the Relevant Date.

(b) Rate of Distribution – Floating Rate Perpetual Securities

(i) Each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Perpetual Security, being (in the case of Perpetual Securities which are denominated in Singapore dollars) SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security) or Swap Rate (in which case such Perpetual Security will be a Swap Rate Perpetual Security) or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Perpetual Security.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) and the Step-Up Spread (if any) stated on the face of such Perpetual Security. The "Spread" and the "Step-Up Spread" are the percentage rate per annum specified on the face of such Perpetual Security as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4(III)(a) below.

The rate of distribution payable in respect of a Floating Rate Perpetual Security from time to time is referred to in these Conditions as the "**Rate of Distribution**".

(ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(B) if on any Distribution Determination Date no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page as aforesaid) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(C) if on any Distribution Determination Date, no such rate appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any) and the Step-Up Spread (if any), as determined by the Calculation Agent;

(D) if on any Distribution Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in accordance with (C) above on the basis of the quotations of those Reference Banks providing such quotations;

(E) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and

(F) if the Calculation Agent is unable to determine the Rate of Distribution for a Distribution Period in accordance with paragraphs (b)(ii)(1)(A) to (b)(ii)(1)(E) above, the Rate of Distribution for such Distribution Period shall be the Rate of Distribution in effect for the last preceding Distribution Period to which paragraph (b)(ii)(1)(A), (b)(ii)(1)(B), (b)(ii)(1)(C), (b)(ii)(1)(D) or (b)(ii)(1)(E) above shall have applied;

(2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX1 Page under the caption "SGD SOR rates as of 11:00hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(B) if on any Distribution Determination Date no such rate is quoted on the Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) or if the Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Interest for such Distribution Period as being the rate which appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page under the column headed "SGD Swap Offer" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(C) if on any Distribution Determination Date, no such rate is quoted on Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) or if the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the next 1/16 per cent.)) for a period equal to the duration of such Distribution Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as may be agreed between the Calculation Agent and the Issuer and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(D) if on any Distribution Determination Date the Calculation Agent is otherwise unable to determine the Rate of Distribution under paragraphs (b)(ii)(2)(A), (b)(ii)(2)(B) and (b)(ii)(2)(C) above, the Rate of Distribution shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and

(E) if the Calculation Agent is unable to determine the Rate of Distribution for a Distribution Period in accordance with paragraphs (b)(ii)(2)(A) to (b)(ii)(2)(D) above, the Rate of Distribution for such Distribution Period shall be the Rate of Distribution in effect for the last preceding Distribution Period to which paragraph (b)(ii)(2)(A), (b)(ii)(2)(B), (b)(ii)(2)(C), or (b)(ii)(2)(D) above shall have applied; and

(3) in the case of Floating Rate Perpetual Securities which are not SIBOR Perpetual Securities or Swap Rate Perpetual Securities or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate Perpetual Securities is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,

and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(B) if the Primary Source for the Floating Rate Perpetual Securities is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date; and

(D) if the Calculation Agent is unable to determine the Rate of Distribution for a Distribution Period in accordance with paragraphs (b)(ii)(3)(A) to (b)(ii)(3)(C) above, the Rate of Distribution for such Distribution Period shall be the Rate of Distribution in effect for the last preceding Distribution Period to which paragraph (b)(ii)(3)(A), (b)(ii)(3)(B) or (b)(ii)(3)(C) above shall have applied.

(iii) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.

(iv) For the avoidance of doubt, in the event that the Rate of Distribution in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.

(c) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Perpetual Security, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office and (iii) (if a payment is to be made on that day):

(1) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore;

(2) (in the case of Perpetual Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros; and

(3) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Perpetual Security or if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of distribution in accordance with Condition 4:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 365 (or, if any portion of that Fixed Rate Distribution Period or, as the case may be, Distribution Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 360;

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 365; and

(iv) if "30/360" is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y2 - Y1)] + [30 \text{ X } (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

"**Distribution Commencement Date**" means the Issue Date or such other date as may be specified as the Distribution Commencement Date on the face of such Perpetual Security;

"**Distribution Determination Date**" means, in respect of any Distribution Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Issue Date**" means the date specified as such in the applicable Pricing Supplement;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**") or the Bloomberg agency) agreed to by the Calculation Agent;

"**Reference Banks**" means the institutions specified in the applicable Pricing Supplement or, if none, three financial institutions of international repute selected by the Calculation Agent;

"**Relevant Currency**" means the currency in which the Perpetual Securities are denominated;

"**Relevant Financial Centre**" means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Distribution Period;

"**Relevant Time**" means, with respect to any Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the inter-bank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters and the Bloomberg Agency) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Calculations

(a) Determination of Rate of Distribution and Calculation of Distribution Amounts

The Calculation Agent will, as soon as practicable after the Relevant Time on each Distribution Determination Date determine the Rate of Distribution and calculate the amount of distribution payable (the "**Distribution Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Perpetual Securities for the relevant Distribution Period. The amount of distribution payable per Calculation Amount in respect of any Floating Rate Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Calculation Agent will cause the Rate of Distribution and the Distributions Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in any event not later than the fourth business day after the Distribution Determination Date. In the case of Floating Rate Perpetual Securities, the Calculation Agent will also cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the

Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event (as defined below) occurs in relation to the Floating Rate Perpetual Securities, the Rate of Distribution and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(c) Failure to Determine or Calculate Distribution Rate or Distribution Amount

If the Calculation Agent does not at any material time determine or calculate the Rate of Distribution for a Distribution Period or any Distribution Amount, the Issuer will, in consultation with the Trustee and by no later than the end of the relevant Distribution Period, appoint another bank with an office in the Relevant Financial Centre to act as such in its place. In doing so, such bank shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. In the event that the Issuer fails to appoint another bank with an office in the Relevant Financial Centre to determine such Distribution Rate or Distribution Amount by the end of the relevant Distribution Period, the Perpetual Securities will, for the relevant Distribution Period, bear distribution at the rate in effect for the last preceding Distribution Period to which Condition 4(II)(b) above shall have applied and the Issuing and Paying Agent will determine the relevant Distribution Amount. For the avoidance of doubt, nothing in this Condition shall discharge or release the Issuer or the Calculation Agent from their respective duties and obligations set out in the Agency Agreement and/or the Trust Deed.

(d) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Distribution for any Distribution Period or to calculate the Distribution Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

(IV) Distribution Discretion

(a) Optional Payment

If Optional Payment is set out hereon, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an "**Optional Payment Notice**") to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than 10 business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out hereon, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a "**Compulsory Distribution Payment Event**") have occurred:

(i) a dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or

(ii) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations has been redeemed, reduced cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group, (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or (3) as otherwise specified in the applicable Pricing Supplement.

In these Conditions:

(A) "**Junior Obligation**" means any ordinary shares of the Issuer and any class of the Issuer's share capital (including any management shares of the Issuer) and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities; and

(B) "**Specified Parity Obligations**" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Perpetual Securities and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

If Dividend Pusher is set out hereon, each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, by a certificate signed by a director or an authorised signatory of the Issuer confirming that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period and the Trustee and the Issuing and Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) No Obligation to Pay

If Optional Payment is set out hereon and subject to Condition 4(IV)(c) and Condition 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) Non-Cumulative Deferral and Cumulative Deferral

(i) If Non-Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

(ii) If Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect (in the circumstances set out in Condition 4(IV)(a)) to further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(IV) except that this Condition 4(IV)(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

(iii) If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(d) Restrictions in the case of Non-Payment

If Dividend Stopper is set out hereon and on any Distribution Payment Date, payments of all distributions scheduled to be made on such date are not made in full by reason of this Condition 4(IV), the Issuer shall not and shall procure that none of its subsidiaries shall:

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group, (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer and/or (3) as otherwise specified in the applicable Pricing Supplement, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

(e) Satisfaction of Optional Distribution or Arrears of Distribution

The Issuer:

(i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and

(ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:

(1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);

(2) the next Distribution Payment Date following the occurrence of a breach of Condition 4(IV)(d) or following the occurrence of a Compulsory Distribution Payment Event; and

(3) the date such amount becomes due under Condition 9 or on a Winding-up of the Issuer.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro-rata* basis.

(f) No Default

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4(IV) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

5. Redemption and Purchase

(a) No Fixed Redemption Date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) (if any) to (but excluding) the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Perpetual Securities are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any notice of redemption of such Perpetual Securities.

(c) Redemption for Taxation Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement; and

(2) such obligations cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee and the Issuing and Paying Agent (A) a certificate signed by a director or an authorised signatory of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (B) in the case of a notice of redemption pursuant to Condition 5(c)(ii), an opinion of independent legal, tax or any other professional advisers of recognised standing, which shall be addressed to the Trustee, to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change, amendment, interpretation or pronouncement.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent to the right of the Issuer so to redeem has occurred, in which event it shall be conclusive and binding on the Perpetual Securityholders.

(d) Redemption for Accounting Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the "**SFRS**") or, as the case may be, the Singapore Financial Reporting Standards (International) issued by the Singapore Accounting Standards Council, as amended from time to time (the "**SFRS (I)**") or any other accounting standards that may replace SFRS or, as the case may be, SFRS (I) for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver to the Trustee and the Issuing and Paying Agent:

(i) a certificate, signed by a director or an authorised signatory of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(ii) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent to the right of the Issuer so to redeem has occurred, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(d).

(e) Redemption for Tax Deductibility

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) (if any) accrued to (but excluding) the date fixed for redemption) if:

(i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;

(2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or

(3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Arrears of Distribution and any Additional Distribution Amount) would not be regarded as such sums; or

(ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee and the Issuing and Paying Agent:

(A) a certificate signed by a director or an authorised signatory of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(B) in the case of a notice of redemption pursuant to Condition 5(e)(i) only, an opinion of the Issuer's independent tax or legal adviser of recognised standing stating the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(e).

(f) Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Upon expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(f).

(g) Redemption upon Cessation or Suspension of Trading of Shares

The Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), following the occurrence of a Cessation/Suspension of Trading Event.

For the purposes of these Conditions:

(i) a "**Cessation/Suspension of Trading Event**" occurs when (i) the shares of the Issuer cease to be traded on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than ten market days; and

(ii) "**market day**" means a day on which the SGX-ST is open for securities trading.

(h) Purchases

The Issuer and/or any of its related corporations may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Perpetual Securities so purchased, while held by or on behalf of the Issuer and/or any of its related corporations shall not entitle the holder to vote at any meetings of the Perpetual Securityholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Perpetual Securityholders or for the purposes of Conditions 9 and 10.

Perpetual Securities purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to, in the case of Bearer Perpetual Securities, the Issuing and Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer or, as the case may be, the relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(i) Cancellation

All Perpetual Securities purchased by or on behalf of the Issuer and/or any of its related corporations may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual Securities to the Registrar and, in each case, if so surrendered, shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Distribution in respect of Bearer Perpetual Securities

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or Coupons, as the case may be, at the specified office of any Paying Agent by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(b) Principal and Distribution in respect of Registered Perpetual Securities

(i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).

(ii) Distribution on Registered Perpetual Securities shall be paid to the person shown as the holder thereof on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of distribution on each Registered Perpetual Security shall be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(iii) So long as the Global Certificate representing Registered Perpetual Securities of any Series is held on behalf of Euroclear, Clearstream or any other clearing system (other than the Depository), each payment will be made to the person shown as the holder of such Series in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

(c) Payments subject to law etc.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Calculation Agent, the Non-CDP Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, any other Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, any other Transfer Agent, the CDP Registrar, the Non-CDP Registrar, the CDP Calculation Agent and the Non-CDP Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents, Registrars and Calculation Agents, provided that it will at all times maintain (i) a CDP Issuing and Paying Agent having a specified office in Singapore and (in the case of Non-CDP Perpetual Securities) a Non-CDP Issuing and Paying Agent, as the case may be, (ii) a Transfer Agent in relation to Registered Perpetual Securities, (iii) a Registrar in relation to Registered Perpetual Securities and (iv) a Calculation Agent where the Conditions so require.

Notice of any such change of appointment or any change of any specified office will promptly be given by the Issuer to the Perpetual Securityholders in accordance with Condition 14.

The Agency Agreement may be amended by the Issuer, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of the holder of any Perpetual Security or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the CDP Issuing and Paying Agent, the Non-CDP Issuing and Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer and the Trustee, materially and adversely affect the interests of the holders of the Perpetual Securities or the Coupons.

(e) Unmatured Coupons and Unexchanged Talons

(i) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unmatured Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unmatured Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unmatured Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

(f) Talons

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

7. Taxation

All payments in respect of the Perpetual Securities and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by, or on behalf of, a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

For the avoidance of doubt, neither the Issuer nor any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

As used in these Conditions, "**Relevant Date**" in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relevant Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**distribution**" shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**distribution**" shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate Relevant Date for payment.

9. Enforcement Events

(a) Non-payment when Due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for Winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

(b) Enforcement Events

If (i) a final and effective order is made or an effective resolution is passed for the Winding-up of the Issuer or (ii) the Issuer fails to make payment in respect of the Perpetual Securities when due and such failure continues for a period of five business days (each an "**Enforcement Event**"), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-up of the Issuer and/or prove in the Winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

For the purposes of these Conditions, "**Winding-up**" means bankruptcy, winding-up, liquidation, receivership, judicial management or similar proceedings.

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may (but is not obliged to) without further notice to the Issuer institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) Right of Perpetual Securityholders or Couponholder

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the Winding-up or claim in the liquidation of the Issuer or to prove in such Winding-up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) Extent of Perpetual Securityholders' Remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed or the Perpetual Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities.

10. Meeting of Perpetual Securityholders and Modifications

The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than 10 per cent. of the principal amount of the Perpetual Securities of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to amend the subordination provisions of the Perpetual Securities or (h) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by the relevant Stock Exchange, Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Perpetual Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed or any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and if, but only if, the Trustee shall so require, such modification, authorisation or waiver shall be notified to the Perpetual Securityholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Perpetual Securityholders as a class and shall not have regard to the consequences of such exercise for individual Perpetual Securityholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.

11. Replacement of Perpetual Securities, Certificates, Coupons and Talons

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the fees, expenses, duties and costs incurred in connection with the replacement and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer may reasonably require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities either having the same terms and conditions as the Perpetual Securities in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Securities include (unless the context requires otherwise) any other perpetual securities issued pursuant to this Condition 12 and forming a single series with the Perpetual Securities. Any further perpetual securities forming a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Perpetual Securityholders and the holders of perpetual securities of other series where the Trustee so decides.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer (or any of its related corporations) without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

Each Perpetual Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Perpetual Securityholder and Couponholder shall not rely on the Trustee in respect thereof.

14. Notices

Notices to the holders of Registered Perpetual Securities shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, and shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if published in a leading newspaper of general circulation in Singapore (or, if the holders of any Series of Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

In the case where the Issuer is listed on the SGX-ST or where the Perpetual Securities are listed on the SGX-ST, notices to the holders of such Perpetual Securities shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the date on which the said notice was uploaded as an announcement on the SGX-ST. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14. In the case where notices to holders of Perpetual Securities are made by more than one of the prescribed forms above, notice would be deemed to have been given on the first date in which the notices were validly given in accordance with the paragraphs above,

So long as the Perpetual Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system, there may be substituted for such publication in such newspapers or announcement on the SGX-ST the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg, (subject to the agreement of the Depository) the Depository and/or such other clearing system for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be given or published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository and/or such other clearing system.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relevant Perpetual Security or Perpetual Securities, with the Issuing and Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

15. Governing Law and Jurisdiction

(a) **Governing law:** The Trust Deed, the Perpetual Securities, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) **Jurisdiction:** The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, any Perpetual

Securities, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Perpetual Securities, Coupons or Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) **No Immunity:** The Issuer agrees that in any legal action or proceedings arising out of or in connection with the Trust Deed, the Perpetual Securities, the Coupons or the Talons against it or any of its assets, no immunity from such legal action or proceedings (which shall include, without limitation, suit, attachment prior to award, other attachment, the obtaining of an award, judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets and irrevocably waives any such right of immunity which it or its assets now have or may hereafter acquire or which may be attributed to it or its assets and consents generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, award or judgment which may be made or given in such action or proceedings.

16. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

DESCRIPTION OF SPH AND THE SPH GROUP

INTRODUCTION

Incorporated in 1984, SGX-ST main board-listed SPH is Asia's leading media organisation, with products that span multiple languages and platforms.

As a newspaper company in Singapore, SPH is regulated by the Newspaper and Printing Presses Act, Chapter 206 of Singapore (the "**Newspaper Act**"), which provides for the mandatory issuance by SPH of two classes of shares, being management shares and ordinary shares. All issues and transfers of management shares are subject to restrictions contained in the Newspaper Act.

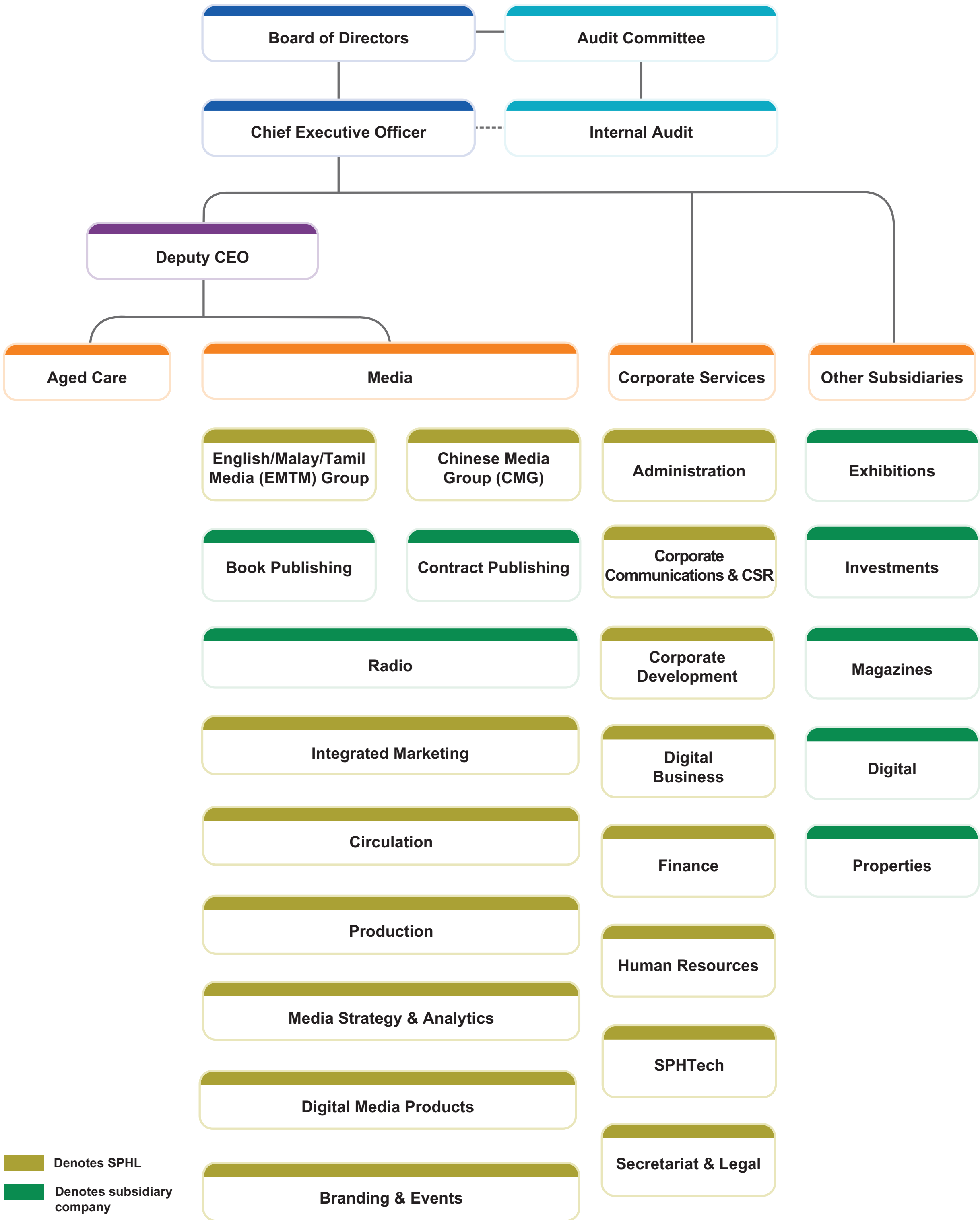
SPH publishes newspapers, magazines and books in both print and digital editions. It also has extensive offerings in the media space, such as online classifieds, radio stations and outdoor media.

On the property front, SPH owns 70% in a real estate investment trust called SPH REIT, which is listed on SGX-ST. SPH has also built up a sizeable portfolio in the Purpose-Built Student Accommodation ("**PBSA**") sector in the United Kingdom ("**UK**").

In addition, SPH is in the aged care sector and owns the Orange Valley Nursing Homes ("**Orange Valley**"), one of the largest private nursing home operators in Singapore. Details of the SPH Group's operations and business activities are set out below.

STRUCTURE OF SPH

The following diagram illustrates the organisational structure chart of SPH, as at the Latest Practicable Date:



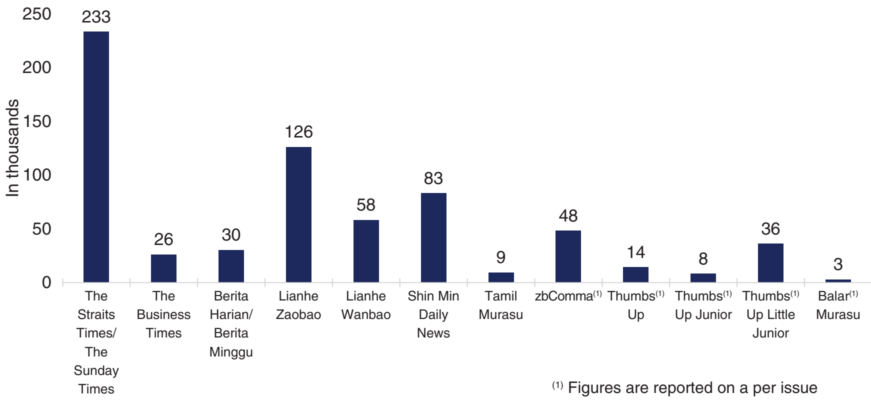
BUSINESS ACTIVITIES

MEDIA

1. Print Newspapers and Magazines

In Singapore, SPH has the unrivalled position of being the sole provider of all print newspapers, which remains the core business for the Group. The average daily sales for the first half of the financial year ended 31 August 2019 ("**FY2019**") was 500,890 print copies.

SPH publishes 18 newspaper titles in four languages in Singapore. According to the Nielsen Media Index 2018, a total of 2.36 million individuals, or 55% of people above 15 years old, read one of SPH's news publications daily in Singapore. An overview of the daily print newspapers circulation in August 2018 as reported in accordance with the rules set by the Audit Bureau of Media Consumption Singapore is set out in the diagram below:



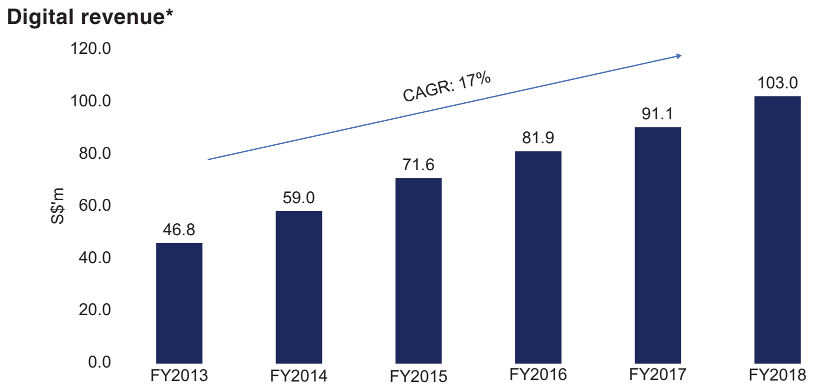
SPH has a stable portfolio of products with a rich heritage. The Straits Times, the flagship English newspaper, is 174 years old. It is the most-read newspaper in Singapore and is followed widely in the region for its comprehensive multimedia coverage of local, regional and world news, provided by its correspondents in 12 bureaus in major cities worldwide. Lianhe Zaobao, the flagship Chinese newspaper, is 96 years old. It offers extensive local news coverage and international news focusing on the East Asia region, especially China. It has an extensive East Asian correspondent network spanning Beijing, Shanghai, Guangzhou, Chongqing, Hong Kong SAR, Taipei, Seoul and Tokyo. Berita Harian, which celebrated its 60th anniversary in 2017, provides news for the Malay community and Tamil Murasu, which will be celebrating its 85th anniversary in 2020, is the voice for the Tamil-speaking community.

The Business Times is the only print daily (Monday-Saturday) publication in Singapore that focuses on providing business news. It brings to its readers daily corporate, financial, economic and political news, analysis and commentary on print and digital platforms. It also provides readers with in-depth coverage of Singapore and Asian business and economic developments, as well as global trends that impact Singapore businesses.

SPH Magazines Pte Ltd, a wholly-owned subsidiary of SPH, publishes and produces over 80 magazine titles in Singapore and the region, digitally and in print, covering a broad range of interests from lifestyle to information technology.

2. *Digital Media*

While print media is experiencing structural decline, SPH's total digital revenue has been growing at a compound annual growth rate ("**CAGR**") of 17% from S$47 million in FY2013 to S$103 million in FY2018. An overview of the digital revenue growth rate from FY2013 to FY2018 is set out in the diagram below:



* Total revenue from circulation, ads, online classifieds, magazines and other digital portals

Digital advertising revenue has also grown by 6.7% year-on-year from S$27 million in the first half of FY2018 to S$29 million over the same period in FY2019, with The Straits Times, The Business Times and Lianhe Zaobao being key contributors for this improved performance. Digital circulation increased by 12% in the first half of FY2019, over the same period in FY2018, contributing average daily sales of 218,900 copies. SPH's digital revenue from media and online classifieds have also increased to over 16% of SPH's media revenue in the first half of FY2019.

SPH's media strategy involves focusing on the digitalisation of the media business with significant investments toward building up technology capabilities. In this regard, SPH has been actively seeking growth opportunities through various digital initiatives and new partnerships.

Digital Investments

SPH has made investments in the digital space. SPH's investment criteria is strict, and investments are evaluated based on whether they have the potential to be the leading player in their respective segments. The underlying strategy with these investments is to focus on those with synergies to the Group's core media business. For example, SgCarMart which is the leading car site in Singapore has strengthened its offerings in car sales and supports SPH's existing print classifieds business for cars.

Other investments that support the print classifieds business include SRX (Singapore Real Estate Exchange), which is the first local property portal that utilises MyInfo, a digital personal data platform which helps citizens fill in digital forms automatically instead of doing so repeatedly for every transaction, for home loan applications with banks and other financial institutions. SPH also has an online job listing application, FastJobs, which is available for download in the Google Play store and iTunes app store in Singapore. FastJobs has also opened offices in the Philippines and Malaysia, and has seen significant growth in both markets. The application has achieved more than a million downloads in the region.

SPH also partnered with Y3 Technologies in October 2018 to launch a business-to-business e-commerce platform, OctoRocket.asia, to enable suppliers in South-east Asia to sell across borders in the region more effectively.

Konnectivity Pte. Ltd. ("**Konnectivity**") is jointly owned by SPH and Keppel Corporation Limited ("**Keppel**"). SPH holds an indirect 20% equity interest in Konnectivity. On 18 March 2019, Konnectivity completed a general offer for M1 Limited ("**M1**") as a result of which Konnectivity and its concert parties owned or controlled 94.55% of the total shares in M1. On 16 April 2019, Konnectivity exercised its right to compulsorily acquire all the remainder shares in M1 not owned or controlled by it or its related corporations. Following completion of the compulsory acquisition, Konnectivity holds 80.69% of the shares in M1, with the remainder 19.31% held by its related corporation, Keppel Telecommunications and Transportation Limited. M1 was delisted from the SGX-ST on 24 April 2019. SPH's effective interest in M1 is approximately 16.14% and SPH will work in close collaboration with Keppel and M1 to leverage on synergies to enhance its competitiveness.

Digital Initiatives

SPH has entered into a joint venture with MM2 Asia Ltd., the region's leading player in the media entertainment industry, to operate a lifestyle entertainment and news portal under the "AsiaOne" brand name. With this partnership, AsiaOne aims to introduce more digital video-based content centred upon lifestyle and entertainment to the 24-year-old online news site, in order to grow its audience both locally and regionally.

SPH has also entered into a partnership with Norway-based firm, Cxense ASA to deploy Cxense Conversion Engine, a new machine-learning powered solution for dynamic paywalls and personalised customer journeys, across its media platforms to increase subscriptions. The Conversion Engine uses real-time behavioural, contextual and sociodemographic data to help publishers create personalised customer experiences.

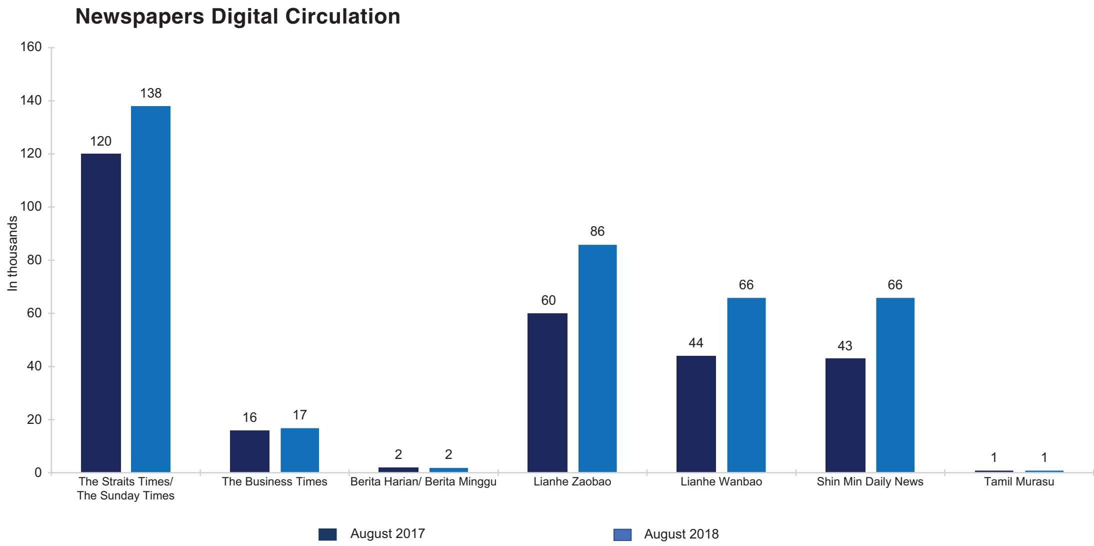
In addition, SPH has launched ZomWork in partnership with China's Zhubajie.com. ZomWork is a business services marketplace with close to 300 vendors onboard and helps companies in the gig economy engage creative agencies and freelancers online.

SPH has collaborated with Mediacorp Pte Ltd to launch the Singapore Media Exchange ("**SMX**"), a Programmatic Digital Advertising Exchange which started operating in May 2018 and has been gaining momentum in reaching out to Singapore's digital population. SMX offers an alternative to competitors such as Google and Facebook. In April 2019, seven new partners in Asia, including Viu, Carousell, Sanook and Kaidee joined SMX.

Target Media Culcreative Pte Ltd, an SPH-Focus Media Holding Ltd. joint venture company, is developing a smart in-lift media delivery platform that will improve audience engagement efforts for community and commercial segments. These display screens add a new dimension to SPH's media offerings and expand its audience reach.

Digital Editorial initiatives

SPH has undertaken a range of editorial initiatives to broaden editorial offerings and reach new readers and audiences. These include the launch by The Straits Times of its new all-digital subscription plans. SPH has been investing in further digital initiatives, embracing data analytics, artificial intelligence and other advanced automation technologies to enhance the readership experience. The daily average digital circulation of the newspapers has increased by 37% from August 2017 to 391,200 copies in August 2018 in view of SPH's successful implementation of its launch of an all-digital subscription in February 2018. A comparison of the digital circulation in August 2017 and August 2018 is set out in the diagram below:



SPH has implemented enterprise analytics tool Google Analytics 360 to effectively track users' behaviour across multiple channels across applications and websites. SPH has also appointed Happy Marketer, a digital analytics agency, which has been working closely with the different business units within the Group to implement analytics frameworks and ensure that the wealth of data collected from multiple sources can be seamlessly integrated and used by editors, marketers and data teams.

SPH has partnered with A*STAR to create a system which optimises news headlines to increase reader engagement. This system enables SPH journalists to test different headlines for their articles, before choosing the one that would be most effective in capturing a reader's interest and attention.

SPH has also launched a news tablet application which provides readers with a seamless no-login and auto update digital experience. They are able to read the e-paper editions of Lianhe Zaobao, Lianhe Wanbao and Shin Min Daily News on the application, which is preloaded on the Samsung Tab A 10.5" Wi-Fi tablet with a single subscription.

3. Radio

The SPH Group's radio broadcasting business is undertaken by SPH Radio Pte Ltd ("**SPH Radio**"), which currently manages and operates five radio stations – MONEY FM 89.3, ONE FM 91.3, Kiss92, 96.3 好 FM ("**96.3 Hao FM**") and UFM100.3.

According to a Nielsen survey conducted in September 2018 and October 2018, SPH Radio's stations saw further growth in the number of listeners in the second half of 2018, with monthly digital listenership reaching more than 800,000 unique users in October 2018, an increase by 23% from June 2018. The survey also revealed that SPH Radio's audience grew by 30,000 listeners in the second half of 2018.

English Stations

ONE FM 91.3 is a fun and dynamic station targeting forward-thinking professionals aged 40 and above. MONEY FM 89.3 is Singapore's first and only business and personal finance radio station targeting English-speaking professionals aged 35 to 54, in their mid to end years of their careers. Kiss92, Singapore's fastest growing radio station, is also the nation's first radio station targeting women aged between 30 to 50, offering informative content for the modern, driven and savvy woman.

Mandarin Stations

96.3 Hao FM targets digital migrants aged between 45 and 54 providing bite-sized capsules of discussion formulated from topics on lifestyle, healthcare and finance/wealth planning. UFM100.3 targets working professionals aged between 35 and 49 with engaging lifestyle content and current discussions of hot topics for busy individuals.

4. Outdoor Advertising

SPHMBO, the outdoor advertising arm of SPH, was established in 2005. Apart from creating a dominant presence in the Central Business District and Orchard Road, it has also extended its reach to the heartlands. It collaborated with Housing & Development Board ("**HDB**") through the development of a mega LED screen at Bedok Town Square. It has also been appointed by Corwin Holdings, owner and developer of the new Tekka Place (formerly known as The Verge) to be its exclusive outdoor media representative for one of the largest billboards in Singapore when the construction of the new retail and serviced residential complex is completed in 2019. Also adding to its product portfolio is a 54-metre wallscape at the busy underground commuter walkway in One Raffles Quay, the longest in Singapore when the construction is completed.

PROPERTY

SPH's property portfolio currently represents more than 50% of the SPH Group's profitability. The property segment provides the Group with a base of recurring income. The strategy is to acquire cash-yielding assets in defensive sectors with scale and operating capabilities. This is being achieved through SPH REIT which is expanding through acquisitions as well as SPH's newly-acquired UK PBSA portfolio.

1. SPH REIT

SPH owns 70% in SPH REIT. As at 31 August 2018, SPH REIT owns three quality and well-located commercial properties in Singapore totalling 961,523 sq ft Net Lettable Area ("**NLA**") with an aggregate appraised value of S$3.368 billion. The SPH REIT portfolio consists of:

Paragon

Paragon is a premier upscale retail mall and medical suite/office property located in the heart of Orchard Road, Singapore's most famous shopping and tourist precinct. Paragon consists of a six-storey retail podium and one basement level with 493,458 sq ft of retail NLA with a 14-storey tower and another three-storey tower sitting on top of the retail podium with a total 223,098 sq ft of medical suite/office NLA. As at 31 August 2018, its committed occupancy is 99.6%.

The Clementi Mall

The Clementi Mall is a mid-market suburban mall located in the centre of Clementi town, an established residential estate in the west of Singapore. The retail mall, which also houses a public library, is part of an integrated mixed-use development that includes HDB residential blocks and a bus interchange. The property is connected to the Clementi Mass Rapid Transit ("**MRT**") station. The Clementi Mall consists of a five-storey retail podium and one basement level with 195,192 sq ft of retail NLA. As at 31 August 2018, its committed occupancy is 100%.

The Rail Mall

The Rail Mall is a retail strip with a 360-metre prominent road frontage to Upper Bukit Timah Road. Acquired by SPH REIT on 28 June 2018, it comprises 43 single-storey shop units and 95 private carpark lots. The Rail Mall has a total NLA of 49,775 sq ft. It is a 99-year leasehold property with a remaining lease tenure of about 28 years. It is well-served by the Hillview MRT station which is about 250 metres from the mall, as well as a network of public bus services. Accessibility is further enhanced by its close proximity to the Bukit Timah Expressway and Pan Island Expressway. As at 31 August 2018, its committed occupancy is 94.8%.

Figtree Grove Shopping Centre in Australia

On 21 December 2018, SPH REIT announced that through its joint venture sub-trust, Figtree Holding Trust, it had completed the acquisition of 85% interest in Figtree Grove Shopping Centre, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia for a consideration of A$175.1 million. Figtree Grove Shopping Centre has a NLA of 236,634 sq ft. SPH REIT announced in its results for the second quarter ended 28 February 2019 that Figtree Grove Shopping Centre had an occupancy rate of 99.3%.

2. Other Real Estate Assets

The Group has also expanded its real estate asset management portfolio beyond SPH REIT, including The Seletar Mall, The Woodleigh Residences and The Woodleigh Mall in Singapore and the PBSA in UK. On 22 April 2019, SPH announced that its associate, Perennial Chinatown Point LLP ("**PCP LLP**"), has entered into an agreement for the sale of all the shares held by PCP LLP in various subsidiaries ("**CP Entities**"). The CP Entities hold the entire retail podium and four office strata units in Chinatown Point. SPH's wholly-owned subsidiary, CT Point Investments Pte Ltd, has a direct stake of 30.68% in PCP LLP and an indirect stake in the CP Entities. SPH expects to record its share of gain of approximately S$10 million in its books pursuant to this transaction.

The Seletar Mall

SPH holds a 70% interest in the joint venture company which owns The Seletar Mall. SPH, through its wholly owned subsidiary, also operates The Seletar Mall. With a NLA of 188,000 sq ft, it is positioned as a family oriented shopping mall with retail and food and beverage outlets spread over four levels above ground plus two basement levels. The Seletar Mall enjoys a catchment of 320,000 residents living in HDB flats, private condominiums and landed homes located within a 3 km radius of the mall. As at 31 August 2018, The Seletar Mall has an occupancy of 99.5%.

Woodleigh Mixed Development

Following the successful tender for the mixed development site at Bidadari estate through a 50% owned joint venture company with Kajima Development Pte. Ltd. in June 2017, SPH will be launching a commercial cum residential development which consists of The Woodleigh Residences, a 667-unit condominium and The Woodleigh Mall, a 28,000 square metre retail/commercial mall. The development is slated for completion by the end of August 2022.

PBSA

As at the LPD, SPH's PBSA portfolio in the UK comprises 20 assets and 5,059 beds across 10 cities, with a weighted average occupancy rate of approximately 91%. The PBSA portfolio was first acquired in September 2018. SPH has been expanding the portfolio with a series of acquisitions, with the most recent deal being the acquisition of 1,243 beds on 16 April 2019 with occupancy rates in excess of 90%. This brings the size of the PBSA portfolio to over S$600 million.

SPH's acquisition strategy is driven by the growth potential of PBSA in UK. According to the forecast by the UK Office for National Statistics, UK's population of 18-year-olds, which is a key demand indicator of the student population, is expected to grow by over 170,000 between 2020 and 2030, reflecting an average growth rate of 2% per annum. In addition, the overall population and level of wealth has steadily been increasing, leading to a rise in number of students who are likely to pursue further education.

Across the UK as a whole, according to Knight Frank in the UK Student Housing Update 2017, the full-time student numbers outweigh the current PBSA bed space by 3:1. According to the Cushman & Wakefield Student Accommodation Report (2018/2019), international student numbers have also grown by 215% since 1999/2000 and student application numbers from outside the European Union ("**EU**") continue to see strong growth.

The Knight Frank's UK Student Housing Update 2017 also discussed that the relatively weaker pound will attract non-EU students' applications and mitigate the effects of the fall in EU applications. For the September 2019 intake, the number of students applying to study at UK universities increased for the first time in three years. The numbers were boosted by a record number of applicants from outside of the EU, as compared to the previous years and attributable to the weakened pound.

The UK government announced in March 2019 its education strategy supporting the growth of international student enrolment, with plans to boost the number of international students attending higher education in the UK.

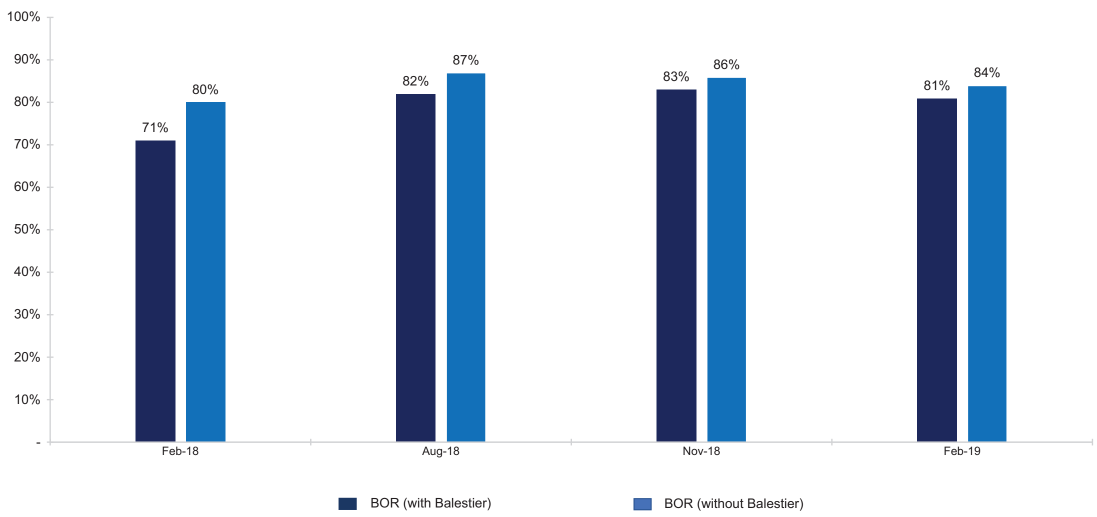
An overview of SPH's PBSA portfolio is set out in the diagram below:

Cities	No. of assets	No. of beds
Birmingham	1	175
Bristol	2	231
Glasgow	2	264
Huddersfield	3	1,005
Leeds	1	320
Lincoln	1	116
London	2	147
Plymouth	5	1,111
Sheffield	2	1,164
Southampton	1	526
Total	**20**	**5,059**

AGED CARE SECTOR

SPH is one of Singapore's largest private sector players in aged care and based on the statistics published by the Ministry of Health, SPH has a market share of over 26% in 2017, following its acquisition of Orange Valley. Excluding the Balestier branch which was recently opened in May 2018, Orange Valley has 981 beds in five nursing homes in Singapore and a bed occupancy rate of 84% as at February 2019. Orange Valley's opening of the new branch in Balestier adds 118 beds to its portfolio. An overview of the bed occupancy rate is set out in the diagram below:

Bed occupancy rate ("BOR")



Aged care is a key growth pillar due to the ageing demographic in Singapore and overseas. Since the acquisition of Orange Valley, SPH has focused on building up capabilities and achieving back-end efficiency. SPH's strategy is to leverage on the established brand name of Orange Valley and its reputation for delivering quality care as well as Singapore's standing as a healthcare hub, to expand both locally as well as overseas.

Orange Valley, through several subsidiaries, operates a number of nursing homes and ancillary services like providing meal and catering services, offering physiotherapy and rehabilitation services, and supplying medical, nursing and healthcare equipment and consumables.

According to Singapore's Department of Statistics, the proportion of population aged above 65 in Singapore is expected to double by 2030 to 900,000 from 548,000 in 2018. This means 1 in 4 Singaporeans will be elderly, which will lead to strong demand for aged care services in the next decade. As family sizes shrink, there will be a surge of single elderly living alone. This will lead to increasing demand for quality aged care services across the spectrum from home care, community-based care to nursing homes.

With Orange Valley, SPH is focused on developing efficient capabilities and rationalising operating costs. SPH also intends to venture overseas as part of its internationalisation strategy.

EVENTS AND EXHIBITIONS

In 2018, through its subsidiary, Sphere Exhibits Pte. Ltd. ("**Sphere Exhibits**"), SPH organised more than 30 events in Singapore, Malaysia and Thailand across sectors such as Food & Beverage, Premium Gifts, Office Solutions, Print Pack & Signage, Festival and Technology. Among these events was Beerfest Asia, which returned for the 10th year as the biggest beer festival in Singapore. Sphere Exhibits has expanded overseas with the debut of Beerfest Shandong in China in October 2018. It attracted over 100,000 festival goers during the Chinese "Golden Week" holidays. Beerfest Asia is scheduled for expansion in 2019 and 2020 targeting six Beerfest Asia festivals in China, to be held in the cities of Nanning, Liuzhou, Dongxin, Qingdao and Linyi, as well as Hong Kong SAR.

EDUCATION

Han Culture and Education Group

SPH has acquired a 75% stake in Han Culture and Education Group Pte. Ltd. in 2017. The acquisition laid the ground for SPH's Chinese Media Group to develop quality Chinese language and culture educational programmes for students, youth and adults.

MindChamps

SPH's associate company, MindChamps Preschool Limited ("**MindChamps**"), was listed on the Mainboard of the SGX-ST on 24 November 2017 with a market capitalisation of more than S$200 million. SPH recorded a profit of S$6 million upon the initial public offering of MindChamps. SPH's shareholding in MindChamps is 20%.

KEY AWARDS

SPH has received numerous awards. The SPH Group's accolades in 2017 include the Securities Investors Association's Singapore Corporate Governance Award and the Hermes Creative Award (Platinum Award).

SPH's products are synonymous with high quality standards in editorial content, design and presentation. They have consistently garnered both local and overseas awards, including eight awards for editorial and design excellence at the Society for News Best of Digital Design 2018 awards and 11 major wins at the Asian Digital Media Awards 2017.

SPH's aged care business has also been recognised for delivering quality care. In the Singapore Health Quality Service Award 2019, 26 of the Orange Valley staff took home silver awards. Orange Valley has also received certification of Singapore Quality Class with People and Service and maintains high clinical quality standards.

SPH is also widely acknowledged for its corporate social responsibility efforts that actively engage all segments of the Singapore community. SPH has been recognised with the Company of Good Award at the Champions of Good 2017 and 2018 awards by the National Volunteer & Philanthropy Centre, a Corporate Platinum Award from the Community Chest Awards 2018, and the Patron of the Arts Award in 2018 by the National Arts Council, to name a few.

INSURANCE

SPH and its subsidiaries have in place, with reputable insurance companies, various insurance policies such as Industrial Special Risks, Media Industry Professional Indemnity, Public Liability, Work Injury Compensation, Group Personal Accident, Cyber Liability and Fidelity Guarantee, Medical Malpractice, Product Liability, Clinical Trial, and Directors' and Officers' Liability.

COMPETITIVE STRENGTHS

1. Leading position as a content provider in our domestic market

A key strength of the Issuer is the size and scale of its operations. SPH is a leading industry player and a leading content provider and the only local print newspaper publisher in Singapore. The 2018 Nielsen Media Index further indicates that SPH's publications has captured over 55% of readers above 15 years old in Singapore.

The Group's total daily average newspaper circulation in the first half of FY2019 is 719,800 and it has over 80 titles as one of the leading magazine publishers in Asia. The Group's daily average digital newspaper circulation is 218,900 in the first half of FY2019, which reflects a growth of 12% vis-à-vis the same period last year.

The results of the Straits Times premium subscription packages which were launched in February 2018 to cater to the reading needs of different subscribers have been very encouraging, with over 10,000 new subscriptions since the launch and most new subscribers opting for the higher-value packages.

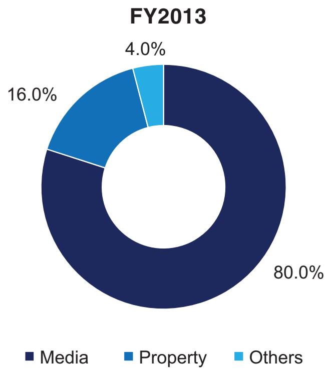
Based on the Nielsen Radio Survey 2018 Wave 1, the Group's radio station, Kiss 92 recorded the longest time spent listening by audiences among all English radio stations.

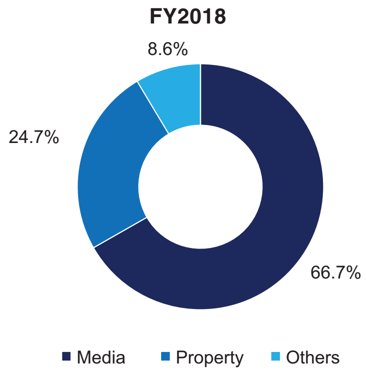
2. Strong brand recognition

SPH is one of the most recognised brands in Singapore. SPH was ranked as the 27th most valuable brand in Singapore in 2018, in the annual report by Brand Finance of the most valuable Singaporean Brands. SPH was also ranked by Randstad among the top 75 most attractive commercial companies to work for in 2019. SPH and its subsidiaries, have also extended collaborations across the corporate and social landscapes, such as the annual nomination for the Enterprise 50 (E50) Awards jointly organised by KPMG LLP and The Business Times in Singapore; Her World Woman of the Year Award; and the 2018 Straits Times Run (with more than 13,000 participants).

3. Strong financial position anchored by portfolio of high quality investments

The Group's portfolio comprises high quality investments. This wide diversity across various industry segments and geographies helps the Group to mitigate asset specific risks to a certain extent and provides stability. The Group's investments spans across digital assets, aged care and healthcare, education and property. Through diversification, SPH's revenue from the media segment now accounts for 67% of its full-year operating revenue in FY2018 as compared to 80% in FY2013. An overview of the operating revenue by segments is set out in the diagram below:





In the area of property investments, this is manifested through the Group's mature and consistent cash generative portfolio companies, and through the growth of its investments in developing businesses and platforms. The Group has achieved operating revenue of S$982.5 million and a net profit attributable to shareholders of S$281.1 million for FY2018. Recurring income represented 56% of profit before taxation for FY2018 as compared to 48% in the financial year ended 31 August 2017.

4. Quality Board and experienced management team

The Board comprises distinguished individuals with multi-faceted expertise from a wide cross-section of industries, to provide the breadth of perspective in an increasingly dynamic business environment. The Group has a highly experienced and committed management team with vast experience across various sectors. Over the years, the Group's management team has built up invaluable business relationships with key players within the industry that continue to remain instrumental to the growth and development of the Group.

The Group strongly believes that with the leadership of its dynamic management team and a proven, robust business model, it has the ability to continue competing and performing in the highly competitive environment in which it operates.

As part of the Group's development, SPH has initiated major changes to its management bench. Mr Ng Yat Chung was named Chief Executive Officer in September 2017. In April 2018, SPH brought in Mr Chua Hwee Song as its new Chief Financial Officer and Mr Ignatius Low was made Chief Marketing Officer. In May 2018, Mr Glen Francis was appointed Chief Technology Officer and Mr Gaurav Sachdeva the Chief Product Officer. Mr Julian Tan was named Chief of Digital Business.

5. *Ability to instil best-in-class corporate governance practices, internal controls and risk management*

The Issuer adheres to maintaining high standards of corporate governance and seeks to instil best-in-class corporate governance, internal controls and risk management practices in the Group to safeguard shareholders' interest and promote long-term value creation. As a responsible company, the Issuer aims to cultivate mutually beneficial relationships with the wider community where it has a presence to build a better future for generations to come.

As part of its strategy to maintain high standards of corporate governance, SPH has adopted a Board Diversity Policy which recognises that a diverse Board will enhance the decision-making process by utilising the variety in skills, industry and business experiences, gender and other distinguishing qualities of the members of the Board. Diversity will be considered in determining the optimum composition of the Board so that, as a whole, it reflects a range of different perspectives, complementary skills and experiences, which is likely to result in better decision-making. Such diversity will provide a wider range of perspectives, skills and experience, which will allow Board members to better identify possible risks, raise challenging questions, and contribute to problem-solving.

The Board reviews the composition of the Board and Board Committees periodically, taking into account the need for progressive renewal of the Board and each Director's competencies, commitment, contribution and performance. To ensure that the governance and business needs of the Group are adequately addressed, the Nominating Committee regularly reviews the capabilities of the Directors collectively by taking into account their skills, experience, diversity, and company and industry knowledge.

SPH has a Fraud Management Policy which facilitates the development of controls that will support the detection and prevention of fraud against SPH. SPH has a zero tolerance approach to any acts of fraud by its employees or external parties in the course of its business activities. SPH's whistleblowing policy allows SPH staff or any external party to raise, in confidence, concerns about possible improprieties to the internal audit division (which reports directly to the Chairman of the Audit Committee) for review and if necessary, institute disciplinary action. There were zero incidents of corruption in FY2018.

SPH is committed to strict compliance of laws and regulations. SPH also recognises the importance of personal data protection and complies with the Personal Data Protection Act and the EU General Data Protection Regulation. In FY2018 there were no significant fines or non-monetary sanctions for non-compliance.

SPH endeavours to publish content that is credible and fair. SPH publishes content that abides by a stringent set of operating procedures daily to ensure that content is factual. There were no significant damages for copyright infringement and defamation in FY2018.

STRATEGY

1. Creating value through investments in technology

As a leading industry player, SPH is constantly evolving its business strategies and operations to keep up with changing times. SPH recognises the value of transformation and how it propels growth. The Group intends to spearhead the growth of digital readership and digital revenue by offering different entry price points and promotions. This will be expanded across the other digital publications over time.

SPH believes that to stay ahead is to innovate. Navigating challenges and disruptions in the media industry has led the Group to intensify the digitalisation of its media business. The Group continues to invest in its digital media initiatives as well as in training and development of our staff to enhance their digital skills. This includes the use of data and analytics to enhance the Group's media operations and create greater value for all stakeholders.

2. Creating value through strategy

As part of its strategic media growth roadmap, the Group sought to gain a greater share of the radio broadcasting market by growing its stable from three to five stations. Besides Kiss 92, UFM 100.3 and ONE FM 91.3, the addition of 96.3 Hao FM and MONEY FM 89.3 will enable the Group to reach out to a wider audience spectrum and secure a stronger foothold in the media market.

The Group also aims to grow its digital portfolio and build synergies with existing media businesses. At the same time, divestments of its digital assets will provide consistent contribution to its revenue.

3. Creating value through partnership

Property remains a key growth driver for SPH. Building on the solid track record the Group has established in the property sector, SPH will continue to enhance growth by forging stronger synergies with valued partners who will take the brand further. This includes the launch of The Woodleigh Residences and The Woodleigh Mall, which is part of a commercial-cum-residential site jointly developed with Kajima Development Pte. Ltd.. Through this partnership, SPH is poised to strengthen its experience and expertise, which will put it in good stead to secure future projects.

On the media and digital front, the Group is committing resources to sharpen its digital capabilities through strategic joint ventures and partnerships, investments and restructuring efforts. It is also boosting its data analytics capability for improved ad targeting to better serve its customers.

4. Creating value through new pillars of growth in Singapore and overseas

SPH is committed to developing new growth pillars to diversify and maximise shareholder returns. This includes its foray into the aged care and student accommodation businesses. The Group's acquisition of Orange Valley will enable it to hone its capabilities to ride the growing potential of the Asia Pacific aged care markets. The Group intends to venture overseas as part of its internationalisation strategy and believes there are many growth opportunities as the aged market expands locally and regionally.

Beyond Singapore, SPH also acquired a portfolio of PBSA in the UK, which will establish SPH as an overseas owner of PBSA and provide a platform for the Group to pursue new growth opportunities and unlock greater value for the future.

It is part of the Group's ongoing strategy to expand its asset management business to acquire cash-yielding assets in multiple defensive sectors. The Group will build upon the PBSA acquisition to develop a sizeable platform with strong domain expertise and on-ground capabilities and may also enter other sectors in time. The assets will further strengthen the Group's robust base of recurring income from its property portfolio, which currently represents more than 50% of the Group's profitability.

DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The SPH Board comprises nine Directors, all of whom, except for the Chief Executive Officer, are non-executive and independent directors. Each director has been appointed on the strength of his/her calibre and experience. Their profiles are set out below.

Directors' Profile

Mr Lee Boon Yang

Boon Yang was appointed a Director of SPH on 1 October 2011.

He is the Non-Executive Chairman of Keppel Corporation Limited. He is also Chairman of Singapore Press Holdings Foundation Limited, Keppel Care Foundation Limited, Jilin Food Zone Pte Ltd and Jilin Food Zone Investment Holdings Pte Ltd.

He has extensive experience in public service. He served as Member of Parliament for Jalan Besar and Jalan Besar Group Representation Constituency (GRC) from December 1984 to April 2011. He was the Minister for Information, Communications and the Arts before retiring from political office in March 2009.

From 1991 to 2003, he served as Minister in the Prime Minister's Office, Minister for Defence, Minister for Labour and later Minister for Manpower. Prior to that, he held several public appointments including Senior Minister of State for Defence, National Development and Home Affairs, and Parliamentary Secretary to the Ministers for Environment, Finance, Home Affairs, and Communications and Information.

Before entry into politics, he worked as a veterinarian and R&D Officer in the Primary Production Department. He also worked as the Assistant Regional Director for the US Feed Grains Council, and as Senior Project Manager for the Primary Industries Enterprise Pte Ltd.

Boon Yang holds a B.V.Sc Hon (2A) from the University of Queensland.

Mr Ng Yat Chung

Yat Chung joined SPH as a Director on 1 August 2016 and was appointed Chief Executive Officer on 1 September 2017.

He is the Chairman of the Singapore Institute of Technology Board of Trustees.

Prior to joining SPH, he was the Executive Director and Group CEO of Neptune Orient Lines Ltd (2011-2016) and Senior Managing Director at Temasek Holdings (Private) Limited (2007-2011). Before joining Temasek Holdings, he was the Chief of Defence Force in the Singapore Armed Forces. He also served as a Director of Fraser & Neave Limited and Singapore Technologies Engineering Ltd.

Yat Chung holds a Bachelor of Arts (Engineering Tripos) and a Master of Arts from Cambridge University, a Master of Military Art and Science (General Studies) from the US Army Command & General Staff College, USA, and an MBA from Stanford University.

Ms Janet Ang Guat Har

Janet was appointed a Director on 17 October 2014.

From 2015 to 2019, she was Vice-President, IBM Asia Pacific responsible for leading IBM's industry value creation for Asia Pacific clients across key industries. She assumed different management roles including as Managing Director of IBM Singapore and has been on four international assignments in Tokyo and Beijing including four years with the Lenovo Group.

Janet is Chair of the NUS Institute of Systems Science (ISS) and Chair of Caritas Trustees as well as Council Member of the Singapore Business Federation (SBF) chairing the SBF Digitalisation Committee and representing Singapore on the B20 Digitalization Task Force. Janet is the Immediate Past President of the International Women's Forum (Singapore) and Immediate Past Chairman of Caritas Singapore. She was a former board member of Public Utilities Board (PUB), InfoComm Media Development Authority (IMDA) and InfoComm Development Authority (IDA).

Janet graduated with a Business Administration (Honours) degree from the National University of Singapore. In 2014, Janet was awarded the NUS Business School Eminent Alumni Award and in 2015, she received the NUS Distinguished Alumni Service Award. On 9 March 2018, Janet was conferred the Singapore Computer Society IT Leaders Award 2018 – Hall of Fame award.

Mr Bahren Shaari

Bahren was appointed to the Board on 1 April 2012. He is the Chief Executive Officer of Bank of Singapore.

Bahren Shaari was appointed Chief Executive Officer of Bank of Singapore on 1 February 2015. He was previously the Senior Managing Director and Global Market Head of South East Asia. Bahren has more than 30 years of banking experience and is an executive committee member of Singapore's Private Banking Industry Group which shapes the private banking competency standards of the wealth management sector. In 2016, he was conferred the Singapore Institute of Banking and Finance Distinguished Fellow award, in recognition of his significant contribution to the financial industry and outstanding leadership capabilities.

Prior to joining Bank of Singapore, Bahren served as the Managing Director at UBS Wealth Management, responsible for the South East Asian and Australian Markets.

Bahren has been an alternate member of the Council of Presidential Advisers since 2017.

In 2019, he was appointed by the Monetary Authority of Singapore to serve on the Corporate Governance Advisory Committee. The Committee is an industry-led body established to advocate good corporate governance practices among entities listed on the Singapore Exchange.

From 2000 to 2012, Bahren served on the board of the Maritime and Port Authority of Singapore. Bahren was conferred the Public Service Star Medal in 2018. He was awarded the Public Service Medal in 2008.

Bahren graduated with an accountancy degree from the National University of Singapore.

Ms Chong Siak Ching

Siak Ching was appointed a Director of SPH on 22 October 2010.

She is the Chief Executive Officer and a Board Director of the National Gallery Singapore. She was recognised as the 'Outstanding CEO of the Year' in the Singapore Business Awards 2009.

Siak Ching is the Chairperson of the Singapore Note and Coin Advisory Committee (SNCAC). She is also a Director of Mandai Park Holdings Pte. Ltd., the Singapore Tyler Print Institute, the Singapore Art Museum and Yale-NUS College Governing Board. She is Singapore's Non-Resident Ambassador to Chile.

She was President and Chief Executive Officer of Ascendas Pte Ltd and served in the Ascendas group of companies from 2000 to 2013. Prior to this, she was Deputy Chief Executive Officer of JTC Corporation from 2000 to 2001.

Siak Ching graduated from the National University of Singapore (NUS) with an Honours Degree in Estate Management. She also has a Masters in Business Administration from NUS and has completed the Advance Management Program at the Harvard Business School. She was conferred a Distinguished Alumni Award by NUS in the Faculty of Architecture and Building Management in 1999. In 2009, she was again conferred a NUS Distinguished Alumni Service Award in recognition of her unwavering commitment and service to her alma mater.

Mr Andrew Lim Ming-Hui

Andrew was appointed a Director of SPH on 1 January 2017.

He is a Partner of Allen & Gledhill LLP and is Co-Head of its Corporate Mergers & Acquisitions Department. He has extensive experience in domestic and cross-border mergers and is recognised as a leading lawyer in his area of expertise.

Andrew serves as a Trustee on the Board of Trustees of the National University of Singapore and is a member of the Sentosa Development Corporation. He is a Director of Jurong Engineering Limited and Singex Holdings Pte Ltd.

He was a Member of the Monetary Authority of Singapore Financial Centre Advisory Panel, and has also served on the Committee for Private Education, a committee of the SkillsFuture Singapore Board.

Andrew holds Bachelor of Laws (Honours) and Master of Laws degrees from the National University of Singapore and was called to the Singapore Bar in 1986.

Mr Quek See Tiat

See Tiat joined the SPH Board on 1 September 2013.

From 1 July 1987 to 30 June 2012, See Tiat was a Partner and subsequently Deputy Chairman of PricewaterhouseCoopers LLP. He has extensive audit and business advisory experience, and has been involved in planning, executing and managing audits of large public listed companies in Singapore.

See Tiat serves on the boards of Singapore Technologies Engineering Ltd, the Monetary Authority of Singapore and Temasek Foundation Connects CLG Limited. He is also the President of the Council of Estate Agencies. He was the Chairman of the Building and Construction Authority and a Director of Neptune Orient Lines Ltd and a board member of the Energy Market Authority.

See Tiat graduated with Honours (Second Class Upper) in Economics from the London School of Economics & Political Science. He is also a Fellow with the Institute of Chartered Accountants in England and Wales. He was conferred the Public Service Medal in 2009 and the Public Service Star in 2014.

Mr Tan Chin Hwee

Chin Hwee was appointed a Director on 1 March 2014.

He is a Director of Trafigura Holdings Pte Ltd and Trafigura Pte Ltd. He is also a Director of Nayara Energy Ltd, India, where he chairs its Banking and Finance Board Committee and was previously its Audit Committee Chairman. He serves on the Board of Trustees of the Nanyang Technological University and the Advisory Board of Grab Inc. Chin Hwee is an Adjunct Professor in a number of universities, and is an advisory board member for the Shanghai Advance Institute of Finance. He also serves on the Finance Centre Advisory Panel of the Monetary Authority of Singapore. He sits on the Maritime and Port Authority of Singapore's International Maritime Centre (IMC) 2030 Advisory as a Committee Member as well as the International Olympic Council in a Independent Advisor role.

Chin Hwee was the founding partner and Director of Apollo Management Singapore Pte Ltd., Managing Director of Amaranth Advisors, as well as President and Director of CFA Singapore. He was a Director of Keppel REIT Management Limited (as manager of Keppel REIT) and Lien Aid Limited (Singapore).

Chin Hwee holds a Bachelor of Accountancy (Second Class Upper Honours) from Nanyang Technological University, and an MBA from Yale University. He completed a postgraduate course at Harvard Kennedy School. He is a Chartered Financial Analyst (CFA) and is both an Australian and Singapore registered Certified Public Accountant (CPA).

Chin Hwee was honoured as a World Economic Forum Young Global Leader in 2010 and is the winner of the Singapore 2013 Distinguished Financial Industry Certified Professional (FICP) Award. He was also voted by the Hedge Fund Journal as among the emerging top 40 absolute return investors globally and was also named as Best Asia Credit Hedge Fund Manager by Hong Kong-based publication, The Asset.

Ms Tan Yen Yen

Yen Yen joined the Board on 1 April 2012.

She is currently President, Asia Pacific, Vodafone Global Enterprise Singapore Pte Ltd.

She is the Chairman of the Singapore Science Centre and Director of ams AG. She is a member of the National University of Singapore's School of Computing Advisory Board.

She was the Regional Vice-President and Managing Director of SAS South Asia Pacific, SAS Institute Inc. Prior to that, she was Senior Vice President, Applications, Oracle Corporation Asia Pacific, and Vice President and Managing Director for Hewlett-Packard Singapore.

Yen Yen has played an active role in Singapore's infocomm industry, having served as Chairman of the Singapore Infocomm Technology Federation and Deputy Chairperson on the Ministry of Information, Communications and the Arts (MICA) Internet and Media Advisory Committee. She was also a member of the Government Parliamentary Council of MICA and the Economic Strategies Committee's IT Working Group subcommittee and the Singapore Institute of Management's International Academic Panel. She was in the Ministry of Culture, Community and Youth's High Performance Sports Performance & Selection Sub-Committee that steers the development of High Performance Sports in Singapore. She was also a member of the ASEAN Para Games Organising Steering Committee and the subcommittee for Corporate Capabilities and Innovation for the Singapore Government's Committee on the Future Economy. She was on the board of Gemalto NV, MINDEF's Defence Science & Technology Agency, Cap Vista Pte Ltd and Singapore Institute of Directors.

Yen Yen has a degree in Computer Science from the National University of Singapore and an Executive MBA degree with Helsinki School of Economics Executive Education.

Senior Management's Profile

The profiles of the Senior Management of the SPH Group are set out below.

Mr Anthony Tan
Deputy Chief Executive Officer

Anthony joined SPH in February 2015 and was appointed to his current role as Deputy Chief Executive Officer on 1 July 2016.

He oversees the Group's media business which includes titles such as The Straits Times, Lianhe Zaobao, Berita Harian, Tamil Murasu, as well as the SPH Radio network.

Anthony also manages the Group's Silver Care business.

Anthony currently chairs several SPH subsidiaries, and sits on the board of SP Group as well as several non-profit/community organisations.

Prior to joining SPH, Anthony was Deputy Secretary (Policy), Ministry of Health and concurrently Special Assistant to the late Mr Lee Kuan Yew (2011-2014). During his career with the Singapore Public Service spanning more than 15 years, he served in various organisations including the Ministry of Finance, Home Affairs, Manpower as well as the People's Association.

Anthony graduated from the National University of Singapore in 1997 with a Bachelor of Social Science (Honours) in Political Science. He also has a Master of Science (Management) degree from the Stanford Business School.

Mr Chua Hwee Song
Chief Financial Officer

Hwee Song was appointed as Chief Financial Officer of SPH on 1 April 2018.

Hwee Song has many years of experience in investments and corporate finance. He was the founder and Managing Director of Tembusu Ventures Pte Ltd, where he managed a private equity fund that invests in growth companies throughout Asia since 2005. He was a director and Group CFO of CWG International Ltd from 2015 to 2018, prior to his present role.

Prior to Tembusu, he was with the Singapore Economic Development Board, where he led the promotion of technology entrepreneurship and development of the enterprise financing infrastructure in Singapore, with a specific focus on the industry development of the venture capital and private equity industry.

Hwee Song graduated in 1989 with a Bachelor of Engineering (First Class Honours) in Electrical and Electronics Engineering from King's College London, University of London, and he is also a Chartered Financial Analyst and Chartered Accountant.

Mr Glen Francis
Chief Technology Officer

Glen is the Chief Technology Officer of SPH. He serves on a number of executive boards and forums. Glen is digital, connected and enjoys creativity and innovation. He is also well-respected by his peers in the industry.

Glen founded CIO Academy Asia and was its past President. At CIO Academy Asia, he helped develop its brand and a thriving community of CIOs and IT leaders across the Asia region.

Prior to CIO Academy Asia, Glen co-founded IDeationEdgeAsia as a non-profit association and served as its President for 4 years. He was also Vice President for IT Management Association where he served for a period of 5 years.

In his most recent appointments, Glen was CIO for Global Logistic Properties Limited (GLP) and Regional Head of IS, Asia Pacific, RS Components Pte Ltd (RS). Prior to RS, Glen worked at Aon as Regional Director for Asia Pacific, leading the development of a newly formed corporate initiative called Revenue Engine, and he has also worked in Intel (Xircom).

Glen co-chairs Infocomm Media Development Authority's Immersive Media & Advance Interface Technology workgroup, and is the ICT Programme Advisory Chairman for the Singapore University of Social Sciences. He also serves as a member of Republic Polytechnic's Institutional Review Board.

Glen has an MBA degree from the University of Adelaide.

Ms Ginney Lim
General Counsel
Executive Vice-President, Corporate Communications & CSR, and Group Company Secretary

Ginney heads the Secretariat/Legal Division and oversees the Corporate Communications & CSR Division of SPH. She is also the General Manager of Singapore Press Holdings Foundation Limited, an Institution of Public Character established in 2003 by SPH.

When she joined SPH in 1991, she was tasked to set up the Secretariat/ Legal Division. She is responsible for the corporate secretarial, legal, insurance and corporate communications functions in the SPH Group and sits on several steering and senior management committees.

Ginney is a director of Times Development Pte Ltd, Orchard 290 Ltd, SPH REIT Management Pte Ltd and SPH REIT (Investments) Pte Ltd, all of which are wholly-owned property subsidiaries of SPH. She is also a member of the NUS Law Advisory Council and Temasek Junior College Advisory Committee.

Prior to joining SPH, Ginney was heading the Legal & Secretariat department as well as the public relations arm of NTUC Income. Ginney was admitted as an advocate and solicitor of the Supreme Court of Singapore and holds a Bachelor of Law (Honours) degree from the National University of Singapore. She is also a Fellow in the Institute of Chartered Secretaries and Administrators and an Associate of the Chartered Insurance Institute.

Ms Mable Chan
Executive Vice-President, Human Resources, Administration and Times Properties

Mable has been with SPH since 1997. Before taking over as Head of Human Resources Division in June 2006, she was Senior Vice-President, Customer Service Department, Marketing Division. The Administration Division and Times Properties were added to her portfolio in 2014 and 2015 respectively.

Prior to joining SPH, Mable was the Executive Director of the Marketing Institute of Singapore.

She holds a Bachelor of Applied Science degree from the South Australian Institute of Technology and a Masters in Business Administration from the National University of Singapore.

Mr Ignatius Low
Chief Marketing Officer, Integrated Marketing Division

As Chief Marketing Officer, Ignatius leads the team that sells and executes advertising and marketing solutions across SPH's print, digital, radio and outdoor media platforms. He also oversees Sweet, SPH's content marketing and creative services agency.

Ignatius joined The Straits Times in 1999 as a correspondent for the Money section, covering banking, economics and telecoms. He later rose to the position of Money Editor and moved on to several roles within the newsroom, including Sunday Times Editor and News Editor. In 2014, he was appointed Managing Editor of the newspaper, responsible for newsroom operations including staff recruitment and deployment, budget and project management, strategic commercial partnerships and business development. He was also part of the core management team that planned and executed the newsroom's digital transformation.

In 2016, Ignatius was appointed Head of Media Solutions in SPH's Integrated Marketing Division, where he was put in charge of the newly-merged print, digital and radio ad sales teams.

Ignatius graduated from Oxford University in 1994 with a degree in Philosophy, Politics and Economics. During his time there, he was President of the Oxford University Malaysian and Singapore Students' Association. He obtained his university education on an Overseas Merit Scholarship from the Public Service Commission.

After graduation, Ignatius spent four years in the Singapore Administrative Service. He served in the Ministry of Finance and the Monetary Authority of Singapore, and was mostly involved in policy work relating to a major review of Singapore's financial sector in 1998.

Ms Janice Wu
Executive Vice-President, Corporate Development

Janice heads the Corporate Development Division. She oversees mergers and acquisitions, property tenders/acquisitions, corporate planning and risk management.

Janice has held various positions across functions in SPH, with active involvement in legal advisory work, M&A transactions, joint ventures, property tenders/ acquisitions, corporate planning and analytics.

She sits on the board of several companies, including SGX listed MindChamps Preschool Limited and iFast Corporation Ltd. She is also a director of SPH Radio Pte Ltd, The Seletar Mall Pte Ltd and SPH's joint venture companies for the mixed development at Bidadari estate.

Janice holds a Bachelor of Law (Honours) degree from the National University of Singapore and is qualified as an advocate and solicitor of the Supreme Court of Singapore. Prior to joining SPH as a legal counsel, she was in private legal practice and legal counsel in the Ministry of Defence.

Mr Chua Wee Phong
Executive Vice-President, Circulation

Wee Phong has been with SPH for 24 years. He joined Circulation in May 1994 and was appointed Division Head in May 2005. He is currently the Executive Chairman of Sphere Exhibits Pte Ltd.

Prior to joining SPH, Wee Phong served in the Singapore Armed Forces (SAF) for a period of 13 years.

He was promoted to the rank of Colonel (NS) in 2005. He was awarded the Public Administration Medal (Bronze) (Military) in August 2007.

Wee Phong graduated from the National University of Singapore with a Bachelor of Arts (Honours) in Sociology on an SAF scholarship.

Mr Julian Tan
Chief of Digital Business

Julian is the Chief of Digital Business for SPH. In this role, he oversees SPH's digital businesses and investments, leading the initiative to transform SPH's digital businesses and expand regionally.

From 2008 to 2015, Julian was the Chief Executive Officer of 701Search Pte Ltd, a regional online classifieds joint venture company between SPH, Norway's Schibsted and Telenor. He grew the business from a start-up in a single location to a leading developer of online marketplaces in the region, with footprints in Malaysia, Vietnam, Indonesia, Philippines, Thailand and Myanmar

Julian is a Director on the Board of the Singapore Media Exchange (SMX), a premium advertising exchange joint venture between SPH and MediaCorp, which he played a key role in setting up. He also sits on the boards of various e-commerce and online classifieds companies like Qoo10, SgCarmart, Streetsine and Silver Indonesia. He is also the Chairman of FastCo Pte Ltd, where he drives a team of 30 to grow FastJobs – a non-executive recruitment platform – across the region.

Julian graduated with First Class Honours in Economics from the London School of Economics and Political Science and earned two Executive Masters of Business Administration (EMBA) degrees from INSEAD and Tsinghua University in 2009.

Mr Warren Fernandez
Editor-in-Chief, English/Malay/Tamil Media group and Editor, The Straits Times

Warren is Editor-in-Chief of the English/Malay/Tamil Media group in SPH. He is also Editor of The Straits Times, Singapore's biggest selling English daily newspaper. He joined the paper in 1990 as a political reporter and rose to become News Editor. He later also served as Foreign Editor and Deputy Editor.

He left to join Royal Dutch Shell in 2008 as a Global Manager for its Future Energy project, before returning to The Straits Times in February 2012 as its editor.

Warren graduated with First Class Honours from Oxford University, where he read Philosophy, Politics and Economics, and also has a Masters in Public Administration from Harvard University's John F. Kennedy School of Government. Both degrees were obtained on Singapore Press Holdings scholarships.

Currently he is a board member of the National Parks Board (NParks), National Heritage Board (NHB), SPH (Overseas) Ltd, Straits Times Press Pte Ltd, The Straits Times Press (1975) Limited, World Editors Forum (WEF), Asia News Network (ANN), Singapore Symphony Group and Chairman of The Straits Times School Pocket Money Fund.

Ms Lee Huay Leng
Head, Chinese Media Group

Huay Leng was appointed Head of the Chinese Media Group of SPH on 1 December 2016. The Chinese Media Group includes Lianhe Zaobao, Lianhe Wanbao, Shin Min Daily News, Student Publications, the digital platforms zaobao.sg, zaobao.com and radio stations UFM100.3 and 96.3 Hao FM.

Huay Leng started her journalistic career in Lianhe Zaobao in 1994 upon graduation. She was with the paper for 20 years in different roles as sports reporter, political reporter, Hong Kong Correspondent, Beijing Bureau Chief, China Editor, News Editor and Deputy Editor. In January 2014, she took the helm of Lianhe Wanbao and was appointed concurrently as Senior Vice-President (New Growth) of Lianhe Zaobao in November 2015.

For public service, Huay Leng currently serves as a member of the Public Transport Council, Founders' Memorial Committee and Lifelong Learning Council. She is a board director at the National Kidney Foundation and Governor at the Singapore International Foundation.

She graduated from the National University of Singapore in 1994 with an honours degree in Chinese Studies, and a Masters of Arts degree in Southeast Asian Studies from the School of Oriental and African Studies, University of London. She was a visiting scholar at the University of California, Berkeley and the John F. Kennedy School of Government at Harvard University.

Mr Goh Sin Teck
Editor, Lianhe Zaobao & Lianhe Wanbao

Sin Teck joined SPH's Chinese flagship paper, Lianhe Zaobao, in 1987 upon graduating from the National University of Singapore with a Bachelor of Arts in Sociology.

He worked his way up as a crime reporter to become the Editor of Lianhe Zaobao and Lianhe Wanbao.

Sin Teck presently serves on the Nanyang Technological University Board of Trustees and is a member of the National Translation Council.

Mr Lim Swee Yeow
Senior Vice-President, Production

Swee Yeow has been with SPH for 19 years. He joined Production in January 2000 as Production Manager. Throughout his career with SPH, he helmed various sections in operations, engineering, materials and newsprint purchases. He was appointed Division Head in September 2011.

He was involved in major projects with the company's printing presses and print processes such as the GOSS Colorliner upgrades (2011), manroland Uniset (2008) and KBA Commander (2002). He was also responsible for building the state-of-art printing presses and mailroom systems.

Swee Yeow graduated with a Bachelor of Science in Industrial and Manufacturing Engineering from Oregon State University, USA. He also holds a Higher National Diploma in Printing and Publishing Production from London College of Printing, UK.

Mr Gaurav Sachdeva
Chief Product Officer

Gaurav joined SPH as Chief Product Officer in May 2018 heading the Digital Media Products Division. He also oversees the Information Resource Centre.

As Chief Product Officer, Gaurav is driving the vision, strategy, design, development and monetization of SPH's digital media content and products.

Prior to joining SPH, Gaurav was the Head of Product for Growth team at Grab. Before that, he was Product Leader at Autodesk & Adobe driving their respective products portfolios, whilst defining the next generation strategy and steering core thinking for these products through business model transformation. He has 15 years of experience in technology, business strategy and product management.

Gaurav has a MBA from Indian School of Business (India), and a background in computer science and engineering from Cambridge University (UK) and Delhi College of Engineering (India). Outside of work, he dwells in photography and music, and is the lead singer of two Indian rock bands, which he co-founded.

Ms Sim Say Nee
Head, Internal Audit

Say Nee was appointed as the Acting Head of Internal Audit in October 2014. She subsequently took over as Division Head in April 2015.

Say Nee has been with the division for 13 years, having joined in October 2005. Say Nee's 18 years of experience in the profession spanned across both public and commercial sectors.

She began her career in the Auditor-General's Office in 2000, where she was involved in the financial audit and system controls review at the Ministry of Manpower and Central Provident Fund Board, after graduating from Nanyang Technological University with a Bachelor of Accountancy degree.

She was an Internal Auditor with United Engineers Ltd before joining SPH. She is a member of the Institute of Singapore Chartered Accountants and Institute of Internal Auditors.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The tables set forth selected consolidated financial information of the Group for FY2016, FY2017, FY2018, the half year ended 28 February 2019 ("**1H FY2018**"), the half year ended 28 February 2019 ("**1H FY2019**") and as at 28 February 2019. This selected financial information has been derived from, and should be read in conjunction with, the Issuer's audited consolidated financial statements and the notes thereto for the years ended 31 August 2016, 31 August 2017 and 31 August 2018 and the Issuer's unaudited results for the half year ended 28 February 2019 as set out elsewhere in this Information Memorandum.

Statement of Financial Position Information

	UNAUDITED (28 February 2019)	**AUDITED (31 August 2018)**	**AUDITED (31 August 2017)**	**AUDITED (31 August 2016)**
	S$'000	**S$'000**	**S$'000**	**S$'000**
CAPITAL EMPLOYED				
Share capital	522,809	522,809	522,809	522,809
Treasury shares	(7,594)	(7,101)	(7,384)	(8,683)
Reserves	78,207	259,856	324,397	430,447
Retained profits	2,858,430	2,691,368	2,648,576	2,572,753
Shareholders' interests	3,451,852	3,466,932	3,488,398	3,517,326
Non-controlling interests	761,449	761,152	734,926	724,078
Total equity	**4,213,301**	**4,228,084**	**4,223,324**	**4,241,404**
EMPLOYMENT OF CAPITAL				
Non-current assets				
Property, plant and equipment	191,684	224,918	235,042	219,523
Investment properties	4,681,533	4,155,122	4,034,771	3,963,000
Subsidiaries	–	–	–	–
Associates	380,072	95,825	68,792	78,153
Joint ventures	29,638	47,384	8,696	12,417
Investments	252,758	453,951	513,728	628,860
Intangible assets	166,780	176,028	204,443	149,312
Trade and other receivables	248,076	246,562	8,935	5,731
Derivatives	1,263	200	200	200
	5,951,804	**5,399,990**	**5,074,607**	**5,057,196**
Current assets				
Inventories	28,816	22,636	21,892	21,225
Trade and other receivables	184,153	292,862	314,421	136,953
Investments	95,067	121,663	363,370	406,700
Asset held for sale	–	–	18,000	8,831
Derivatives	1,810	39	1,473	89
Cash and cash equivalents	343,403	359,498	312,647	312,894
	653,249	**796,698**	**1,031,803**	**886,692**
Total assets	**6,605,053**	**6,196,688**	**6,106,410**	**5,943,888**
Non-current liabilities				
Trade and other payables	33,962	39,362	37,556	43,444
Deferred tax liabilities	30,646	38,919	49,190	47,372
Borrowings	1,514,189	1,312,507	528,044	1,197,399
Derivatives	2,091	2,814	7,365	10,983
	1,580,888	**1,393,602**	**622,155**	**1,299,198**
Current liabilities				
Trade and other payables	230,002	230,527	241,352	245,665
Current tax liabilities	45,390	47,682	46,591	56,271
Borrowings	535,423	294,853	971,695	99,954
Derivatives	49	1,940	1,293	1,396
	810,864	**575,002**	**1,260,931**	**403,286**
Total liabilities	**2,391,752**	**1,968,604**	**1,883,086**	**1,702,484**
Net assets	**4,213,301**	**4,228,084**	**4,223,324**	**4,241,404**

Income Statement Information

	UNAUDITED 1H FY2019 S$'000	UNAUDITED 1H FY2018 S$'000	AUDITED FY2018 S$'000	AUDITED FY2017 S$'000	AUDITED FY2016 S$'000
Operating revenue					
Media	296,162	329,531	655,782	725,427	834,221
Property	140,331	121,676	242,417	244,159	241,310
Others	41,150	41,250	84,356	62,929	48,818
	477,643	**492,457**	**982,555**	**1,032,515**	**1,124,349**
Other operating income	8,936	15,123	23,117	19,504	28,759
	486,579	**507,580**	**1,005,672**	**1,052,019**	**1,153,108**
Materials, production and distribution costs	(66,853)	(71,127)	(142,752)	(156,151)	(165,630)
Staff costs	(166,345)	(177,450)	(351,785)	(357,464)	(362,551)
Premises costs	(39,837)	(35,009)	(69,998)	(65,053)	(69,740)
Depreciation	(13,189)	(13,147)	(33,214)	(37,823)	(44,699)
Other operating expenses	(56,121)	(72,404)	(141,708)	(138,215)	(145,690)
Impairment of goodwill and intangibles	–	–	(22,356)	(37,780)	(28,358)
Impairment of property, plant and equipment	–	–	–	(22,785)	–
Finance costs	(22,931)	(17,878)	(37,513)	(31,300)	(31,271)
Operating profit#	**121,303**	**120,565**	**206,346**	**205,448**	**305,169**
Net income from investments	2,433	21,666	115,175	53,865	51,753
Fair value change on investment properties	(12,864)	–	45,702	57,386	11,823
Share of results of associates and joint ventures	9,379	(2,102)	3,282	562	(7,704)
Gain on divestment of a joint venture	–	–	–	149,690	–
Impairment of associates and a joint venture	–	–	–	(35,459)	–
Profit before taxation	**120,251**	**140,129**	**370,505**	**431,492**	**361,041**
Taxation	(20,653)	(19,537)	(46,508)	(36,276)	(54,902)
Profit after taxation	**99,598**	**120,592**	**323,997**	**395,216**	**306,139**
Attributable to:					
Shareholders of the Company	85,614	100,397	281,110	350,085	265,293
Non-controlling interests	13,984	20,195	42,887	45,131	40,846
	99,598	**120,592**	**323,997**	**395,216**	**306,139**

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

REVIEW OF RESULTS OF OPERATIONS

Results of operations for 1H FY2019 compared with 1H FY2018

Group operating revenue comprised mainly advertisement and circulation revenue (print and digital), rental income from retail malls and student accommodation, and income from other businesses (including aged care, events and exhibitions and education). The decrease in group operating revenue of S$14.8 million (3%), from S$492.5 million in 1H FY2018 to S$477.6 million in 1H FY2019, was due to lower print advertisement revenue of S$24 million (12.3%) and lower circulation revenue of S$7.4 million (9.7%), cushioned by rental revenue from the UK student accommodation portfolio of S$12.5 million, Figtree of S$3.2 million and Rail Mall of $2.5 million.

Other operating income included sales of production waste and other scrap materials, distribution service fees for third party periodicals, and income from branding events. Other operating income was lower by S$6.2 million (40.9%), from S$15.1 million in 1H FY2018 to S$8.9 million in 1H FY2019, mainly due to the absence of a S$5.9 million gain arising from the dilution of interest on the IPO listing of Mindchamps Preschool in 1H FY2018.

Total revenue of S$486.6 million in 1H FY2019 was lower by S$21 million (4.1%) compared to S$507.6 million in 1H FY2018.

Materials, production and distribution costs included newsprint and other material costs, factory overheads and distribution costs for the media business, and production costs and supplies for the events and exhibitions and aged care businesses. The reduction in materials, production and distribution costs by S$4.3 million (6%), from S$71.1 million in 1H FY2018 to S$66.9 million in 1H FY2019, was in line with lower revenue of the media business.

Staff costs comprised salaries, bonuses, allowances, employers' contribution to defined contribution plans and share-based compensation expense. Staff costs was lower by S$11.1 million (6.3%), from S$177.5 million in 1H FY2018 to S$166.3 million in 1H FY2019. This was due to lower headcount and bonus provision.

Premises costs relate mainly to rental expenses, property tax, building maintenance costs and utility charges, and are primarily incurred for the retail malls, student accommodation, media and aged care businesses. The increase in premises costs of S$4.8 million (13.8%), from S$35 million in 1H FY2018 to S$39.8 million in 1H FY2019, was attributed mainly to the UK student accommodation portfolio and Figtree.

Other operating expenses included business promotion expenses, articles and news agencies' fees, computer system maintenance and software licence fees, amortisation of intangible assets, foreign exchange differences and other expenses in line with business activities. Other operating expenses decreased S$16.3 million (22.5%), from S$72.4 million in 1H FY2018 to S$56.1 million in 1H FY2019. This was due to the absence of retrenchment costs of S$11.6 million that was incurred in 1H FY2018, unrealised foreign exchange gains, reduced business promotion expense and lower amortisation charge on reduced value of intangible assets.

Finance costs increased by S$5.1 million (28.3%), from S$17.9 million in 1H FY2018 to S$22.9 million in 1H FY2019, due to interest costs on loan facilities taken up to fund the acquisition of the UK student accommodation portfolio and Figtree, and to provide equity funding for the Woodleigh development.

Overall, total costs fell by S$21.7 million (5.6%) from S$387 million in 1H FY2018 to S$365.3 million in 1H FY2019.

As a result of the foregoing, operating profit of S$121.3 million in 1H FY2019 was S$0.7 million (0.6%) higher compared to S$120.6 million in 1H FY2018.

Fair value change on investment properties of S$12.9 million relates mainly to expensing of stamp duty for the recently acquired Figtree.

The share of results of associates and joint ventures was a gain of S$9.4 million in 1H FY2019 against a loss of S$2.1 million in 1H FY2018. This was mainly due to fair value gain on the investment property of S$13.9 million arising from an associate, Chinatown Point.

Investment income comprised fair value changes on investments and derivatives, foreign exchange differences, and dividend and interest income from the investment portfolio. Investment income fell by S$19.2 million (88.8%), from S$21.7 million in 1H FY2018 to S$2.4 million in 1H FY2019. This was due to gain on disposal of investments of S$14.5 million in 1H FY2018 which was absent in 1H FY2019. In addition, foreign exchange losses of S$1.2 million was recorded in 1H FY2019 against gains of S$3.1 million recognised in 1H FY2018.

Taxation charge of S$20.7 million in 1H FY2019 was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. There was no material adjustment for over- or under- provision of taxation in respect of prior years.

Consequently, net profit attributable to shareholders of S$85.6 million in 1H FY2019 was S$14.8 million (14.7%) lower compared to S$100.4 million in 1H FY2018.

Results of operations for FY2018 compared with FY2017

Group operating revenue of S$982.6 million was S$50 million (4.8%) lower compared to FY2017. Revenue for the Media business declined by S$69.6 million (9.6%) to S$655.8 million as advertisement and circulation revenue fell S$58.7 million (11.6%) and S$11.3 million (7%) respectively.

Revenue for the Property segment was marginally lower by S$1.7 million (0.7%).

Revenue from the Group's other businesses grew by S$21.4 million (34%) to S$84.4 million, led by contributions from the aged care business.

Other operating income increased by S$3.6 million (18.5%) mainly due to a gain arising from the dilution of interest on the IPO listing of MindChamps Preschool.

Materials, production and distribution costs saw a reduction of S$13.4 million (8.6%) in line with lower revenue.

Staff costs decreased by S$5.7 million (1.6%) due to lower headcount and bonus provision.

Premises costs increase of S$4.9 million (7.6%) was attributed to the aged care business.

Depreciation charges was lower by S$4.6 million (12.2%) as certain press lines were fully depreciated/impaired.

Impairment charges on goodwill and intangibles of S$22.4 million and S$37.8 million were recognised in FY2018 and FY2017 respectively. The charges in FY2018 primarily related to the online classifieds business due to challenging market conditions.

Impairment charges on property, plant and equipment of S$22.8 million recognised in FY2017 arose from the consolidation and optimisation of printing press capacity.

Finance costs increased by S$6.2 million (19.8%) mainly due to interest cost on the S$280 million term loan taken up during the year to fund the development of The Woodleigh Residences and The Woodleigh Mall.

Operating profit of S$206.3 million was flat compared to FY2017.

Investment income of S$115.2 million was S$61.3 million (113.8%) higher compared to last year due to gain on divestment of portfolio investments.

Fair value gain on investment properties of S$45.7 million arose mainly from the increase in valuation of the retail assets of the Group. The fair value gain recognised last year was S$57.4 million.

The share of results of associates and joint ventures improved by S$2.7 million (484%) due to a gain recognised on disposal of the online classifieds business in Thailand.

Gain on divestment of a joint venture of S$149.7 million recognised in FY2017 relates to a gain on the sale of the Group's stake in the online classifieds business in Malaysia, Vietnam and Myanmar. There was no divestment of joint venture in FY2018.

Impairment of associates and a joint venture recognised in FY2017 included a writedown of S$30.5 million pursuant to the divestment of the Group's stake in MediaCorp Press and MediaCorp TV Holdings. There was no impairment of associate and joint venture in FY2018.

Taxation charge of S$46.5 million was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. This included an amount of S$1.3 million for over-provision of taxation in respect of prior years.

Net profit attributable to shareholders of S$281.1 million was S$69 million (19.7%) lower compared to FY2017. Excluding gain on divestment of a joint venture in FY2017 and impairment charges, net profit attributable to shareholders was higher by S$7 million (2.4%) year-on-year.

Results of operations for FY2017 compared with FY2016

Group operating revenue of S$1,032.5 million was S$91.8 million (8.2%) lower compared to FY2016. Revenue for the Media business declined S$108.8 million (13%) to S$725.4 million, as advertisement and circulation revenue fell S$102.5 million (16.9%) and S$8.7 million (5.1%) respectively.

Revenue for the Property segment rose S$2.8 million (1.2%) to S$244.2 million on the back of higher rental income from the retail assets of the Group.

Revenue from the Group's other businesses increased S$14.1 million (28.9%) to S$62.9 million, attributed mainly to income from the newly acquired healthcare business.

Other operating income fell S$9.3 million (32.2%) to S$19.5 million due mainly to lower income from corporate events, and write-back of contingent consideration in FY2016.

Total costs of S$846.6 million was S$1.4 million (0.2%) lower compared to FY2016.

Materials, production and distribution costs fell S$9.5 million (5.7%) in line with lower revenue.

Staff costs decreased by S$5.1 million (1.4%) due to bonus provision.

Depreciation charges was lower by S$6.9 million (15.4%) as certain assets were fully depreciated or impaired.

Other operating expenses fell S$7.5 million (5.1%) due partly to lower business promotion costs and write-back of provision for doubtful debts, partially offset by retrenchment and outplacement costs.

Impairment charges on goodwill and intangibles of S$37.8 million and S$28.4 million were recognised in FY2017 and FY2016 respectively. These charges primarily related to the magazine business whose performance deteriorated significantly amid unfavourable market conditions.

Impairment charges on property, plant and equipment of S$22.8 million arose from the consolidation and optimisation of printing press capacity.

Operating profit of S$205.4 million was S$99.7 million (32.7%) lower compared to FY2016. Excluding impairment charges, operating profit would have declined by S$67.5 million (20.2%).

Fair value gain on investment properties of S$57.4 million arose from the increase in valuation of the retail assets of the Group. The fair value gain recognised last year was S$11.8 million.

Investment income increased by S$2.1 million (4.1%) due primarily to gain on disposal of investments partially offset by fair value losses on hedges for portfolio investments.

The improvement in share of results of associates and joint ventures by S$8.3 million was attributable to reduced losses of the regional online classifieds business and contribution from a newly acquired associate.

Gain on divestment of a joint venture of S$149.7 million relates to a gain on the sale of the Group's stake in the online classifieds business in Malaysia, Vietnam and Myanmar. The Group continues to maintain its investments in Thailand and Indonesia.

Impairment of associates and a joint venture included a write-down of S$30.5 million pursuant to the proposed divestment of the Group's stake in MCTV and MCPL. The transaction was completed on 29 September 2017.

Taxation charge of S$36.3 million was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. This included an amount of S$1.6 million for under-provision of taxation in respect of prior years.

Net profit attributable to shareholders of S$350.1 million was S$84.8 million (32%) higher year-on-year as the Group's results was boosted by the S$149.7 million gain on divestment of a joint venture.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Securities should carefully consider all the information set forth in this Information Memorandum and any documents incorporated by reference herein, including the risk factors set out below.

The risk factors set out below do not purport to be complete or comprehensive of all the risk factors concerning the business, assets, financial condition, performance or prospects of the Issuer and its subsidiaries or the properties owned by the Group or any decision to purchase, own or dispose of the Securities. Additional risk factors which the Issuer is currently unaware of may also impair its business, assets, financial condition, performance or prospects. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. If any of the following risk factors develop into actual events, the business, assets, financial condition, performance or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Securities may be adversely affected and investors may lose all or part of their investment in the Securities.

Prospective investors should not rely on the information set out herein as the sole basis for any investment decision in relation to the Securities but should seek appropriate and relevant advice concerning the appropriateness of an investment in the Securities for their particular circumstances.

Headings and sub-headings are for convenience only and investment considerations and risk factors that appear under a particular hearing or sub-heading may also apply to one or more other headings or sub-headings.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Securities may require in investigating the Issuer or the Group, prior to making an investment decision in relation to the Securities issued under the Programme.

Neither this Information Memorandum nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arrangers or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for any of the Securities.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries and/or its associated companies (if any), either of the Arrangers, any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for any of the Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group, the terms and conditions of the Securities and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Securities.

This Information Memorandum contains forward-looking statements. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies, many of which are outside of the Issuer's control. The forward-looking information in this Information Memorandum may prove inaccurate. Please see the section on "Forward-Looking Statements" on page **7** of this Information Memorandum.

RISKS RELATING TO THE SECURITIES GENERALLY

Limited liquidity of the Securities issued under the Programme

There can be no assurance regarding the future development of the market for the Securities issued under the Programme or the ability of the Securityholders, or the price at which the Securityholders may be able, to sell their Securities. The Securities may have no established trading market when issued, and one may never develop. Even if a market for the Securities does develop, there can be no assurance as to the liquidity or sustainability of any such market. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This may particularly be the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally may have a more limited secondary market and more price volatility than conventional debt securities. If the Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar Securities, general economic conditions and the financial condition of the Issuer. If the Securities are trading at a discount, investors may not be able to receive a favourable price for their Securities, and in some circumstances investors may not be able to sell their Securities at their fair market value or at all.

Liquidity may have a severely adverse effect on the market value of Securities. Although the issue of additional Securities may increase the liquidity of the Securities, there can be no assurance that the price of such Securities will not be adversely affected by the issue in the market of such additional Securities.

Although an application will be made for the listing and quotation of any Securities to be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Securities will be so admitted or that an active trading market will develop. In addition, the market for investment grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Securities to be issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Securities.

Fluctuation of the market value of the Securities issued under the Programme

Trading prices of the Securities may be influenced by numerous factors, including the operating results and/or financial condition of the Issuer, its subsidiaries and/or associated companies (if any), political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, its subsidiaries and/or associated companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, its subsidiaries and/or associated companies (if any) operate or have business dealings, could have a material adverse effect on the operating results, business, financial performance and/or the financial condition of the Issuer, its subsidiaries and/or its associated companies (if any).

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of any Series or Tranche of Securities.

Interest rate risk

Investment in fixed rate Securities involves the risk that subsequent changes in interest rates may adversely affect the value of the fixed rate Securities and Securityholders may suffer unforeseen losses due to such fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in debt security prices, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, debt security prices may rise. The Securityholders may enjoy capital gains but interest payments received may be reinvested at lower prevailing interest rates.

Currency risk associated with Securities denominated in foreign currencies

As the Securities can be denominated in currencies other than Singapore dollars, the Issuer may be affected by fluctuations between the Singapore dollar and such foreign currencies in meeting the payment obligations under such Securities and there is no assurance that the Issuer may be able to fully hedge the currency risks associated with such Securities denominated in foreign currencies.

Exchange rate risks and exchange controls may result in Securityholders receiving less interest, distributions and/or principal than expected

The Issuer will pay principal and interest or distribution on the Securities in the currency specified. This presents certain risks relating to currency conversions if the Securityholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Securities are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Securities are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Securities are denominated would decrease (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Securities and (iii) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Securityholders may receive less interest and/or distribution or principal than expected, or no interest and/or distribution or principal at all.

FATCA (as defined below) is particularly complex and its application is uncertain

While the Securities are in global form and held within the clearing systems, it is not expected that the reporting regime and potential withholding tax imposed by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. FATCA also may affect payments to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA, including any legislation implementing intergovernmental agreements relating to FATCA, if applicable), and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax advisers to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Securities are discharged once it has paid the clearing systems or the common depositary for the clearing systems (as bearer or registered holder of the Securities) and the Issuer therefore has no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE SECURITIES AND THE SECURITYHOLDERS IS UNCERTAIN AT THIS TIME. EACH SECURITYHOLDER SHOULD CONSULT ITS OWN TAX ADVISERS TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH SECURITYHOLDER IN ITS PARTICULAR CIRCUMSTANCE.

The Issuer and other non-U.S. financial institutions through which payments on the Securities are made may be required to make withholdings pursuant to U.S. foreign account tax compliance provisions

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (foreign passthru payments) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes and Perpetual Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes and Perpetual Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes and Perpetual Securities, such withholding would not apply prior to 1 January 2019 and Notes and Perpetual Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes or Perpetual Securities (as described under "Terms and Conditions of the Notes – 14. Further Issues" and "Terms and Conditions of the Perpetual Securities – 12. Further Issues", as the case may be) that are not distinguishable from previously issued Notes or Perpetual Securities (as the case may be) are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes or Perpetual Securities (as the case may be), including the Notes or Perpetual Securities offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes or Perpetual Securities.

Inflation risk

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual returns.

The Securities are not secured

The Securities and the Coupons relating to them constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities) and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves. Accordingly, on a winding-up or dissolution of the Issuer at any time prior to maturity of any Securities, the Securityholders will not have recourse to any specific assets of the Issuer and its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders and there can be no assurance that there would be sufficient value in the assets of the Issuer after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons owed to the Securityholders.

The Securities may be represented by Global Securities or Global Certificates and holders of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System(s)

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, the Common Depositary, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg, CDP and/or such other clearing system, a "**Clearing System**"). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities or Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System. The relevant Clearing System(s) will maintain records of their direct account holders in relation to the Global Securities and Global Certificates.

While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to the Common Depositary, CDP or such other clearing system, as the case may be, for distribution to their accountholders or, to the CDP Issuing and Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System, as the case may be. A holder of beneficial interest in the Global Securities or Global Certificates must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Securities and the Global Certificates will not have a direct right under the Global Securities and the Global Certificates to take enforcement action against the Issuer in the event of a default under the relevant Securities but will have to rely upon their rights under the Trust Deed.

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities, including Securities with principal, distribution or interest payable in one or more currencies, or where the currency for principal, distribution or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Securities and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments. Investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact such investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Securities are legal investments for it, (2) the Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Performance of contractual obligations by the Issuer is dependent on other parties

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the documents relating to the Programme or an issue of Securities of their obligations thereunder including the performance by the Trustee and the Agents (as defined in the Trust Deed) of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Securities, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Securityholders and/or the Couponholders.

Securities may be issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Securityholders should be aware that Definitive Securities and Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade

In relation to any issue of Securities which have a denomination consisting of a minimum Denomination Amount (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Securities may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case, a Securityholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Denomination Amount will not receive a Definitive Security or Certificate in respect of such holding (should Definitive Securities or Certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denomination Amounts. If Definitive Securities or Certificates are issued, holders should be aware that Definitive Securities or Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Securities and Certificates will in no circumstances be issued to any person holding Securities in an amount lower than the minimum denomination and such Securities will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote or attend meetings of Securityholders) in respect of such Securities.

The Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (including pursuant to Condition 11 of the Notes and Condition 9 of the Perpetual Securities, as the case may be), the Trustee may (at its sole discretion) request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Securityholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly.

Provisions in the Trust Deed and the terms and conditions of the Securities may be modified

The terms and conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The terms and conditions of the Securities also provide that the Trustee may, without the consent of the Securityholders or Couponholders, agree to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by the relevant stock exchange, Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Securities may be held, and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed or any of the other Issue Documents (as defined in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Securityholders as soon as practicable.

A change in Singapore law which governs the Securities may adversely affect Securityholders

The Securities are governed by Singapore law in effect as at the date of issue of the Securities. No assurance can be given as to the impact of any possible judicial decision or change to

Singapore law or administrative practice after the date of issue of the Securities and any such change could materially impact the value of any Securities affected by it.

Application of Singapore insolvency and related laws to the Issuer may result in a material adverse effect on the Securityholders

There can be no assurance that the Issuer will not become bankrupt or insolvent or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on the Securityholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Securityholders.

Where the Issuer is insolvent or close to insolvent and the Issuer undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer. It may also be possible that if a company related to the Issuer proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer may also seek a moratorium even if the Issuer is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer, the need to obtain court permission may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Securityholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, recent amendments to the Companies Act in 2017 have introduced cram-down provisions for where there is a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Securityholders may be bound by a scheme of arrangement to which they may have dissented.

Further to the amendments that took effect on 23 May 2017 (some of which have been highlighted above), the Insolvency, Restructuring and Dissolution Bill (the "**IRD Bill**" or as passed, the "**IRD Act**") was passed in Parliament on 1 October 2018, but is not yet in force. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings, by reason only that the proceedings are commenced or that the company is insolvent. The extent to which the provisions in the IRD Act will impact this transaction (if at all) will depend on the extent to which such transactions will be exempted from the application of such provisions. There is no certainty as to whether the transactions contemplated under this Programme will fall within such exemptions.

RISKS RELATING TO THE NOTES

Singapore tax risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2023 are intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section "Singapore Taxation".

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

Variable Rate Notes may have a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

The Notes may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes containing such a feature. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risks in light of other investments available at that time.

RISKS RELATING TO THE PERPETUAL SECURITIES

Perpetual Securities may be issued for which investors have no right to require redemption

The Perpetual Securities are perpetual and have no fixed final maturity date. Perpetual Securityholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, potential investors should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

If specified in the relevant Pricing Supplement, Perpetual Securityholders may not receive distribution payments if the Issuer elects not to pay all or a part of a distribution under the terms and conditions of the Perpetual Securities

If Optional Payment is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Issuer is not subject to any limit as to the number of times or the amount with respect to which the Issuer can elect not to pay distributions under the Perpetual Securities. While the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Issuer will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the Issuer not to pay a distribution in whole or in part, will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the potential non-cumulative distribution feature of the Perpetual Securities and the Issuer’s ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Issuer’s or the Group’s financial condition.

If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the Issuer's option at date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events

The Perpetual Securities are perpetual securities and have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer on certain date(s) specified in the relevant Pricing Supplement at their principal amount (or such other redemption amount stated in the relevant Pricing Supplement) together with all outstanding Arrears of Distribution, Additional Distribution Amounts and distribution accrued to (but excluding) the date fixed for redemption. In addition, if specified in the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. See the section "Terms and Conditions of the Perpetual Securities – Redemption and Purchase" in this Information Memorandum.

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the holder of Perpetual Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for non-payment default under the Perpetual Securities

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution pursuant to the Conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-up proceedings (as defined in Condition 9(b) of the Perpetual Securities) is limited to circumstances where payment under the Perpetual Securities has become due and the Issuer fails to make such payment for a period of five business days after the date on which such payment is due. The only remedy against the Issuer available to the Trustee or (where the Trustee has failed to proceed against the Issuer as provided in the Conditions of the Perpetual Securities) any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a non-payment default after any sum becomes due in respect of the Perpetual Securities will be instituting proceedings for the Winding-up of the Issuer and/or proving in such Winding-up and/or claiming in the liquidation of the Issuer in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

The Issuer may raise or redeem other capital which affects the price of the Perpetual Securities

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the Conditions of the Perpetual Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a Winding-up of the Issuer, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of holders of Perpetual Securities to sell their Perpetual Securities.

The Subordinated Perpetual Securities are subordinated obligations

The obligations of the Issuer under the Subordinated Perpetual Securities will constitute unsecured and subordinated obligations of the Issuer. In the event of the Winding-up of the Issuer, the rights of the holders of Subordinated Perpetual Securities to receive payments in respect of the Subordinated Perpetual Securities will rank senior to the holders of all Junior Obligations and *pari passu* with the holders of all Parity Obligations, but junior to the claims of all other creditors, including, for the avoidance of doubt, the holders of Senior Perpetual Securities and/or Notes. In the event of a shortfall of funds or a Winding-up of the Issuer, there is a real risk that an investor in the Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts or accrued distribution.

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a Winding-up of the Issuer and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular tranche of the Perpetual Securities (the "**Relevant Tranche of the Perpetual Securities**") will be regarded as "debt securities" by the IRAS for the purposes of the ITA and whether the tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section "Singapore Taxation" of this Information Memorandum) would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA and holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of the Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

RISKS RELATING TO THE ISSUER'S AND THE GROUP'S GENERAL BUSINESS AND OPERATIONS

Media and Advertising Industry Risks

Dependence on advertising revenues

Advertising revenues comprised 47% of the Group's operating revenues in FY2018. The Group's ability to generate revenue from the sale of advertising will be affected by a number of factors, including but not limited to: the quality of content, its circulation and readership levels, readership demographics and socio-economic profiles, competition from other media, and various factors affecting the level of expenditure by advertisers, including their general prospects, cyclicality in their budgeting and buying patterns, restrictions placed on advertising by the regulatory bodies and the state of the economy in general. A future loss of such revenues as a result of any of these (or any other) factors could have an adverse effect, which may be material, on the Group's business, financial condition and results of operations.

Increased competition for readership

The Group faces competition in a highly competitive environment arising from globalisation. The liberalisation and globalisation of the world markets has meant greater mobility of information, more international participation in any given country's news and publishing industry, and more competition between news providers from different markets.

The 2016 DHL Global Connectedness Index ranked Singapore as the first among "globalisation hotspots", which are cities with the most intense international flows of trade, capital, people and information compared to their internal activity, and the second most connected country in the world. The Group faces the risk of reduced readership as consumers are presented with a wide range of news options from abroad and from non-traditional news providers.

If the Group loses ground to other news providers, this could affect its revenues which could have a material and adverse effect on the Group's business, financial condition and results of operations.

Increased competition for advertising spend

The Group faces competition due to the convergence in the advertising industry for advertising revenue from print and digital media channels, out-of-home advertising and other forms of media. The use of the Internet, mobile phones and other devices as new media for the distribution of news, entertainment and other information continues to increase in popularity. In addition, there is a proliferation of less expensive or free online alternatives for jobs and classified advertisements.

These technological developments have increased the number of media choices available to advertisers and audiences which may result in audience fragmentation and a shift in allocation of advertising dollars.

While the Group aims to continue to develop its own online offerings to address changes in consumer preferences and exploit technology to distinguish its products and services, there can be no assurance that its offerings will be able to effectively compete against alternative media choices. If the Group loses ground to other media channels, this could affect its revenues which could have an adverse effect, which may be material, on the Group's business, financial condition and results of operations.

New technologies may fail and/or not produce the benefits that are expected

The Group plans to continue to introduce and/or invest in new products, services and offerings, make changes to its existing products, services and offerings and these initiatives may involve the use or investments in new technologies that it has little or no experience in. There is no guarantee that these new technologies will succeed. If the Group's new products, services and offerings involving the use of new technologies fail to attract or engage customers or partners and/or fail to generate the revenue, operating margin or value that justify its investments, its business and operating results may be materially and adversely affected.

Declines in newspaper circulation and readership

Advertising and circulation revenues are affected by circulation and readership levels of the Group's newspapers. Circulation and readership levels are affected by, among other factors, increased competition from new media formats and sources other than traditional newspapers which are often free to users, and a shift in reading habits among some consumers to receive all or a portion of their news from other sources such as the Internet and mobile applications on electronic devices.

The success of the Group's newspaper products depends on the Group's continued ability to provide quality journalism and credible content. To the extent that readers perceive the Group's content to be less reliable or the Group is unable to meet readers' changing needs and differentiate its content from other providers, this would result in a decline in circulation, which could also affect advertising revenue and could have a material adverse effect on the Group's business, financial condition and results of operations.

Media coverage of fake news could impact the credibility of the Group

The continued success of the Group relies on its ability to maintain its reputation based on rigour, professionalism and integrity. The Group is committed to maintaining the quality of its publications. However, it cannot guarantee that it will be able to protect itself from the proliferation of fake news.

Media coverage of fake news could impact the credibility and image of the Group among its existing and target customers and could have a material adverse effect on the Group, its business, financial situation, earnings, development and prospects.

Volatility in economic conditions

The Group's business is affected by recessionary economic cycles. An economic downturn may adversely affect the Group's business and results of operations.

The Group's advertising revenues are affected by economic and competitive changes in significant advertising sectors. These revenues may be adversely affected if advertisers change their advertising practices, as a result of continuing weakness in the economy, shifts in spending patterns or priorities, structural changes, such as consolidations, or the cessation of operations.

Fluctuations in the price of newsprint and U.S. dollar exchange rate

Newsprint is a significant component of the Group's operating costs. The price of newsprint has historically been influenced by various factors, including a reduction in the number of suppliers due to consolidation in the newsprint industry, shortage of raw materials and rising oil prices. Any significant increase in newsprint prices may adversely affect the Group's operating results.

The Group's purchase of newsprint supply is denominated in U.S. dollars. Any unfavourable shift in U.S. dollar to Singapore dollar exchange rates would adversely increase the Group's operating cost and consequently reduce profit margins, adversely affecting the Group's financial performance.

Country risk

As the Group's new media business operates in South East Asia and North Asia, it is dependent on the economic growth and political stability in the countries in these regions. Any adverse change in the economic, political, legal or regulatory environments in these countries may have an impact on the Group's ability to diversify from its traditional print media focus which may materially and adversely affect the Group's business and results of operations.

Real Estate Sector Risks

The Group is reliant on its real estate portfolio for a substantial portion of its profits

The Group is reliant on its current real estate portfolio of majority-interest properties, for a substantial portion of its profits. For FY2017 and FY2018, the Group's real estate portfolio accounted for 53% of the Group's profit before taxation.

These properties are situated in Singapore, Australia and the United Kingdom, which exposes the Group to the risk of a prolonged downturn in economic and real estate conditions in Singapore, Australia and the United Kingdom. Any circumstance which adversely affects the operations or business of the Group's real estate portfolio, or their attractiveness to tenants, such as physical damage to the buildings due to fire or other causes, may reduce the portfolio's contribution to the Group's profits. This in turn may adversely affect the financial condition and results of operations of the Issuer's ability to fulfil their payment obligations under the Securities.

The Group is exposed to general risks associated with the ownership and management of real estate

Property investment is subject to risks incidental to the ownership and management of properties including, among other things, competition for tenants, changes in market rent, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in the Group's financial statements, increased operating costs, the need to renovate, repair and re-let space periodically, wars, terrorist attacks, riots, civil commotions, natural disasters and other events beyond the Group's control.

The activities of the Group may also be impacted by changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws relating to government appropriation, condemnation and redevelopment.

Any of the above factors may materially and adversely affect the ability of the Group to fulfil its payment obligations under the Securities.

The Group is exposed to general risks associated with the development and asset enhancement works on the Group's properties

The Group may from time to time initiate asset enhancement and/or development works on some of its properties at the request of existing or pre-committed tenants or to attract new tenants. There is no assurance that such plans for asset enhancement and/or development works will materialise. In the event that such asset enhancement and/or development works do materialise and are completed, there is no assurance that they will be able to achieve their desired results as such properties may still be unable to attract new tenants or retain existing tenants or pre-committed tenants may default on their pre-commitment obligations, and significant costs may have been incurred by the Group in the course of such asset enhancement and/or development works.

Unfavourable economic or competitive conditions may lead to declines in valuation of property assets

Unfavourable economic or competitive conditions may affect the occupancy rates or rental yields or sales rates of the Group's property assets. This may in turn have an adverse effect on the valuation of these property assets. Should there be any indication of impairment in the value of the assets, this may result in an impairment charge which would adversely affect the Group's operating results. This may also affect the Group's level of borrowings should financial covenants in the Group's financing and other agreements be triggered as a result of downward valuation of its properties.

The Group is exposed to operating risks and competitive pressures relating to the real estate industry, namely the retail and residential sectors

The retail mall properties in which the Group has an interest are subject to the operating risks inherent in the retail mall industry. These include uneven lease expiries, the ability of tenants to make timely rental payments, the renewal of leases at less favourable terms, non-renewals, non-replacements or early termination of leases and the possible loss of an anchor tenant, in the event that such anchor tenant files for bankruptcy or insolvency or experiences a downturn in its business, and its drawing power which could result in the loss in the demand for and value of the property.

The real estate sectors of the jurisdictions in which the Group operates, primarily Singapore, Australia and the United Kingdom, are highly competitive. The principal competitive factors include quality, design and location of the project, supply of comparable space and demand from prospective buyers, investors, tenants and shoppers, and accessibility of the project, including proximity to transport infrastructure. The Group also competes with other real estate developers, investment funds and other institutions in the countries in which it operates, for the acquisition of suitable development sites and available investment properties. Intense competition between real estate developers, investment funds and other institutions may also result in increased costs for land acquisition due to aggressive competition in the bidding process and lower profit margins due to competitive pricing, both of which may materially and adversely affect the Group's property development business.

There are also many existing and new retail or commercial properties in Singapore that compete with the Group's properties in attracting and retaining tenants. Whenever competing properties in the vicinity of the Group's properties are developed or substantially upgraded and refurbished, the attractiveness of such properties may be affected. The Group's properties will also compete with properties that may be developed in the future which may adversely affect the demand and rental rates for space in the Group's properties and consequently the business, financial condition, results of operations and/or prospects of the Group, which may in turn affect the availability of cash flows and the Group's ability to fulfil its payment obligations under the Securities.

The income from, and market value of, the Group's properties will be largely dependent on the relative competitiveness of its properties as compared to other retail properties in the relevant localities in attracting and retaining tenants. Historical operating results and the market values of the Group's properties may not be indicative of their future operating results and market values. The availability of cash flows and the Group's ability to fulfil its payment obligations under the Securities may be affected by a number of factors, including but not limited to (a) competing properties being more successful in attracting and retaining tenants; (b) similar properties in their vicinity being substantially upgraded and refurbished; (c) competition resulting in lower rental rates or having a detrimental effect on its tenants' businesses which affects their ability to pay rents; or (d) the requirement to undertake asset enhancement exercises to improve the Group's properties.

The Group may be affected by property cooling measures

The Group may be affected by property cooling measures introduced by the Singapore government from time to time. For example, with effect from 6 July 2018, the government raised Additional Buyer's Stamp Duty ("**ABSD**") in respect of purchases of residential property to cool the property market and keep price increases in line with economic fundamentals. Non-Singaporeans (who are also not Singapore permanent residents) must pay 20.0% ABSD in respect of any purchase of residential property, while Singapore permanent residents are required to pay 5.0% ABSD on their first purchase, and 15.0% on any second or subsequent purchases, of residential property. In addition, Singaporeans who already own one residential property are required to pay 12.0% ABSD on their second purchase, and 15.0% ABSD on their third and subsequent purchases, of residential property. ABSD is imposed over and above buyer's stamp duty. Furthermore, Loan-to-Value ("**LTV**") limits on housing loans has been tightened for residential property purchases. The lower LTV limits are subject to certain reliefs.

Such property cooling measures may have an adverse impact on the Group's real estate business and the financial performance of the Group. Moreover, 30.0% ABSD is payable by corporate property developers which purchase residential land or property, of which remission may apply to 25.0% ABSD and the rest of the 5.0% ABSD is non-remittable. Should the Group be unable to comply with any conditions to receiving ABSD remission, the ABSD payable may cause an increase in the cost of developing residential units and/or mixed development units, and in turn, may affect the profits of the Group.

Furthermore, the property cooling measures introduced by the Government may lead to a slowing down of the increase in property prices as well as uncertainty of sales in both residential as well as mixed development units. This could, in turn, adversely affect the revenue and financial position of the Group.

The Group may not be able to obtain all necessary licences for its property development projects

The Group's business is subject to various laws and regulations in Singapore and the countries the Group operates in. Various certificates, licences and approvals are required for each property development project in Singapore, United Kingdom, Australia and other jurisdictions in which the Group may operate. While the Group has been able to obtain the necessary certificates, licences and approvals for the completed property development projects of the Group as at the Latest Practicable Date, there is no guarantee that the Group will be able to obtain the same for its current or future property development projects. The Group's operations and business may be materially and adversely affected if it is unable to obtain the necessary certificates or licences or do not comply with any conditions imposed by such certificates or licences, or any other approvals required for its property development projects.

The Group's properties or any part of them may be acquired compulsorily

Under the laws and regulations of the jurisdictions where the Group's properties are situated (e.g. Singapore, Australia and the United Kingdom), there are various circumstances under which the respective governments are empowered to acquire any of the Group's properties in such jurisdiction.

For example, the Land Acquisition Act, Chapter 152 of Singapore (the "**Land Acquisition Act**") gives the Singapore Land Authority the power to acquire any land in Singapore:

- for any public purpose;
- where the acquisition is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purposes.

In the event that any of the Group's properties (or part thereof) is acquired compulsorily, the compensation to be awarded would be:

- the market value of the property as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land, provided that within six months from the date of such publication, a declaration of intention to acquire is subsequently made by publication in the Government Gazette; or
- the market value of the property as at the date of publication in the Government Gazette of the declaration of intention to acquire, in any other case.

In the event of any compulsory acquisition of the properties, the amount of compensation to be awarded may be less than the price which the Group paid for such property and/or the market value of such property at the relevant time. In such event, the compulsory acquisition of any of the properties owned by the Group or a part of them by the respective governments in the jurisdiction the properties are situated or any other country in which the Group may own properties would therefore have an adverse effect on the gross revenue of the Group and the value of the Group's portfolio.

The Group may be adversely affected by the illiquidity of real estate investments

Real estate investments, particularly investments in high value properties such as those in which the Group tends to invest, are relatively illiquid. Such illiquidity may affect the Group's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. The Group may be unable to sell its assets at short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. The Group may also face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors may have an adverse effect on the Group's business, financial condition, results of operations and/or prospects, with a consequential adverse effect on the Group's ability to fulfil its payment obligations under the Securities.

Any loss of major tenants or any breach by the major tenants of their obligations under the tenancy agreements may have an adverse effect on the Group's business, financial condition, results of operations and/or prospects

The Group is directly dependent on the tenants of its properties for revenue. There is a risk that a major tenant may prematurely terminate its lease or that it may not renew its lease upon expiry. It may be challenging to secure replacement tenants at short notice or on similar tenancy terms. In addition, the amount of rent and the terms on which lease renewals and new leases are agreed may be less favourable than those of the current leases. The loss of major tenants in any one of the properties or future properties acquired by the Group could result in periods of vacancy.

Furthermore, there is also a risk that one or more major tenants of the Group may be unable to pay their rent and/or otherwise breach their obligations under the lease agreements. The performance of the major tenants' businesses could also have an impact on their ability to make rental payments to the Group. The occurrence of any such adverse events may adversely affect the Group's business, financial condition, results of operations and/or prospects.

Factors that affect the ability of such major tenants to meet their obligations include, but are not limited to:

(a) ability of such major tenants to compete with its competitors;

(b) adverse changes in the local economies in which they have business operations;

(c) downturn in their business operations or their financial position including but not limited to bankruptcy or insolvency proceedings; and

(d) external factors such as acts of God, wars, terrorists' attacks, riots, civil commotions, adverse political developments, widespread communicable diseases or other events beyond the control of such major tenants where they may have business dealings in.

This would adversely affect the Group's operating results and its ability to generate revenue, which may in turn affect the Group's ability to fulfil its payment obligations under the Securities.

The cash flow of the Group may be adversely affected by declining advertising revenue and rental rates

The amount of cash flow available to the Group will depend in part on its ability to continue to generate advertising revenue and lease the Group's properties on economically favourable terms. Most of the Group's revenue is generated from advertising sales and rental of properties.

The Group's cash flow may be adversely affected by any significant decline in the advertising demand or rental rates at which the Group is able to lease its properties and to renew existing leases or attract new tenants. There can be no assurance that the advertising demand or rental rates will not decline at some point during the period from each issue of the Securities until their redemption and that such decline will not have an adverse effect on the cash flow of the Group, which may in turn affect the Group's business, financial condition, results of operations and/or prospects.

The retail component of the Group's developments may be affected by growth in online shopping

Online shopping for goods and services has been gaining popularity among shoppers. This may cause a decline in profits for brick-and-mortar businesses, causing a decrease in demand for retail space which may result in a decline in the rental rates, and have a material and adverse effect on the business, operations, results of operations and financial position of the Group.

Risks Related to the Group's Aged Care Sector

The Group may be affected by competition from existing aged care facilities as well as new entrants to the market

The aged care services industry in the region (including Singapore) is very competitive, with many aged care service providers, both private and public. An aged care service provider in the region (including Singapore) faces competition from existing aged care service providers as well as new entrants in the future. Some of these competing facilities are or may be owned and supported by governmental agencies or by endowments and charitable contributions. These types of support are not available to the aged care-related assets owned or to be owned by the Group.

The success of the operations of an aged care and/or aged care-related asset in the region (including Singapore) depends on the ability of the operator of these assets to compete effectively against its competitors. There can be no assurance that the Group would be able to compete successfully in the future. With the potential influx of new competitors, the ability of the Group to retain patients and to attract new patients is important to the continued success of the Group. There is no assurance that the patient loads of the aged care and/ or aged care-related assets owned or to be owned by the Group will not be affected with the entry of new competitors and this may adversely affect the operations and financial performance of the Group. In the event that the Group is not able to compete effectively against its competitors, its operating results may be adversely affected.

In addition, the Group will be subject to operating risks inherent in the aged care services industry which may adversely affect the results of the operations of the Group. These include changes in wages, prices, maintenance charges, utility charges, energy costs, sub-contracted service costs, and construction and maintenance costs that may result from inflation, government regulations, changes in interest rates or currency fluctuations, which may not necessarily be offset by corresponding increases in rental rates.

The Group's business in the aged care sector is sensitive to regulatory, social, political, economic, environmental, and competitive conditions and changes in Singapore

The performance of the Group may be adversely affected by a number of local real estate market conditions, such as the capital values of properties, the attractiveness of competing aged care properties or the demand for aged care and aged care-related assets in Singapore.

Aged care policy and the role of the private sector in Singapore is also constantly subject to ongoing review by the governmental authorities and to changes as a result of political decisions. Any changes such as reduced or reprioritised public spending on private sector aged care may have adverse consequences for the Group's business, results of operations, and financial condition.

Although the Group's existing aged care properties are located in Singapore, there can be no assurance that there will not be a change in aged care policy in any of the markets in which the Group operates, including but not limited to Singapore. Any material changes in the current government insurance payment systems or policies, or the regulatory, economic, environmental, or competitive conditions in Singapore, may have a disproportionate material adverse impact on the Group's business, financial condition, results of operations, and prospects.

Renovation, asset enhancement works, physical damage or latent building or equipment defects to the aged care properties may disrupt the operations of the properties and collection of rental income or otherwise result in adverse impact on the Group's financial condition

The quality and design of an aged care facility influences the demand for space in, and the rental rates of, the properties. The properties may need to undergo renovation or asset enhancement works from time to time to retain their attractiveness to tenants and may require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop, or due to new planning laws or regulations. The costs of maintaining an aged care facility and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. The business and operations of the properties may suffer some disruption and it may not be possible to collect the full rate of, or, as the case may be, any rental income on space affected by such renovation works. In addition, physical damage to the properties resulting from fire or other causes and design, construction, or other latent defects in the properties may lead to additional capital expenditure, special repair, or maintenance expenditure, business interruption, or payment of damages, or other obligations to third parties, and may in turn result in an adverse impact on the Group's business, financial condition, results of operations and prospects.

Challenges that affect the aged care industry may also have an effect on the Group operations

Generally, aged care facilities face the risk of increasing competition from new products or services and the risk that technological advances will render their services obsolete. For example, the rising cost of aged care technology may materially and adversely impact the revenue of the aged care facilities as well. Aged care facilities may also have persistent losses when adopting a new medical service, and revenue patterns may be erratic as a result. In addition, aged care facilities may be affected by events and conditions including, among other things, changes in demand for and methods of delivery of aged care services, physicians' confidence in the facility, management capabilities, competition with other aged care providers, efforts by insurers to limit charges and changes in third party reimbursement policies, pressure from customers to reduce payments to aged care providers and governmental regulation. If the revenues of the aged care facilities are adversely affected because of these risks, this may in turn materially and adversely affect the operation and financial performance of the Group and the Issuer's ability to fulfil its payment obligations under the Securities.

Operations of the aged care facilities are dependent upon the aged care facilities' ability to attract and retain aged care professionals

Operations at the aged care facilities depend on the efforts, abilities and experience of the aged care professionals at the aged care facilities. The aged care facilities compete with other aged care providers in the region, in recruiting and retaining qualified aged care professionals. The loss of some of these medical personnel, or the inability to attract or retain sufficient numbers of qualified aged care professionals, could have a material and adverse effect on the Group's aged care business, financial position and results of the operations.

The Group may be subject to lawsuits and other claims as a result of negligence and complaints

As operators of the aged care facilities, the Group is exposed to the risk of legal claims and/or regulatory actions arising from the provision of aged care services. Legal action may be taken against the relevant Group entity based on negligence, occupier's liability or other causes of action. The existence of such claims alone may tarnish the professional standing and market reputation of the Group's aged care business and/or its healthcare professionals.

The aged care facilities may also, from time to time, be the subject of complaints from patients with regard to the quality and cost of aged care services. The business of the aged care facilities may also be affected by negative publicity resulting from the publication of industry findings, research reports or health concerns.

The negative publicity that could generate from the above examples, regardless of their validity, may affect the number of customers visiting the aged care facilities and this could have a material and adverse effect on the Group's aged care business, financial position and results of the operations.

Risks relating to the competitive landscape of the education sector in Singapore

The education sector in Singapore is rapidly evolving, fragmented and competitive. Competition in this sector is expected to persist and intensify. Competitors may adopt similar curricula, school support and marketing approaches, with different pricing and service packages that may have greater appeal to certain groups of potential customers. In addition, competitors may have more resources than the Group's institutions and may be able to devote greater resources to the development and promotion of their facility and respond more quickly to the changes in student demand, testing materials, admissions standards, market needs or new technologies than the Group's institutions.

There may also be increased competition as a result of new or additional measures effected by the Singapore government that may affect the Singapore education industry. For example, in 2017, initiatives were outlined where the Singapore government intends to increase its spending on the preschool sector, including measures to increase the number of preschool places in the next five years, with new preschool centres that will partner kindergartens run by the Ministry of Education of Singapore. Reduction in school fees or an increased spending by the Group may be required in response to such competition to retain or attract students, or pursue new market opportunities.

If the Group's institutions are unable to successfully compete for new students, maintain or increase fees, attract and retain competent teachers or other key personnel, enhance the quality of their educational services or control competition costs, the business and results of the Group's operations may be materially and adversely affected.

Risks Related to the Group's Joint Ventures

The Group is subject to investment risks associated with investments

The Group continually explores investment opportunities in Singapore and overseas and is subject to investment risks. These risks may vary depending on the structure of the investment undertaken. One of the more recent investments undertaken by the Group is the collaboration with Keppel Corporation Limited as described in the section "Digital Investments".

There is no assurance that the Group will be successful in any of its investments or that such investments will generate an adequate return. The Group may face considerable financial risks if such new investments do not meet the expectations of customers in these new market segments.

The success of the Group's business is dependent on the continuing general growth of the economies in which its investments are situated, in particular the Asia-Pacific region. As its investments are concentrated in this region, its business may be susceptible to a downturn in the market in this region. This may lead to a decline in sales which will have a material adverse effect on the business, financial condition and results of operations.

The Group invests in entities which it does not control and which involve other partners and/or investors

The Group conducts some of its businesses through non-wholly-owned subsidiaries, associated companies and joint ventures in which it shares control (in whole or in part) with strategic or business partners. There can be no assurance that the Group will be able to control or exercise any influence over the assets of such non-wholly-owned subsidiaries, associated companies and joint ventures.

There can be no assurance that any of these strategic or business partners will wish to continue their relationships with the Group in the future or that the Group will be able to pursue its stated strategies with respect to its non-wholly-owned subsidiaries, associated companies and joint ventures. Furthermore, other investors in the Group's non-wholly-owned subsidiaries, associated companies and joint ventures may undergo a change of control or financial difficulties which may affect the relevant non-wholly-owned subsidiaries, associated companies and joint ventures, and which may in turn materially and adversely affect the business, operations, results of operations and financial position of the Group.

Any acquisitions or joint ventures which the Group engages in may not be successful and may require additional funding which could affect the Group's level of leverage

The Group may from time to time engage in selective acquisitions or joint ventures in order to grow its capabilities and/or diversify its revenue streams. Such acquisitions or joint ventures involve risks and uncertainties, including (without limitation) failure to complete acquisitions or joint ventures under commercially acceptable terms, difficulties in managing a larger and growing business and optimising the allocation of resources and operational efficiency, and failure to effectively integrate various operating functions. In addition, the Group may require additional financing to fund acquisitions or joint ventures. There can be no assurance that financing will be available or, if available, that such financing will be obtained on terms favourable to the Group. Such financing would also increase the Group's level of leverage. Failure to service the Group's indebtedness could lead to termination of one or more of its financing agreements or trigger cross-default provisions, penalties or acceleration of amounts due under such financing agreements. In any of these events, the Group's business and financial condition could be materially and adversely affected.

General Risks Related to the Group's Business

The Group may be exposed to new or increased risks as it expands the range of services and the geographic scope of its business.

Building growth in new and overseas markets forms a key pillar of the Group's strategy. In 2017, the Group became one of Singapore's largest private sector player in aged care following its acquisition of Orange Valley, with 981 beds in five nursing homes in Singapore. Subsequently, in September 2018, the Group acquired a portfolio of PBSA in the UK. The portfolio comprises 14 buildings across six towns and cities in the UK and has a total capacity of 3,436 beds for student accommodation.

Such expansion into new and/or overseas markets increases the Group's risk profile. This expansion to further deepen the Group's presence in new markets may further increase its exposure to the compliance risks and the credit and market risks specific to these markets. Furthermore, the Group may incur expenses necessary to address any regulatory requirements that may be required in these new markets. There may be risks associated with the Group's new services and businesses for which the Group has limited or no experience. As a result, the Group's risk management systems may prove to be insufficient and may not be effective in all cases or to the degree required. There can be no assurance that such expansion will not have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Changes in domestic, regional and global political, economic, regulatory or social conditions may have a material adverse effect on the financial performance and operations of the Issuer and the Group

Changes in domestic, regional and global economic conditions may have a material adverse effect on the demand for media and related services and hence, on the financial performance and operations of the Group. For example, any further dislocations, liquidity disruptions or market corrections occurring in the global credit and equity markets and other related events may have a significant impact on the global credit and financial markets and economic growth as a whole, and consequently, consumer and business demand for media, advertising and other related services.

Also, with a presence in countries such as the Singapore, United Kingdom and Australia, the Group is exposed to developments in the global economy as well as the industries and geographical markets in which it currently operates and/or invests or intends to operate and/or invest in the future. The Group is subject to the laws, regulations and government policies in each country in which it operates and/or invests in and its business, financial condition, prospects and results of operations may be influenced by the general state of the global economy or the general state of a specific market or economy.

The effect of the United Kingdom's decision to leave the European Union (also known as "**Brexit**") is uncertain. Brexit has and may continue to contribute to volatility in the prices of securities of companies located in Europe and currency exchange rates, including the valuation of the Euro and British pound in particular. These events, coupled with continued uncertainty in the global financial markets and economy, could adversely affect the Group's business, financial condition, prospects and results of operation. Based on a report published by KPMG LLP in May 2017, on "Brexit and Student Housing", overseas student applications to UK institutions plummeted after the Brexit vote. Figures from the Universities and Colleges Admissions Service showed that the number of EU students applying for the October 2016 course deadline dropped by 9% due to Brexit. EU applications were down 7.4% for the January 2017 course deadline. The uncertainty of the Brexit if continued may negatively impact the performance of the Group's Purpose-Built Student Accommodation in the United Kingdom.

A deterioration or slowdown in the global economies or countries in which the Group has a presence or intends to invest in, unstable market conditions (including credit markets) or geopolitical instability may have an adverse effect on the Group's prospects, business, financial condition and results of operations (including making impairments to the Group's investments).

The Group may also be adversely affected by exchange controls, changes in taxation laws, changes in foreign investment policies and other restrictions and controls which may be imposed by the relevant authorities of the countries in which the Group operates and/or invests.

Dependence on licences

A significant part of the Group's operations in Singapore is regulated extensively. Regulations that specifically apply to its business cover principally the areas of printing, publishing, media related activities, real estate and aged care sectors.

For instance, each of the Group's newspapers and magazines is published under specific licences which are granted by the Singapore Ministry of Communications and Information and which are renewable annually. In the event that any licence is materially amended, suspended or revoked, this may cause disruption (which could be material) to the operations of the Group and potentially the business of the Group as a whole. The ability of the Group to continue the operations of such business is dependent on the successful renewal of these licences. If the Group were to lose one or more of its licences, this could have a material adverse effect on the performance of the Group's newspaper and magazine business, and consequently on the Group's business, financial condition and results of operations as a whole.

The Group may experience limited availability of funds

The Group may require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group.

Factors that could affect the Group's ability to procure financing include the cyclicality of the property market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. A global credit crunch will also have an adverse impact on the availability and cost of funding and consequently may hinder the Group's ability to obtain additional financing.

In addition, in respect of availability of credit from banks, changes in the reserve requirement ratio will affect the amount of funds that banks must hold in reserve against deposits made by their customers. Any future increase in the reserve requirement ratio will further reduce the amount of bank credit available to businesses including the Group. Under certain circumstances (such as consolidation in the banking industry or banks being required to reduce their exposure to a particular company, sector or industry), lending banks may be forced to reduce their loan portfolio, in which case, there can be no assurance that the Group will be able to obtain new loans or refinance existing debt and the Group may be required to repay part of their loans.

Financial risk

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 the potential adverse effects of these risks on the financial performance of the Group. There can be no assurance, however, that such policies will be implemented properly and in a timely manner or be effective in improving the Group's management of these risks. If so, there may be a material and an adverse effect on the Group's financial condition and results of operations.

(a) Market risk

(i) Currency risk

The currency risk of the Group arises mainly from its operational purchases of raw materials and consumable stores, capital expenditure, and income generated from foreign subsidiaries, that are denominated in currencies other than the functional currency.

The Group is exposed to foreign exchange risks due to fluctuations in foreign exchange rates. As the Group's income, costs, cash flows, assets and liabilities are exposed to foreign exchange risks arising from various currency exposures when translated into the reporting currencies of the portfolio companies for financial reporting purposes. Consequently, portions of the Group's costs and margins are affected by fluctuations in the exchange rates of the relevant currencies, such as Australian Dollar, United States Dollars and Sterling Pound. Whilst currently a significant portion of the Group's revenue and the dividends received by it are contributed by the Issuer and denominated in Singapore dollars, there is no assurance that the other portfolio companies in the Group, whose results of operations are denominated in foreign currencies, may not yield significant dividends in the future.

Although, 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 jointly-controlled entities, the impact of future exchange rate fluctuations cannot be accurately predicted. There can be no assurance that its exposure to foreign exchange rate fluctuations will be adequately covered or that the Group will not be exposed to future exchange rate fluctuations in the relevant countries when capital and profits are repatriated back to Singapore.

(ii) Price risk

The Group is exposed to equity securities price risk because of the Group's investments which are classified either as available-for-sale or at fair value through profit or loss. The market values of these investments are affected by, amongst others, changes in market prices as a result of changes in the global economic conditions, macro and micro economic factors affecting the country where the investments are quoted, and factors specific to the investee corporations. If the value of the investments is negatively affected by the above factors, this may adversely affect the Group's financial condition and results of operations.

The fluctuations in market prices due to the above factors are unforeseen and the Group monitors and responds to these changes as and when appropriate and necessary. While the Group diversifies its portfolio across different markets and industries whenever it is appropriate to mitigate the price risk arising from investments in equity securities, there can be no assurance that factors outside the Group's control, such as the global credit crisis, will not lead to such diversification being ineffective, with a consequential loss in the value of the Group's investments.

(iii) Interest rate risk

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 risk by placing such balances on varying maturities and interest rate terms.

The Group's debt consists of bank borrowings taken up by the Group to finance its general working capital, capital expenditure and corporate requirements (including acquisitions and investments), and/or refinancing its existing borrowings. Where appropriate, the Group seeks to minimise its cash flow interest rate risk exposure by entering into interest rate swap contracts to swap floating interest rates for fixed interest rates over the duration of its borrowings. However, its hedging policy may not adequately cover the Group's exposure to interest rate fluctuations and this may result in an adverse effect on the Group's financial condition and results of operations.

(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. Credit risk arising from sales to customers may be mitigated through a stringent credit evaluation process, the requirement of collateral from parties, the imposition of credit limits and cash and/or advance payment terms and the regular monitoring of the parties' creditworthiness. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. However, adverse changes in the credit quality of the Group's customers, or adverse changes arising from a general deterioration in global economic conditions could reduce recoverability from counterparties. There is no assurance that counterparties will not default on the amounts owing to the Group.

The Group may enter into various transactions which will expose it to the credit of its counter-parties and their ability to satisfy the terms of such contracts. For example, the Group may enter into swap arrangements, which exposes it to the risk that the counter-party may default on its obligations to perform under the relevant contract and the Group's surplus funds are invested in interest-bearing deposits with financial institutions. In the event a counter-party, including a financial institution, is declared bankrupt or becomes insolvent, this may result in delays in obtaining funds or having to liquidate the position, potentially leading to losses.

(c) Liquidity risk

The Group also uses credit lines with banks to cover liquidity needs, which is dependent on the willingness of banks to provide credit lines. Structural changes in the banking business may impact the willingness of banks to provide credit lines to the Group.

In addition to bank credit facilities, the Group intends to finance its activities and operations from time to time by the issuance of debt, principally in the capital markets. Therefore, the Group will be dependent on broad access to these capital markets and investors. Changes in demand for debt instruments in capital markets could limit the Group's ability to fund activities and operations.

(d) Capital risk

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. Such actions are subject to general market conditions and may not always be feasible.

The inability of the Group to implement such activities may adversely affect the creditworthiness of the Group, leading to a negative impact on the Group's financial condition and its ability to continue as a going concern.

The Group's ability to borrow in the bank or capital markets may be materially adversely affected by a financial crisis in a particular geographic region, industry or economic sector

The Group's ability to borrow in the bank or capital markets to meet its financial requirements is dependent on favourable market conditions. Financial crises in particular geographic regions, industries or economic sectors could in the future, lead to sharp declines in the currencies, stock markets and other asset prices in those geographic regions, industries or economic sectors, which in turn threaten affected companies, financial systems and economies, and which may also significantly increase the costs of such borrowing. For these or other reasons, the Group may be unable to obtain future financing on favourable terms, or at all, to fund its operations, anticipated capital expenditure and working capital requirements and this could materially and adversely affect its business, results of operations and financial condition.

Future financing may place restrictions on the Group's operations

If the Group is required to raise additional financing to meet capital or operational requirements and such financing requirements are carried out by additional debt financing, the Group may have restrictions placed on it through such debt financing arrangements which may:

(a) increase the Group's vulnerability to general adverse economic and industry conditions;

(b) limit the Group's ability to pursue its growth plans;

(c) require the Group to dedicate a substantial portion of its cash flow from operations to payments on its debt, thereby reducing the availability of its cash flow to fund capital expenditure, working capital requirements and other general corporate purposes; and

(d) limit the Group flexibility in planning for, or reacting to, changes in the business and industry.

Future credit facilities may also contain covenants that require the creation of security interests over assets or limit the Group's flexibility in its operations or financing activities. Such covenants may include negative pledges, restrictions on indebtedness, maintenance of certain financial ratios and prohibition of amendments to material documents, amongst others. Breach of these covenants could result in defaults under the relevant financing instruments. If the Group defaults under its financing instruments and is unable to cure the default or obtain refinancing on favourable terms, it would have a material and adverse effect on the business, operations, results of operations and financial position of the Group.

Dependence on sufficient insurance coverage

The Group maintains various insurance policies to safeguard against risks and unexpected events. The Group has obtained insurance policies from commercial insurers to cover risks arising from its business activities, but insurance policies could prove to offer insufficient coverage in individual cases of damages, losses or liability claims. The Group does not maintain terrorism-risk insurance for all the properties that it owns or deploys for the Group's businesses. If the Group incurs losses that are not covered by its insurance policies or its insurers are unwilling or the amounts reimbursed are significantly less than its actual losses, its businesses, financial condition and results of operations could be materially and adversely affected.

Moreover, it is also uncertain whether companies with global operations such as the Group will be able to continue to obtain suitable insurance coverage for all business risks on economically acceptable terms at all times in the future. It is possible that insurance companies may stop providing coverage under comprehensive/third-party liability insurance policies for certain risks in connection with terrorist attacks, war or other hostile actions at commercially acceptable terms or may suspend such insurance entirely. Any such development could adversely affect the Group's revenues, results of operations and/or financial condition.

The Group may not be able to obtain appropriate insurance coverage on reasonable commercial terms or at all

The Group takes out insurance policies to insure its properties, projects, assets and liabilities in accordance with industry practices. However, not all risks are insurable. For example, losses resulting from war are generally uninsurable in its context. In other instances, it may not be economical for the Group to insure the risk in full. Even if insurance is obtained, the Group may still be required by the insurers to undertake a portion of the risks through the appropriate level of deductibles to a claim.

There can be no assurance that the Group will be able to obtain appropriate insurance on commercially reasonable terms, if at all. Failure to obtain appropriate or adequate insurance could create financial uncertainty to the Group and potentially cause it to incur significant financial loss upon the occurrence of a major uninsured event. The Group's reputation might be adversely affected if the Group is not able to meet the liabilities that arise from a major uninsured event. Failure to obtain appropriate or adequate insurance also reduces the Group's ability to obtain bank loans or other financing for future construction projects and other commercial activities. The inability of the Group to obtain or renew insurance coverage at a reasonable cost, or at all, may cause the Group's operating costs to increase and this may have an adverse effect on the financial condition of the Group.

The Group may suffer material losses in excess of insurance proceeds

The Group maintains different insurance policies covering damages or loss to its inventories but in the event that such damage or loss exceeds the insurance coverage procured by the Group, or is not covered by the insurance policies that the Group has taken up, the Group may be exposed to financial losses. While the Group maintains public and product liability insurance policies, any defects in the products sold by the Group may also result in a material and adverse customer reaction, thereby resulting in negative publicity for the Group, incurring additional time, effort and expenditure to rectify the problems and settle claims against the Group, consequentially resulting in a material and adverse effect on its business, operations, results of operations and financial position.

The Group's properties face the risks of suffering physical damage caused by fire, earthquakes or other acts of God or other causes, as well as face potential public liability claims, including claims arising from the operations of the properties, all of which may result in losses (including loss of rent) and the Group may not be fully compensated by insurance proceeds. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.

In addition, certain types of risks (such as war risk and losses caused by the outbreak of contagious diseases, contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Should an uninsured loss occur, the Group could be required to pay compensation to claimants and/or lose capital invested in the affected properties as well as anticipated future revenue from such properties. The Group may also remain liable for any debt or other financial obligation related to those properties.

The Group's business operations are subject to the Group's ability to attract and retain skilled professional and technical employees

The Group's employees are a key part of its business. While the Group recognises the importance of human capital to its operations and growth, its future performance depends on its ability to attract and retain high quality personnel with the relevant expertise. If the Group is unable to attract and retain a sufficient number of personnel with the relevant experience, the Group's business, revenues and results of operations could be adversely affected.

Movements in interest rates may affect the Group's cost of servicing borrowings

The Group finances its activities and operations through a combination of borrowings (which may bear interest at floating or fixed rates) and cash from operations. Changes in interest rates will affect borrowings which bear interest at floating rates. Any increase in interest rates will affect the Group's cost of servicing these borrowings which may adversely affect the Group's profit and financial position.

The Group depends on key management for the growth and successful implementation of its strategy

The Group believes that the growth it has achieved to date, as well as its position as one of Asia's leading media organisation, is to a large extent, attributable to a strong and experienced management team. The Group believes that its continued growth and the successful implementation of its business strategy depend upon the retention of its key management executives and upon its ability to attract and retain other highly capable individuals. The loss of some or all of the Group's senior executives, or the inability to attract or retain other key individuals, could materially and adversely affect the Group's business.

The Group is exposed to general inflationary pressures

Future increases in prices of goods and services globally may negatively affect the economic growth and stability of countries in which the Group operates and/or invests. The economic and political conditions in these countries make it difficult to predict whether goods and services will continue to be available at prices that will not negatively affect economic growth and stability. There can be no assurance that future increases in prices generally in the countries in which the Group operates and/or invests will not lead to political, social and economic instability, which in turn could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group is exposed to various legal and regulatory risks

The Group has investments and operates in many countries. It is, from time to time, confronted with legal and regulatory requirements and judiciary systems in many jurisdictions. These include foreign ownership structure and restrictions, anti-trust regulations, national security applications, licensing requirements, sanctions, laws against illegal payments and trade barriers, as well as the risk of regulatory action by regulators. Any changes in the legal and regulatory requirements may adversely affect the Group's operations or investments.

The Group may face difficulties in jurisdictions where the interpretation, application and enforcement of laws and regulations may be uncertain or unclear and may be subject to considerable discretion. The application of the laws and regulations may depend, to a large extent, upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy. Interpretation of, compliance with and enforcement of, judicial or regulatory decisions, rulings, directives or guidelines may be uncertain or unclear, and the consequences thereof may not be manageable or predictable. Judicial decisions may not be systematically or publicly available and may not constitute binding precedent. Enforcement of laws and regulations may not be well established. There may not be public consultation or notice prior to changes in interpretation, application and enforcement of laws and regulations. Where the interpretation, application and enforcement of laws and regulations may be subject to uncertainty and considerable discretion, it could in practice lead to a challenging operating environment, increasing the difficulties involved in planning and managing a business, and may adversely affect the Group's operations and investments in these jurisdictions.

In connection with an investment in, or divestment of an interest in, a portfolio company, the Group may be exposed to certain claims and liabilities relating to the subject company or its ownership interest therein. In the event of such claims, the financial condition and results of operations of the Group may be adversely affected.

The Group is subject to compliance with various laws, regulations and legislation and non-compliance may materially and adversely affect its business operations

The Group's business operations are subject to various laws, regulations and governmental directives in the countries that it operates in, which include but are not limited to codes of practice and guidelines from the Info-communications Media Development Authority of Singapore, the Companies Act, Monetary Authority of Singapore regulations, the SFA, the Competition Act, Chapter 508 of Singapore, the listing rules of the Singapore Exchange and laws and regulations in relation to the aged care sector, data protection and privacy.

The Group's newspaper business is also dependent on the annual renewal of its printing licence and newspaper permit for each newspaper, pursuant to the provisions of the Newspaper Act. The Group's online publications and radio business are also subject to the Broadcasting Act and its relevant Codes of Practice.

While the Group aims to comply with all applicable and relevant laws, regulations and directives at all material times and have put in place the necessary controls, there can be no assurance that there will not be breaches that may arise from inadvertent oversight and may not be able to rectify all such non-compliances in a timely manner. Any changes in or introduction of new regulations that require its compliance may also increase its cost of operations. Accordingly, a significant increase in compliance costs arising from new government legislation, regulations and policies in the countries that the Group operates in may adversely affect its operating results. Failure on the Group's part to comply with the relevant acts and codes may subject the Issuer to significant liabilities, such as fines, suspension, or the revocation of the licence.

The Group may be involved in legal and other disputes from time to time arising in the ordinary course of its business

The Group is exposed to various claims relating to its commercial operations, personal injuries, employee and labour disputes, shareholder disputes and other disputes in the ordinary course of its business. There can be no assurance that an outcome favourable to the Group may obtained in arbitrations, litigations or settlements in which it is involved. Any disputes arising in the future may also damage the Group reputation, increase its operational costs or divert time and other resources from the business.

The Group's success in the future will depend on the successful implementation of its strategies

The Group's success in the future will depend on its continued ability to implement its strategies. There can be no assurance that the Group will be able to successfully implement its strategies which may require new expertise, substantial process or systems changes. Whether the Group succeeds in pursuing new growth opportunities will depend on its ability to identify and complete acquisitions or reach agreement with potential partners on favourable terms. There is no assurance that such opportunities or agreements can be identified or reached on satisfactory terms or at all.

The Group anticipates that its future growth will come partly from the expansion of its operations outside Singapore. The Group's overseas business and investments are located in both developing and developed countries. Overseas expansion will also include entering into new markets. The Group's business and the implementation of its strategies are subject to various risks beyond its control, such as the instability of foreign economies and governments, and changes in laws and policies affecting investment activities. The events arising from such risks could potentially affect the Group's business or investments overseas in the future. Further, any failure by the Group to manage its operations and investments, particularly those outside Singapore, could have an adverse impact on the Group's business, results of operations and financial condition.

The Group may not be able to identify and complete acquisitions or investments on favourable terms or at all

The Group continually evaluates the market for opportunities. Its ability to complete acquisitions or invest on favourable terms may be exposed to the following significant risks:

- competition from competitors, strategic or financial investors with significant capital resulting in an inability to acquire or invest on favourable terms or at all; and

- an inability to finance acquisitions or investments on favourable terms or at all.

If the Group cannot complete acquisitions or investments on favourable terms or at all, its financial condition, results of operations and cash flow could be materially adversely affected.

The outbreak of an infectious disease or any other serious public health concerns in could impact its business, results of operations and financial condition

Natural disasters, severe weather conditions and the outbreak of epidemics may adversely affect the economy and infrastructure in the countries in which the Group operate. Some cities where the Group operate are under the threat of flood, earthquake, sandstorm, snowstorm, fire, drought or epidemics such as Severe Acute Respiratory Syndrome (SARS), H5N1 avian flu, H1N1 Influenza (commonly known as swine flu) and/or the Zika virus. Past occurrences of such phenomena, for instance the outbreak of SARS in 2003 which adversely affected Asian economies (including Singapore) and the earthquake in Japan in March 2011 have caused varying degrees of harm to businesses and the national and local economies. Any of the foregoing could have a negative impact on the global economy, and business activities in Asia which may have a material and adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group is exposed to terrorist attacks, other acts of violence or war and adverse political developments

Terrorist attacks, other acts of violence or war and adverse political developments may affect the business and results of operations of the Group. Further developments stemming from these events or other similar events could cause further volatility. The direct and indirect consequences of any terrorist attacks or armed conflicts are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on its business operations and results. Any additional significant military or other response or any further terrorist activities could also materially and adversely affect international financial markets and the economies in which the Group operates and may thereby adversely affect its business, financial condition, prospects and results of operations.

The accounting standards which the Group is subject to may change

The Group may be affected by the introduction of new or revised accounting standards. Accounting standards in the countries the Group operates in are subject to change as they are further aligned with international accounting standards. The financial statements of the Group may be affected by the introduction of such revised accounting standards. The extent and timing of these changes in accounting standards are currently unknown and subject to confirmation by the relevant authorities.

The Group has not quantified the effects of these proposed changes and there can be no assurance that these changes will not:

(a) have a significant impact on the presentation of the Group's financial statements;

(b) have a significant impact on the Group's results of operations;

(c) have an adverse effect on the ability of the Group to carry out its investment strategy; or

(d) have a material and adverse effect on the business, operations, results of operations and financial position of the Group.

The Group's facilities could be adversely affected by events over which it has no control

The Group's facilities may be exposed to the effects of equipment failure or malfunction, natural disasters, cyber-attacks and, potentially, catastrophic events, such as a major accident, terrorist attack or incident at key operating facilities. Although the Group's facilities are operated and maintained to withstand certain of these occurrences and the Issuer seeks to ensure the security of its facilities by adopting security measures such as hardening the security infrastructure, security patrols, regular drills and contingency preparedness exercises and security screening, such measures may not be sufficient to prevent damage to the Group's facilities and/or its transmission and distribution network assets in certain cases. This risk is heightened by the geographical concentration of a significant portion of the Group's assets in Singapore.

For example, terrorist attacks or major accidents could result in damage to the Group's printing presses, adversely affecting the Group's daily news production. Any repairs necessary to correct any resulting damage to the Group's assets could be costly and time-consuming, and may result in substantial lost revenues during the period of such repairs.

The Group is exposed to potential risks relating to security of customer data and privacy breaches

In certain countries in which the portfolio companies operate, there are data protection and/or privacy laws, such as the Personal Data Protection Act 2012 in Singapore and the General Data Protection Regulations in the European Union, that impose certain obligations on the Group, in respect of the collection, use and disclosure of personal data. Significant failure of security measures may undermine customer confidence and materially impact the portfolio company's business. Failure of security mechanisms may also result in the imposition of penalties and/or additional regulatory measures relating to the security and privacy of customer data by the regulators and these consequentially may have a material adverse effect on the Group's business, financial condition and results of operations.

If the Group's security measures are breached, or if its services are subject to attacks that degrade or deny the ability of users to access its systems, products and services, the Group may experience significant legal and financial exposure, its products and services may be perceived as not being secure, users and customers may curtail or stop using its products and services, and the Group's business may be disrupted

Network and information systems and other technologies are critical to the Group's business activities. Network and information systems-related events such as computer hackings, cyber-attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks or other malicious activities, or any combination of these items, could result in a degradation or disruption of the Group's services, damage to its properties, equipment and data, or unauthorised disclosure of confidential information. The Group experiences cyber-attacks against its network and information systems of varying degrees on a regular basis, and as a result, unauthorised parties could obtain access to its data or its customers' data. The Group's security measures may also be breached due to employee error, malfeasance, or otherwise.

While the Group develops and maintains systems and processes designed to prevent systems-related events and security breaches from occurring, the development and maintenance of these systems and processes is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. Despite the Group's efforts, there can be no assurance that unauthorised access and security breaches will not occur in the future. In addition, because the techniques used to obtain unauthorised access, disable or degrade service, or sabotage systems change frequently and often are not recognised until launched against a target, the Group may be unable to anticipate these techniques or implement adequate preventative measures. Any security breach or unauthorised access could result in significant legal and financial exposure, including in respect of customer credits, lost revenue due to business interruption, increased expenditures on security measures, monetary damages, regulatory enforcement actions, fines and/or criminal prosecution. In addition, damage to the Group's reputation and the market perception of the effectiveness of its security measures could cause the Group to lose customers. Moreover, the amount and scope of insurance that the Group maintains against losses resulting from unauthorised access or security breaches may not be sufficient to cover its losses or otherwise adequately compensate it for any disruptions to its businesses that may result.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

Net proceeds from the issue of the Securities under the Programme (after deducting issue expenses) will be used for general working capital, capital expenditure and corporate requirements (including acquisitions and investments), and/or refinancing existing borrowings, of the Issuer and its subsidiaries, or such other purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a Global Security or a Global Certificate for persons holding the Securities in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Securities through the Depository System may be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payments of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the CDP Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as "debt securities" for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA or distribution payments made under each tranche of the Perpetual Securities are not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

From the time of establishment of the Programme to 2 May 2019, Oversea-Chinese Banking Corporation Limited had been the sole arranger under the Programme and was a Financial Sector Incentive (Bond Market) ("**FSI-BM**") Company (as defined in the ITA) until 1 January 2014 and a FSI-BM Company, Financial Sector Incentive (Standard Tier) ("**FSI-ST**") Company or Financial Sector Incentive (Capital Market) ("**FSI-CM**") Company (as defined in the ITA) thereafter. DBS Bank Ltd. has been appointed as an additional arranger under the Programme with effect from 2 May 2019, and is a FSI-ST Company or FSI-CM Company at such time.

As the Programme as a whole was arranged by an FSI-BM Company prior to 1 January 2014, and by FSI-BM, FSI-ST and FSI-CM Companies thereafter, any tranche of the Securities (the "**Relevant Securities**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2023 would be qualifying debt securities (**"QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Securities derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require), Qualifying Income from the Relevant Securities derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require,

payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Securities would not qualify as QDS; and

(B) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenure of such tranche of Relevant Securities, 50.0% or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Securities held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

"prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

"redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and “break cost”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to “prepayment fee”, “redemption premium” and “break cost” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard (“**FRS**”) 39, , FRS 109 or Singapore Financial Reporting Standard (International) 9 (“**SFRS(I) 9**”) (as the case may be) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) for tax purposes in accordance with the provisions of FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Securities is made. See also “Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes”.

3. Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement”.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Holders of the Securities who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe for or procure subscribers for Securities from the Issuer pursuant to the Programme Agreement.

The Arrangers, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or their business. The Issuer may from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions (including, without limitation, rebates to private banks as may be specified in the applicable Pricing Supplement).

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

In connection with the issue of any Tranche of Securities, such Securities, when issued, may not have a market. The Dealer or Dealers (if any) may advise the Issuer that they intend to make a market in such Securities as permitted by applicable law. They are not obligated, however, to make a market in the Securities and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for such Securities.

The Arrangers, the Dealers or any of their respective affiliates may purchase Securities for its own account or enter into secondary market transactions or derivative transactions relating to the Securities, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackaging and credit default swaps, at the same time as the offering of the Securities. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Securities to which this Information Memorandum relates (notwithstanding that such selected counterparties may also be a purchaser of the Securities). As a result of such transactions, the Arrangers, the Dealers or any of their respective affiliates may hold long or short positions relating to the Securities.

The Arrangers, the Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and enter into other transactions in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Securities issued under the Programme, may be entered into at the same time or proximate to offers and sales of Securities or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Securities. Securities issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

Accordingly, references herein to the Securities being "offered" should be read as including any offering of the Securities to the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

While the Arrangers, the Dealers and/or any of their respective affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause the Arrangers, the Dealers or any of their respective affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Securities. The Arrangers, the Dealers or any of their respective affiliates may receive returns on such transactions and have no obligations to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Securities.

United States

The Securities have not been and will not be registered under the Securities Act and the Bearer Securities are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or, in the case of Bearer Securities, delivered within the United States, or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of Regulation S of the Securities Act ("**Regulation S**"). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Securities within the United States or to, or for the account or benefit of, U.S. persons, except as permitted by the Programme Agreement. Terms used in this paragraph have the meanings given to them by Regulation S.

The Securities are being offered and sold outside the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Securities, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Securities outside the United States. The Issuer and the Dealer(s) reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Securities specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(i) the expression retail investor means a person who is one (or more) of the following:

  (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(b) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(c) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"); and

(ii) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

If the Pricing Supplement in respect of any Securities specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

(i) if the Pricing Supplement in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer"**), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "**an offer of Securities to the public**" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) in relation to any Securities which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Singapore

Each Dealer acknowledges that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

No action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction (other than Singapore) where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge comply with all relevant laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes this Information Memorandum, any other document or any Pricing Supplement. Other persons into whose hands this Information Memorandum or any Pricing Supplement comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Securities or possess, distribute or publish this Information Memorandum or any Pricing Supplement or any related offering material, in all cases at their own expense.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Securities or a supplement to this Information Memorandum).

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. The name and position of each of the Directors are set out below:

Name	Position
Mr Lee Boon Yang	Chairman, Non-Executive and Independent Director
Mr Ng Yat Chung	Chief Executive Officer, Executive and Non-Independent Director
Ms Janet Ang Guat Har	Non-Executive and Independent Director
Mr Bahren Shaari	Non-Executive and Independent Director
Ms Chong Siak Ching	Non-Executive and Independent Director
Mr Andrew Lim Ming-Hui	Non-Executive and Independent Director
Mr Quek See Tiat	Non-Executive and Independent Director
Mr Tan Chin Hwee	Non-Executive and Independent Director
Ms Tan Yen Yen	Non-Executive and Independent Director

2. The interests of the substantial shareholders and the Directors of the Issuer in the Shares as at the LPD are as follows:

Name of Substantial Shareholder	No. of Shares	Percentage[(1)]
DBS Nominees Pte Ltd	194,289,158	12.16
Citibank Nominees Singapore Pte Ltd	186,486,468	11.67
DBSN Services Pte Ltd	80,149,805	5.02

Note:
(1) excluding treasury shares

Name of Director	No. of Shares	No. of Management Shares
Mr Lee Boon Yang	20,000	4
Mr Ng Yat Chung[(1)]	27,600	16
Ms Janet Ang Guat Har	10,000[(2)]	4
Mr Bahren Shaari	11,000	4
Ms Chong Siak Ching	9,000	4
Mr Andrew Lim Ming-Hui	12,000	4
Mr Quek See Tiat	13,000[(3)]	4
Mr Tan Chin Hwee	11,000	4
Ms Tan Yen Yen	9,000	4

Note:
(1) Mr Ng Yat Chung may also receive up to 1,271,270 awards under the SPH Performance Share Plan 2016 (approved by shareholders at the annual general meeting held on 1 December 2016) based on a grant of up to 200%.
(2) Ms Janet Ang Guat Har is also deemed interested in 4,250 Shares
(3) Mr Quek See Tiat is also deemed interested in 47,000 Shares

SHARE CAPITAL

3. As at the date of this Information Memorandum, there is only one class of ordinary shares and one class of management shares in the Issuer. The rights and privileges attached to the Shares are stated in the Constitution of the Issuer.

4. The issued share capital of the Issuer as at LPD is as follows:

Share Designation	Issued Share Capital (Number of Shares)	Amount
Ordinary Shares	1,600,649,121	S$506,712,084.95
Management Shares	16,361,769	S$ 7,109,030.66

Voting rights of shareholders

The holders of management and ordinary shares shall be entitled to 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 Issuer, the holders of the management shares shall be entitled either on a poll or by show of hands to 200 votes for each management share held.

BORROWINGS

5. Save as disclosed in Appendix III, the Group had as at 31 August 2018 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

6. The Issuer is of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Securities, the Issuer will have adequate working capital for its present requirements.

CHANGES IN ACCOUNTING POLICIES

Accounting Policies

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

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

   - SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*

   - SFRS(I) 15 *Revenue from Contracts with Customers*

   - SFRS(I) 9 *Financial Instruments*

   SFRS(I) 1

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

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

SFRS(I) 15

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

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

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

SFRS(I) 9

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

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

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

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

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

LITIGATION

8. There are no legal or arbitration proceedings pending or, to the best of the Issuer's knowledge after making all reasonable enquiries, threatened against the Issuer or any of its subsidiaries the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer or the Group.

MATERIAL ADVERSE CHANGE

9. There has been no material adverse change in the financial condition or business of the Issuer or the Group since 31 August 2018.

CONSENT

10. KPMG LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

11. Copies of the following documents may be inspected at the registered office of the Issuer at 1000 Toa Payoh North, News Centre, Singapore 318994 during normal business hours for a period of six months from the date of this Information Memorandum:

    (a) the Constitution of the Issuer;

    (b) the Trust Deed;

    (c) the letter of consent referred to in paragraph 10 above; and

    (d) the audited consolidated financial statements of the Group for FY2017 and FY2018.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

12. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SINGAPORE PRESS HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2017

The information in this Appendix II has been reproduced from the auditor's report on the consolidated financial statements of Singapore Press Holdings Limited and its subsidiaries for FY2017 and has not been specifically prepared for inclusion in this Information Memorandum.

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 S$'000	2016 S$'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	2016
		S$'000	S$'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 **S$'000**	2016 S$'000	**2017** **S$'000**	2016 S$'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	2016
	S$'000	S$'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	2016
	S$'000	S$'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).

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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

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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	2016
	S$'000	S$'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	2016
	S$'000	S$'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	2016
	S$'000	S$'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

AUGUST 31, 2017

22. OPERATING REVENUE

	Group	
	2017 **S$'000**	2016 S$'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 **S$'000**	2016 S$'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	2016
	S$'000	S$'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	2016
	S$'000	S$'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).*

NOTES TO THE FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2017

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	**Diluted**	Basic	Diluted
	S$'000	**S$'000**	S$'000	S$'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

AUGUST 31, 2017

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

AUGUST 31, 2017

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

AUGUST 31, 2017

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

AUGUST 31, 2017

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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SINGAPORE PRESS HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

The information in this Appendix III has been reproduced from the auditor's report on the consolidated financial statements of Singapore Press Holdings Limited and its subsidiaries for FY2018 and has not been specifically prepared for inclusion in this Information Memorandum.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

Basis for opinion

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

Key audit matters

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

Valuation of investment properties

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

Risk:

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

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

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

Our response:

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

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

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

Our findings:

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

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

Valuation of unquoted investments

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

Risk:

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

Our response:

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

Our findings:

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

Valuation of goodwill and intangible assets
(Refer to Note 13 to the financial statements)

Risk:

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

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

Our response:

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

Our findings:

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

Other information

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

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
15 October 2018

STATEMENTS OF FINANCIAL POSITION

AS AT 31 AUGUST 2018

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

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

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

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

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED
31 AUGUST 2018

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

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

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

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

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2018

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED
31 AUGUST 2018

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

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

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

1. GENERAL INFORMATION

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

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

The principal activities of the Group consist of:

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

The principal activities of the Company consist of:

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

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

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

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

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

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

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

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

(b) Group accounting

(i) Subsidiaries

- **Consolidation**

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting (cont'd)

(i) Subsidiaries (cont'd)

- **Acquisitions**

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

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

  Acquisition-related costs are expensed as incurred.

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

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

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

- **Disposals**

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

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

- **Transactions with non-controlling interests**

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting (cont'd)

(ii) Associates/Joint ventures

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

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

(iii) Translation of Group entities' financial statements

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Impairment of non-financial assets

(i) Goodwill

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

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

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

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, plant and equipment

(i) Measurement

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

(ii) Depreciation

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

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

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

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

(iii) Subsequent expenditure

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

(iv) Disposal

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment properties

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

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

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

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

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

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

(g) Borrowing costs

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

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

(h) Investments in subsidiaries, associates and joint ventures

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets

(i) Classification

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

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

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

- **Loans and receivables**

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(ii) Recognition and derecognition

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

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

(iii) Initial measurement

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

(iv) Subsequent measurement

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (cont'd)

(v) Impairment

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

- **Loans and receivables**

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

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

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

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

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

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

(j) Fair value estimation of financial assets and liabilities

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

(k) Derivatives and hedging activities

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

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

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

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

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

(i) Cash flow hedge

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

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

(ii) Derivatives that do not qualify for hedge accounting

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Intangible assets

(i) Goodwill arising from business combination

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

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

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

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

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

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

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

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

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

(m) Inventories

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Borrowings

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

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

(o) Trade and other payables

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

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

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

(p) Dividends payable

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

(q) Employee benefits

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

(i) Short-term employee benefits

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

(ii) Defined contribution plans

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Employee benefits (cont'd)

(iii) Share-based compensation

- Performance shares

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

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

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

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

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

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

(r) Provisions

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

(s) Income taxes

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Income taxes (cont'd)

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

Deferred tax is measured:

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

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

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

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

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

(t) Revenue recognition

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

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Operating leases

When a group company is the lessee:

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

When a group company is the lessor:

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

(v) Share capital and treasury shares

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

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

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

(w) Segment reporting

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

(x) Cash and cash equivalents

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

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

- **Fair value estimation**

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

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

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

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

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

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

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

4. SHARE CAPITAL AND TREASURY SHARES

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

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

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

(a) Treasury shares

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

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

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

(b) Performance shares

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

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

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

2018

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

2017

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

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

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

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

(b) Performance shares (cont'd)

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

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

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

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

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

5. RESERVES

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

Capital reserve

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

Share-based compensation reserve

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

Hedging reserve

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

Fair value reserve

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

Currency translation reserve

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

6. NON-CONTROLLING INTERESTS

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

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

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

6. NON-CONTROLLING INTERESTS (CONT'D)

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

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

7. PROPERTY, PLANT AND EQUIPMENT

(a)

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

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

(b)

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

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

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

(c)

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

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

(d)

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

8. INVESTMENT PROPERTIES

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

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

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

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

The following amounts are recognised in the income statement:

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

9. SUBSIDIARIES

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

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

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

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

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

10. ASSOCIATES

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

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

The Group's associates comprised mainly the following:

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

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

10. ASSOCIATES (CONT'D)

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

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

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

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

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

10. ASSOCIATES (CONT'D)

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

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

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

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

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

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

11. JOINT VENTURES

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

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

The Group's joint ventures comprised mainly the following:

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

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

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

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

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

11. JOINT VENTURES (CONT'D)

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

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

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

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

12. INVESTMENTS

(a) Non-current

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

12. INVESTMENTS (CONT'D)

(b) Current

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

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

(c) Asset held for sale

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

13. INTANGIBLE ASSETS

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

13. INTANGIBLE ASSETS (CONT'D)

(a) Arising from business combinations
– Goodwill

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

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

Impairment test for goodwill

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

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

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

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

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

13. INTANGIBLE ASSETS (CONT'D)

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

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

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

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

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

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

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

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

13. INTANGIBLE ASSETS (CONT'D)

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

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

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

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

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

13. INTANGIBLE ASSETS (CONT'D)

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

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

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

13. INTANGIBLE ASSETS (CONT'D)

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

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

14. TRADE AND OTHER RECEIVABLES

(a) Non-current

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

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

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

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Current

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

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

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

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

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

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

15. DERIVATIVES

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

16. INVENTORIES

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

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

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

17. CASH AND CASH EQUIVALENTS

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

(a) Acquisition of a subsidiary

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

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

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

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

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

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

* *Based on finalised purchase price allocation*

17. CASH AND CASH EQUIVALENTS (CONT'D)

(b) Acquisition of business by a subsidiary

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

2018

Han Language Centre ("Han")

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

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

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

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

2017

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

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

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

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

18. TRADE AND OTHER PAYABLES

(a) Non-current

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

(b) Current

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

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

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

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

19. INCOME TAXES

(a) Deferred taxes

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

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

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

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

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

19. INCOME TAXES (CONT'D)

(a) Deferred taxes (cont'd)

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

(i) Deferred tax liabilities

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

19. INCOME TAXES (CONT'D)

(a) Deferred taxes (cont'd)

(ii) Deferred tax assets

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

19. INCOME TAXES (CONT'D)

(b) Income tax expense

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

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

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

20. BORROWINGS

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

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

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

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

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

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

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

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

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

20. BORROWINGS (CONT'D)

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

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

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

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

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

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

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

21. CAPITAL AND OTHER COMMITMENTS

(a) Commitments for capital expenditure and investments

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

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

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

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

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

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

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

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

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

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

22. OPERATING REVENUE

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

23. STAFF COSTS

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

24. OTHER OPERATING EXPENSES

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

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

25. FINANCE COSTS

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

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

26. NET INCOME FROM INVESTMENTS

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

27. DIVIDENDS

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

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

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

28. EARNINGS PER SHARE

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

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

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

29. SIGNIFICANT SUBSIDIARIES OF THE GROUP

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

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

30. FINANCIAL RISK MANAGEMENT

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

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

The policies for managing these risks are summarised below.

(a) Market risk

(i) Currency risk

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

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

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

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

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

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(ii) Price risk

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

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(iii) Interest rate risk

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

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

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

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

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk

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

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

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

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

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

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

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

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

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

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk

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

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Capital management

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

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

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

(e) Fair value measurements

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

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

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

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

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

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

+ *Comparable sales prices have been adjusted by the size, tenure, location, age and condition and development of the comparable properties to arrive at the fair value of the investment properties held by the Group.*
1 *Fair value of certain unquoted equities is determined by reference to the underlying net tangible assets of the investee companies.*
2 *Fair value of certain unquoted equities for which the underlying companies are performing to market expectations is estimated to be equivalent to their recent cost of acquisition or value achieved during funding exercises.*
3 *Fair value of unquoted bonds and unquoted investment funds is determined by reference to the underlying asset value of the investee companies, which comprise mainly investment properties at fair value or portfolio investments at fair value.*
N.A. Not applicable

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

Movements in Level 3 assets are as follows:

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

Movements in Level 3 assets are as follows:

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

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

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

(g) Offsetting financial assets and liabilities

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

(h) Fair value

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

(i) Financial instruments by category

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

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

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

31. RELATED PARTY TRANSACTIONS

Key management personnel compensation and transactions are as follows:

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

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

32. SEGMENTAL INFORMATION

(a) Operating segments

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

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

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

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

32. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

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

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

32. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

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

32. SEGMENTAL INFORMATION (CONT'D)

(b) Geographical segments

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

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

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

Applicable to 2019 financial statements

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

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

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

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

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

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

Summary of quantitative impact

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

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

Summary of quantitative impact (cont'd)

Consolidated statement of financial position

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

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

Summary of quantitative impact (cont'd)

Statement of financial position for the Company

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

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

SFRS(I) 1

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

(i) Currency translation reserve (CTR)

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

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

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

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

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

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

SFRS(I) 15

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

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

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

SFRS(I) 15 (cont'd)

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

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

SFRS(I) 9

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

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

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

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

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

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

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

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

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

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

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

SFRS(I) 9 (cont'd)

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

(i) Classification and measurement: financial assets

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

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

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

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

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

(ii) Impairment

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

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

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

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

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

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

(iii) Hedge accounting

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

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

Applicable to financial statements for the year 2020 and thereafter

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

Applicable to 2020 financial statements

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

Applicable to 2022 financial statements

- SFRS(I) 17 *Insurance Contracts*

Mandatory effective date deferred

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

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

SFRS(I) 16

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

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

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

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

SFRS(I) 16 (cont'd)

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

(i) The Group as a lessee

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

(ii) The Group as a lessor

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

34. SUBSEQUENT EVENT

Acquisition of U.K. Student Accommodation Portfolio

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

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

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

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

35. AUTHORISATION OF FINANCIAL STATEMENTS

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

UNAUDITED FINANCIAL STATEMENTS OF SINGAPORE PRESS HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FIRST HALF-YEAR ENDED 28 FEBRUARY 2019

The information in this Appendix IV has been reproduced from the announcement on 9 April 2019 of the unaudited financial statements of Singapore Press Holdings Limited and its subsidiaries for the half-year ended 28 February 2019 and has not been specifically prepared for inclusion in this Information Memorandum.

SINGAPORE PRESS HOLDINGS LIMITED
Reg. No. 198402868E
(Incorporated in Singapore)

ANNOUNCEMENT
UNAUDITED RESULTS* FOR THE PERIOD ENDED 28 FEBRUARY 2019

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

Results for the Second Quarter ended 28 February 2019

	Group		
	2Q 2019	**2Q 2018**	**Change**
	S$'000	S$'000	%
Operating revenue	223,326	233,699	(4.4)
Other operating income	4,498	6,578	(31.6)
Total revenue	227,824	240,277	(5.2)
Materials, production and distribution costs	(30,209)	(33,194)	(9.0)
Staff costs	(79,856)	(91,656)	(12.9)
Premises costs	(20,184)	(17,278)	16.8
Depreciation	(6,593)	(6,644)	(0.8)
Other operating expenses	(32,230)	(31,428)	2.6
Finance costs	(12,290)	(9,068)	35.5
Total costs	(181,362)	(189,268)	(4.2)
Operating profit#	46,462	51,009	(8.9)
Fair value change on investment properties	(12,864)	-	NM
Share of results of associates and joint ventures	11,814	(993)	NM
Net income from investments	(749)	9,279	NM
Profit before taxation	44,663	59,295	(24.7)
Taxation	(10,908)	(9,633)	13.2
Profit after taxation	33,755	49,662	(32.0)
Attributable to:			
Shareholders of the Company	**29,685**	**39,929**	**(25.7)**
Non-controlling interests	4,070	9,733	(58.2)
	33,755	49,662	(32.0)

* 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		
	2Q 2019	**2Q 2018**	**Change**
	S$'000	S$'000	%
(Allowance)/Write-back of allowance for stock obsolescence	(158)	12	NM
Share-based compensation expense	(1,181)	(1,332)	(11.3)
Impairment of trade receivables	(374)	(316)	18.4
Bad debts recovery	2	7	(71.4)
Profit on disposal of property, plant and equipment	9	123	(92.7)
Amortisation of intangible assets	(1,941)	(2,609)	(25.6)
(Loss)/Gain on divestment of interests in associates	(426)	20	NM
Interest income from treasury and operations	2,054	4,032	(49.1)
Net profit on disposal of investments	-	5,421	NM
Net fair value changes on			
- Investments at fair value through profit or loss ("FVTPL")	(1,389)	(574)	142.0
- Derivatives (foreign exchange forwards)	1,058	2,449	(56.8)
Net foreign exchange differences	(2,179)	(560)	289.1
Net (under)/over-provision of prior years' taxation	(16)	468	NM

1(a)(iii) Statement of Comprehensive Income

	Group		
	2Q 2019	**2Q 2018**	**Change**
	S$'000	S$'000	%
Profit after taxation	33,755	49,662	(32.0)
Other comprehensive income, net of tax			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Capital reserves			
- share of capital reserves of an associate	20	-	NM
Cash flow hedges (interest rate swaps)			
- net fair value changes	(1,557)	1,778	NM
- transferred to income statement	341	1,046	(67.4)
Net fair value changes on available-for-sale financial assets			
- net fair value changes	-	(9,427)	NM
- transferred to income statement	-	(4,875)	NM
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	1,369	706	93.9
	173	(10,772)	NM
<u>Item that will not be re-classified subsequently to profit or loss</u>			
Net fair value changes on fair value through other comprehensive income ("FVOCI") financial assets	(8,207)	-	NM
Total comprehensive income	25,721	38,890	(33.9)
Attributable to:			
Shareholders of the Company	**22,154**	**28,246**	**(21.6)**
Non-controlling interests	3,567	10,644	(66.5)
	25,721	38,890	(33.9)

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 28 February 2019

	Group			Company		
	28 Feb 2019	**31 Aug 2018**	**1 Sep 2017**	**28 Feb 2019**	**31 Aug 2018**	**1 Sep 2017**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
CAPITAL EMPLOYED						
Share capital	522,809	522,809	522,809	522,809	522,809	522,809
Treasury shares	(7,594)	(7,101)	(7,384)	(7,594)	(7,101)	(7,384)
Reserves	78,207	264,723	329,264	2,583	7,783	32,907
Retained profits	2,858,430	2,649,848	2,609,786	1,434,736	1,489,926	1,243,374
Shareholders' interests	3,451,852	3,430,279	3,454,475	1,952,534	2,013,417	1,791,706
Non-controlling interests	761,449	761,152	734,926	-	-	-
Total equity	4,213,301	4,191,431	4,189,401	1,952,534	2,013,417	1,791,706
EMPLOYMENT OF CAPITAL						
Non-current assets						
Property, plant and equipment	191,684	190,649	194,171	42,109	36,462	37,173
Investment properties	4,681,533	4,155,122	4,034,771	-	-	-
Subsidiaries	-	-	-	439,940	439,940	438,077
Associates	380,072	95,825	68,792	-	-	-
Joint ventures	29,638	39,174	8,696	600	600	-
Investments	252,758	453,951	513,728	-	-	27,173
Intangible assets	166,780	176,028	204,443	42,691	44,071	46,832
Trade and other receivables	248,076	246,562	8,935	283,111	283,809	4,650
Derivatives	1,263	200	200	-	-	-
	5,951,804	5,357,511	5,033,736	808,451	804,882	553,905
Current assets						
Inventories	28,816	22,636	21,892	25,978	20,281	19,557
Trade and other receivables	184,153	292,862	314,421	2,425,634	2,383,725	2,391,965
Investments	95,067	121,663	363,370	29,977	-	-
Asset held for sale	-	-	18,000	-	-	18,000
Derivatives	1,810	39	1,473	1,664	-	-
Cash and cash equivalents	343,403	359,498	312,647	185,283	161,886	150,467
	653,249	796,698	1,031,803	2,668,536	2,565,892	2,579,989
Total assets	6,605,053	6,154,209	6,065,539	3,476,987	3,370,774	3,133,894
Non-current liabilities						
Trade and other payables	33,962	39,362	37,556	470	1,121	2,876
Deferred tax liabilities	30,646	33,093	42,242	6,877	6,438	6,616
Borrowings	1,514,189	1,312,507	528,044	279,300	279,160	-
Derivatives	2,091	2,814	7,365	197	-	-
	1,580,888	1,387,776	615,207	286,844	286,719	9,492
Current liabilities						
Trade and other payables	230,002	230,527	241,352	898,616	973,237	1,020,196
Current tax liabilities	45,390	47,682	46,591	13,527	12,401	16,500
Borrowings	535,423	294,853	971,695	325,466	85,000	296,000
Derivatives	49	1,940	1,293	-	-	-
	810,864	575,002	1,260,931	1,237,609	1,070,638	1,332,696
Total liabilities	2,391,752	1,962,778	1,876,138	1,524,453	1,357,357	1,342,188
Net assets	4,213,301	4,191,431	4,189,401	1,952,534	2,013,417	1,791,706

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

Group Borrowings

Amount repayable in one year

As at 28 February 2019		As at 31 August 2018	
Secured S$'000	**Unsecured** S$'000	**Secured** S$'000	**Unsecured** S$'000
209,917	325,506	209,813	85,040

Amount repayable after one year

As at 28 February 2019		As at 31 August 2018	
Secured S$'000	**Unsecured** S$'000	**Secured** S$'000	**Unsecured** S$'000
1,183,826	330,363	982,849	329,658

Details of collateral

As at 28 February 2019, the secured term loans comprised S$995 million, S$300 million and A$105 million undertaken by the subsidiaries, SPH REIT, The Seletar Mall Pte Ltd ("TSMPL") and Figtree Holding Trust ("FHT") respectively (31 August 2018: S$895 million for SPH REIT and S$300 million for TSMPL).

The total secured borrowings of S$1,393.7 million as at 28 February 2019 (31 August 2018: S$1,192.7 million) represented the secured borrowings stated at amortised cost.

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

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

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

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

Consolidated Statement of Cash Flows for the Second Quarter ended 28 February 2019

	2Q 2019	2Q 2018
	S$'000	S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	44,663	59,295
Adjustments for:		
Depreciation	6,593	6,644
Profit on disposal of property, plant and equipment	(9)	(123)
Fair value change on investment properties	12,864	-
Share of results of associates and joint ventures	(11,814)	993
Loss/(Gain) on divestment of interests in associates	426	(20)
Net income from investments	749	(9,279)
Amortisation of intangible assets	1,941	2,609
Finance costs	12,290	9,068
Share-based compensation expense	1,181	1,332
Other non-cash items	(352)	(2,369)
Operating cash flow before working capital changes	68,532	68,150
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	(1,272)	(1,105)
Trade and other receivables, current	19,734	7,525
Trade and other payables, current	(6,593)	(9,903)
Trade and other receivables, non-current	1,738	285
Trade and other payables, non-current	(8,807)	926
Others	(1,119)	735
	72,213	66,613
Income tax paid	(24,831)	(25,824)
Dividends paid	(112,934)	(145,348)
Dividends paid (net) by subsidiaries to non-controlling interests	(10,678)	(10,483)
Net cash used in operating activities	**(76,230)**	**(115,042)**

Consolidated Statement of Cash Flows for the Second Quarter ended 28 February 2019 (cont'd)

	2Q 2019 S$'000	2Q 2018 S$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(7,238)	(5,867)
Proceeds from disposal of property, plant and equipment	15	17
Additions to investment properties	(233,717)	(1,818)
Acquisition of interests in associates	(12,566)	(2,106)
Proceeds from divestment of interest in an associate	6	17
Decrease/(Increase) in amounts owing by associates/ joint ventures	81	(72)
Increase/(Decrease) in amounts owing to associates/ joint ventures	64	(104)
Purchase of investments, non-current	(5,180)	(10,432)
Purchase of investments, current	(108,870)	(40,331)
Proceeds from disposal of investments, non-current	4,654	21,283
Proceeds from disposal of investments, current	196,594	2,908
Dividends received	-	935
Interest received	665	1,424
Other investment income	(977)	1,715
Net cash used in investing activities	**(166,469)**	**(32,431)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans (net of transaction costs)	200,115	-
Repayment of a bank loan	-	(15,304)
Interest paid	(10,915)	(8,795)
Proceeds from partial divestment of interests in subsidiaries	-	2,553
Proceeds from capital contribution by non-controlling interest	16,961	-
Net cash from/(used in) financing activities	**206,161**	**(21,546)**
Net decrease in cash and cash equivalents	**(36,538)**	**(169,019)**
Cash and cash equivalents at beginning of period	379,941	397,652
Cash and cash equivalents at end of period	**343,403**	**228,633**

1(d)(i) <u>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</u>

Statements of Changes in Total Equity for the Second Quarter ended 28 February 2019

(a) Group

	Attributable to Shareholders of the Company										
	Share Capital	Treasury Shares	Capital Reserve	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Currency Translation Reserve	Retained Profits	Total	Non-controlling Interests	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 30 November 2018	522,809	(10,694)	(10,284)	8,516	(1,743)	316,772	(2,149)	2,727,009	3,550,236	751,566	4,301,802
Adoption of SFRS(I)	-	-	-	-	-	-	-	(8,779)	(8,779)	-	(8,779)
Balance as at 1 December 2018	522,809	(10,694)	(10,284)	8,516	(1,743)	316,772	(2,149)	2,718,230	3,541,457	751,566	4,293,023
Total comprehensive income for the quarter	-	-	20	-	(921)	(8,207)	1,577	29,685	22,154	3,567	25,721
Realised profit on disposal of FVOCI financial assets	-	-	-	-	-	(219,601)	-	219,601	-	-	-
Transactions with owners, recognised directly in equity											
<u>Contributions by and distributions to owners</u>											
Share-based compensation	-	-	-	1,181	-	-	-	-	1,181	-	1,181
Treasury shares re-issued	-	3,100	-	(6,949)	-	-	-	3,818	(31)	-	(31)
Dividends	-	-	-	-	-	-	-	(112,934)	(112,934)	(10,678)	(123,612)
<u>Changes in ownership interest in a subsidiary without a change in control</u>											
Acquisition of additional interest in a subsidiary	-	-	(4)	-	(1)	-	-	33	28	(28)	-
Dilution of interest in a subsidiary	-	-	-	-	-	-	-	(3)	(3)	61	58
<u>Changes in ownership interest in a subsidiary</u>											
Contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	16,961	16,961
Balance as at 28 February 2019	**522,809**	**(7,594)**	**(10,268)**	**2,748**	**(2,665)**	**88,964**	**(572)**	**2,858,430**	**3,451,852**	**761,449**	**4,213,301**

Statements of Changes in Total Equity for the Second Quarter ended 28 February 2019 (cont'd)

(a) Group (cont'd)

	Attributable to Shareholders of the Company										
	Share Capital	Treasury Shares	Capital Reserve	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Currency Translation Reserve	Retained Profits	Total	Non-controlling Interests	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 30 November 2017	522,809	(7,384)	(10,261)	8,679	(4,465)	352,462	644	2,672,101	3,534,585	755,915	4,290,500
Adoption of SFRS(I)	-	-	-	-	-	-	-	(1,336)	(1,336)	-	(1,336)
Balance as at 1 December 2017	522,809	(7,384)	(10,261)	8,679	(4,465)	352,462	644	2,670,765	3,533,249	755,915	4,289,164
Total comprehensive income for the quarter	-	-	-	-	1,963	(14,302)	656	39,929	28,246	10,644	38,890
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Share-based compensation	-	-	-	1,332	-	-	-	-	1,332	-	1,332
Treasury share re-issued	-	3,781	-	(3,514)	-	-	-	(221)	46	-	46
Dividends	-	-	-	-	-	-	-	(145,348)	(145,348)	(10,483)	(155,831)
Changes in ownership interest in subsidiaries without a change in control											
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	(55)	(55)	55	-
Dilution of interests in subsidiaries	-	-	-	-	-	-	-	2,204	2,204	349	2,553
Balance as at 28 February 2018	**522,809**	**(3,603)**	**(10,261)**	**6,497**	**(2,502)**	**338,160**	**1,300**	**2,567,274**	**3,419,674**	**756,480**	**4,176,154**

Statements of Changes in Total Equity for the Second Quarter ended 28 February 2019 (cont'd)

(b) Company

	Share Capital	Treasury Shares	Share-based Compensation Reserve	Hedging Reserve	Fair Value Reserve	Retained Profits	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 December 2018	522,809	(10,694)	8,516	(106)	(1)	1,532,857	2,053,381
Total comprehensive income for the quarter	-	-	-	(58)	-	10,995	10,937
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Share-based compensation	-	-	1,181	-	-	-	1,181
Treasury shares re-issed	-	3,100	(6,949)	-	-	3,818	(31)
Dividends	-	-	-	-	-	(112,934)	(112,934)
Balance as at 28 February 2019	**522,809**	**(7,594)**	**2,748**	**(164)**	**(1)**	**1,434,736**	**1,952,534**
Balance as at 1 December 2017	522,809	(7,384)	8,679	-	27,717	1,264,605	1,816,426
Total comprehensive income for the quarter	-	-	-	-	(3,644)	18,979	15,335
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Share-based compensation	-	-	1,332	-	-	-	1,332
Treasury shares re-issued	-	3,781	(3,514)	-	-	(221)	46
Dividends	-	-	-	-	-	(145,348)	(145,348)
Balance as at 28 February 2018	**522,809**	**(3,603)**	**6,497**	**-**	**24,073**	**1,138,015**	**1,687,791**

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

Performance Shares

(a) At the annual general meeting of the Company held on 1 December 2016, the Company's shareholders approved the adoption of the SPH Performance Share Plan 2016 ("the 2016 Share Plan"). This replaced the SPH Performance Share Plan ("the Share Plan") which was terminated, except that awards granted prior to such termination and are outstanding continue to be valid till January 2019.

(b) As at 28 February 2019, the number of shares granted and outstanding (being contingent award) under the 2016 Share Plan was 3,594,631 (28 February 2018: 4,544,165 (including shares granted and outstanding under the Share Plan)). Movements in the number of performance shares during the current quarter are summarised below:

Outstanding as at 01.12.18 ('000)	Adjusted# ('000)	Granted* ('000)	Vested ('000)	Lapsed ('000)	Outstanding as at 28.02.19 ('000)
4,401	(1,259)	1,565	(1,097)	(15)	3,595

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

* This included a special sign-on bonus of SPH shares

Share Buy Back

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

Share Capital and Treasury Shares

As at 28 February 2019, the Company had 1,598,079,180 ordinary shares, 16,361,769 management shares and 2,569,941 treasury shares (28 February 2018: 1,599,653,733 ordinary shares, 16,361,769 management shares and 995,388 treasury shares).

The treasury shares held represent 0.2% (28 February 2018: 0.1%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 28 February 2019 and 28 February 2018.

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

As at 28 February 2019, the Company had 1,598,079,180 ordinary shares and 16,361,769 management shares (31 August 2018: 1,598,353,733 ordinary shares and 16,361,769 management shares).

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

Between 1 December 2018 and 28 February 2019, the Company transferred 1,096,747 treasury shares for the fulfilment of share awards vested under the 2016 Share Plan and the Share Plan. The total value of the treasury shares transferred was S$3.1 million.

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 28 February 2019.

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

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

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

Please refer to the attached auditors' review report.

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

Accounting Policies

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

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

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

SFRS(I) 1

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

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

SFRS(I) 15

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

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

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

SFRS(I) 9

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

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

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

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

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

Impact on the comparatives for the Second Quarter and Half Year ended 28 February 2019

Income Statement

	2Q 2018	**1H 2018**
	S$'000	S$'000
Decrease in depreciation	(1,651)	(3,302)
Increase in taxation	281	561
Decrease in share of results of associates and joint ventures	(1,630)	(2,966)

Statements of Financial Position

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

5. <u>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</u>

Earnings Per Share for the Second Quarter ended 28 February 2019

	Group	
	2Q 2019	**2Q 2018**
(a) Based on the weighted average number of shares on issue (S$)	0.02	0.02
(b) On fully diluted basis (S$)	0.02	0.02

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	
	28 Feb 2019	**31 Aug 2018**	**28 Feb 2019**	**31 Aug 2018**
Net asset value per share based on total number of issued shares at the end of period/year (S$)	2.14	2.12	1.21	1.25

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

Review of Results for the Second Quarter ended 28 February 2019 ("2Q 2019") compared with the Second Quarter ended 28 February 2018 ("2Q 2018")

7.1 Income Statement

7.1.1 Group operating revenue comprised mainly advertisement and circulation revenue (print and digital), rental income from retail malls and student accommodation, and income from other businesses (including aged care, events and exhibitions and education). The decrease in group operating revenue of S$10.4 million (4.4%), from S$233.7 million in 2Q 2018 to S$223.3 million in 2Q 2019, was mainly due to lower print advertisement revenue of S$14.1 million (16%) and lower circulation revenue of S$3.2 million (8.8%), cushioned by rental revenue of S$6.2 million from the UK student accommodation portfolio and S$3.2 million from Figtree Grove Shopping Centre ("Figtree") in Australia.

Other operating income included sales of production waste and other scrap materials, distribution service fees for third party periodicals, and income from branding events. Other operating income fell S$2.1 million (31.6%), from S$6.6 million in 2Q 2018 to S$4.5 million in 2Q 2019, mainly due to interest income on shareholders' loans for The Woodleigh Residences and The Woodleigh Mall (collectively "Woodleigh development") in 2Q 2018.

Total revenue of S$227.8 million in 2Q 2019 was lower by S$12.5 million (5.2%) compared to S$240.3 million in 2Q 2018.

7.1.2 Materials, production and distribution costs included newsprint and other material costs, factory overheads and distribution costs for the media business, and production costs and supplies for the events and exhibitions and aged care businesses. The reduction in materials, production and distribution costs by S$3 million (9%), from S$33.2 million in 2Q 2018 to S$30.2 million in 2Q 2019, was in line with lower revenue of the media business.

Staff costs comprised salaries, bonuses, allowances, employers' contribution to defined contribution plans and share-based compensation expense. Staff costs was lower by S$11.8 million (12.9%), from S$91.7 million in 2Q 2018 to S$79.9 million in 2Q 2019. This was due to lower headcount and bonus provision.

Premises costs relate mainly to rental expenses, property tax, building maintenance costs and utility charges, and are primarily incurred for the retail malls, student accommodation, media and aged care businesses. The increase in premises costs of S$2.9 million (16.8%), from S$17.3 million in 2Q 2018 to S$20.2 million in 2Q 2019, was attributed mainly to the UK student accommodation portfolio and Figtree.

Other operating expenses included business promotion expenses, articles and news agencies' fees, computer system maintenance and software licence fees, amortisation of intangibles assets, foreign exchange differences and other expenses in line with business activities. Other operating expenses was stable at S$32.2 million.

Finance costs increased by S$3.2 million (35.5%), from S$9.1 million in 2Q 2018 to S$12.3 million in 2Q 2019, mainly due to interest costs on loan facilities taken up to fund the acquisition of the UK student accommodation portfolio and Figtree.

Overall, total costs fell by S$7.9 million (4.2%) from S$189.3 million in 2Q 2018 to S$181.4 million in 2Q 2019.

7.1.3 As a result of the foregoing, operating profit of S$46.5 million in 2Q 2019 was S$4.5 million (8.9%) lower compared to S$51 million in 2Q 2018.

7.1.4 Fair value change on investment properties of S$12.9 million relates mainly to expensing of stamp duty for the recently acquired Figtree.

7.1.5 The share of results of associates and joint ventures was a gain of S$11.8 million this quarter against a loss of S$1 million in 2Q 2018. This was mainly due to fair value gain on the investment property of S$13.9 million arising from an associate, Perennial Chinatown Point LLP ("Chinatown Point").

7.1.6 Investment income comprised fair value changes on investments and derivatives, foreign exchange differences, and dividend and interest income from the investment portfolio. Investment income fell by S$10 million, from an income of S$9.3 million in 2Q 2018 to a loss of S$0.7 million in 2Q 2019. This was attributed to gain on disposal of investments of S$5.4 million in 2Q 2018 which was absent in 2Q 2019. In addition, foreign exchange losses of S$1.1 million was recorded in 2Q 2019 against gains of S$2.1 million recognised in 2Q 2018.

7.1.7 Taxation charge of S$10.9 million in 2Q 2019 was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. There was no material adjustment for over- or under- provision of taxation in respect of prior years.

7.1.8 Consequently, net profit attributable to shareholders of S$29.7 million in 2Q 2019 was S$10.2 million (25.7%) lower compared to S$39.9 million in 2Q 2018.

7.2 Statements of Financial Position

Non-current assets

7.2.1 Non-current assets comprised property, plant and equipment, investment properties, interests in associates and joint ventures, investments, intangible assets, trade and other receivables, and derivatives. The increase in non-current assets by S$594.3 million (11.1%) from S$5,357.5 million as at 31 August 2018 to S$5,951.8 million as at 28 February 2019 was mainly due to additions to investment properties and associates, partially offset by reduction in non-current investments, joint ventures and intangible assets.

7.2.2 Investment properties comprised mainly retail malls and student accommodation assets. The increase in investment properties by S$526.4 million (12.7%), from S$4,155.1 million as at 31 August 2018 to S$4,681.5 million as at 28 February 2019, arose from acquisition of the UK student accommodation portfolio (S$328.2 million) and Figtree (S$196.9 million net of S$12.9 million acquisition costs which was subsequently expensed).

7.2.3 Associates increased by S$284.2 million (296.6%) from S$95.8 million as at 31 August 2018 to S$380.1 million as at 28 February 2019. The increase was substantially attributed to the injection of the Group's existing 13.43% stake in M1 Limited ("M1") into a special purpose vehicle, Konnectivity Pte. Ltd. ("Konnectivity"), in conjuction with the Group's collaboration with Keppel Corporation for a voluntary general offer for M1 shares. This included the fair value of S$256.4 million for the existing 13.43% stake in M1, and cash consideration of S$11.8 million as at 28 February 2019. In addition, Chinatown Point recorded a fair value gain on the investment property of S$13.9 million which was recognised in the share of results of associates of the Group.

7.2.4 Joint ventures decreased by S$9.5 million (24.3%) from S$39.2 million as at 31 August 2018 to S$29.6 million as at 28 February 2019, mainly due to finance and marketing costs of The Woodleigh Residences.

7.2.5 Non-current investments refer to equities securities, debt securities and investment funds. Non-current investments decreased by S$201.2 million (44.3%) from S$454 million as at 31 August 2018 to S$252.8 million as at 28 February 2019. As at 28 February 2019, the Group's stake in M1 was re-classified as interest in associate. This gave rise to a decline in the value of non-current investments by S$197.9 million which represented the fair value of M1 shares as at 31 August 2018.

7.2.6 Intangible assets included goodwill, technology, trademarks, licences and mastheads that are acquired mainly through business acquisitions. Intangible assets decrease of S$9.2 million (5.3%) from S$176 million as at 31 August 2018 to S$166.8 million as at 28 February 2019 was due to divestment of Shareinvestor.com Holdings and amortisation of intangibles mainly from events and exhibitions, online classifieds and aged care businesses.

7.2.7 Derivatives (foreign exchange forwards) of S$1.3 million as at 28 February 2019 represents the fair value changes on contracts that the Group entered into to minimise its foreign currency exposure, mainly relating to Figtree.

Current assets

7.2.8 Current assets comprised inventories, trade and other receivables, investments, derivatives, and cash and cash equivalents. The decrease in current assets of S$143.4 million (18%) from S$796.7 million as at 31 August 2018 to S$653.2 million as at 28 February 2019 was mainly due to lower trade and other receivables and current investments.

7.2.9 Inventories comprised newsprint and other materials for the media business, supplies for the aged care business and inventories for the book publishing business. The increase of S$6.2 million (27.3%) from S$22.6 million as at 31 August 2018 to S$28.8 million as at 28 February 2019, was attributed to higher newsprint inventory holdings.

7.2.10 Trade and other receivables decreased by S$108.7 million (37.1%), from S$292.9 million as at 31 August 2018 to S$184.2 million as at 28 February 2019. This was mainly due to receipt of proceeds from the disposal of investments due after 31 August 2018.

7.2.11 Current investments refer to equities securities, debt securities and investment funds. Current investments decreased by S$26.6 million (21.9%), from S$121.7 million as at 31 August 2018 to S$95.1 million as at 28 February 2019, due to disposal of investments.

7.2.12 Derivatives (foreign exchange forwards) of S$1.8 million as at 28 February 2019 represents the fair value changes on contracts that the Group entered into to minimise its foreign currency exposure, mainly relating to the UK student accommodation portfolio.

7.2.13 Cash and cash equivalents decreased by S$16.1 million (4.5%) from S$359.5 million as at 31 August 2018 to S$343.4 million as at 28 February 2019. Details of the movements are set out in the Consolidated Statement of Cash Flows in paragraph 8(b).

Non-current liabilities

7.2.14 Non-current liabilities comprised trade and other payables, deferred tax liabilities, borrowings, and derivatives. The increase in non-current liabilities by S$193.1 million (13.9%) from S$1,387.8 million as at 31 August 2018 to S$1,580.9 million as at 28 February 2019 was attributed mainly to increase in non-current borrowings.

7.2.15 Trade and other payables decreased by S$5.4 million (13.7%), from S$39.4 million as at 31 August 2018 to S$34 million as at 28 February 2019, due to lower rental deposits.

7.2.16 Non-current borrowings increased by S$201.7 million (15.4%), from S$1,312.5 million as at 31 August 2018 to S$1,514.2 million as at 28 February 2019. The increase arose from S$200.1 million of long-term facilities taken up in relation to the acquisition of Figtree.

7.2.17 Derivatives (interest rate swaps) of S$2.1 million as at 28 February 2019 and S$2.8 million as at 31 August 2018 resulted from fair value changes on contracts that the Group entered into to hedge against its interest rate risk exposure.

<u>Current liabilities</u>

7.2.18 Current liabilities comprised trade and other payables, current tax liabilities, borrowings and derivatives. The increase in current liabilities by S$235.9 million (41%) from S$575 million as at 31 August 2018 to S$810.9 million as at 28 February 2019 was due to increase in current borrowings.

7.2.19 Current borrowings increased by S$240.6 million (81.6%), from S$294.9 million as at 31 August 2018 to S$535.4 million as at 28 February 2019, due to draw-down of S$324.9 million of short-term credit facilities primarily to fund the acquisition of the UK student accommodation portfolio. A repayment of S$85 million of short-term banking facilities was made during the period.

7.2.20 Derivatives (foreign exchange forwards) of S$0.01 million as at 28 February 2019 and S$1.9 million as at 31 August 2018 represent the fair value changes on contracts that the Group entered into to minimise its foreign currency exposure.

7.2.21 As at 28 February 2019, the Group is in a net current liabilities position of S$157.6 million due to draw-down of S$324.9 million of short-term credit facilities pending long-term financing arrangements.

7.3 Statement of Cash Flows

2Q 2019

7.3.1 Net cash used in operating activities of S$76.2 million was due to payment of dividends of S$123.6 million and income tax of S$24.8 million, partially offset by cash inflow from operating activities of S$72.2 million.

7.3.2 Net cash used in investing activities of S$166.5 million was due to additions to investment properties of S$233.7 million (mainly the acquisition of Figtree and UK student accommodation portfolio); cash injection into Konnectivity of S$11.8 million; and additions to property, plant and equipment of S$7.2 million. This was partially offset by net proceeds from the disposal and purchase of treasury investments of S$87.2 million.

7.3.3 Net cash from financing activities of S$206.2 million was attributed to S$200.1 million of loan facilities and S$17 million of capital contribution by the non-controllng interest for the acquisition of Figtree, partially offset by interest payment of S$10.9 million.

8(a)(i) Performance for the Half-Year ended 28 February 2019

Results for the Half-Year ended 28 February 2019

	Group		
	1H 2019	**1H 2018**	**Change**
	S$'000	S$'000	%
Operating revenue	477,643	492,457	(3.0)
Other operating income	8,936	15,123	(40.9)
Total revenue	486,579	507,580	(4.1)
Materials, production and distribution costs	(66,853)	(71,127)	(6.0)
Staff costs	(166,345)	(177,450)	(6.3)
Premises costs	(39,837)	(35,009)	13.8
Depreciation	(13,189)	(13,147)	0.3
Other operating expenses	(56,121)	(72,404)	(22.5)
Finance costs	(22,931)	(17,878)	28.3
Total costs	(365,276)	(387,015)	(5.6)
Operating profit#	121,303	120,565	0.6
Fair value change on investment properties	(12,864)	-	NM
Share of results of associates and joint ventures	9,379	(2,102)	NM
Net income from investments	2,433	21,666	(88.8)
Profit before taxation	120,251	140,129	(14.2)
Taxation	(20,653)	(19,537)	5.7
Profit after taxation	99,598	120,592	(17.4)
Attributable to:			
Shareholders of the Company	**85,614**	**100,397**	**(14.7)**
Non-controlling interests	13,984	20,195	(30.8)
	99,598	120,592	(17.4)

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

NM Not Meaningful

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

	Group		
	1H 2019	**1H 2018**	**Change**
	S$'000	S$'000	%
(Allowance)/Write-back of allowance for stock obsolescence	(347)	119	NM
Share-based compensation expense	(1,914)	(2,323)	(17.6)
Retrenchment and outplacement costs	-	(11,612)	NM
Impairment of trade receivables	(147)	(406)	(63.8)
Bad debts recovery	5	13	(61.5)
Profit on disposal of property, plant and equipment	118	155	(23.9)
Amortisation of intangible assets	(4,068)	(5,284)	(23.0)
Gain on divestment of interests in subsidiaries	396	-	NM
(Loss)/Gain on divestment of interests in associates	(426)	5,966	(92.9)
Interest income from treasury and operations	3,783	5,789	(34.7)
Net profit on disposal of investments	-	14,485	NM
Net fair value changes on			
- Investments at fair value through profit or loss ("FVTPL")	(647)	(1,218)	(46.9)
- Derivatives (foreign exchange forwards)	786	3,432	(77.1)
Net foreign exchange differences	(474)	(1,019)	(53.5)
Impairment of investments	-	(197)	NM
Net (under)/over-provision of prior years' taxation	(184)	1,194	NM

8(a)(iii) Statement of Comprehensive Income

	Group		
	1H 2019	**1H 2018**	**Change**
	S$'000	S$'000	%
Profit after taxation	99,598	120,592	(17.4)
Other comprehensive income, net of tax			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Capital reserves			
- share of capital reserves of an associate	20	-	NM
Cash flow hedges (interest rate swaps)			
- net fair value changes	(1,691)	2,677	NM
- transferred to income statement	913	2,233	(59.1)
Net fair value changes on available-for-sale financial assets			
- net fair value changes	-	12,774	NM
- transferred to income statement	-	(12,569)	NM
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures	(2,070)	1,414	NM
	(2,828)	6,529	NM
<u>Item that will not be re-classified subsequently to profit or loss</u>			
Net fair value changes on fair value through other comprehensive income ("FVOCI") financial assets	53,146	-	NM
Total comprehensive income	149,916	127,121	17.9
Attributable to:			
Shareholders of the Company	**136,240**	**105,315**	**29.4**
Non-controlling interests	13,676	21,806	(37.3)
	149,916	127,121	17.9

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

Consolidated Statement of Cash Flows for the Half Year ended 28 February 2019

	1H 2019 S$'000	1H 2018 S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	120,251	140,129
Adjustments for:		
Depreciation	13,189	13,147
Profit on disposal of property, plant and equipment	(118)	(155)
Fair value change on investment properties	12,864	-
Share of results of associates and joint ventures	(9,379)	2,102
Gain on divestment of interests in subsidiaries	(396)	-
Loss/(Gain) on divestment of interests in associates	426	(5,966)
Net income from investments	(2,433)	(21,666)
Amortisation of intangible assets	4,068	5,284
Finance costs	22,931	17,878
Share-based compensation expense	1,914	2,323
Other non-cash items	(340)	(1,577)
Operating cash flow before working capital changes	162,977	151,499
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	(6,180)	3,609
Trade and other receivables, current	(8,482)	1,557
Trade and other payables, current	4,996	(19,737)
Trade and other receivables, non-current	983	601
Trade and other payables, non-current	(5,400)	2,097
Others	(4,365)	1,424
	144,529	141,050
Income tax paid	(25,565)	(27,163)
Dividends paid	(112,934)	(145,348)
Dividends paid (net) by subsidiaries to non-controlling interests	(30,866)	(21,308)
Net cash used in operating activities	**(24,836)**	**(52,769)**

Consolidated Statement of Cash Flows for the Half Year ended 28 February 2019 (cont'd)

	1H 2019 S$'000	1H 2018 S$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(14,596)	(14,525)
Proceeds from disposal of property, plant and equipment	170	227
Additions to investment properties	(538,003)	(1,909)
Acquisition of business by a subsidiary	-	(2,840)
Acquisition of interests in associates	(13,753)	(11,205)
Acquisition of interests in joint ventures	-	(25,600)
Dividends received from associates	1,577	1,019
Proceeds from divestment of interests in subsidiaries	815	-
Proceeds from divestment of interest in associates	6	17
Decrease/(Increase) in amounts owing by associates/ joint ventures	72	(86,590)
Decrease in amounts owing to associates/ joint ventures	(960)	(2,110)
Purchase of investments, non-current	(12,105)	(23,959)
Purchase of investments, current	(174,754)	(56,657)
Proceeds from capital distribution/disposal of investments, non-current	10,816	21,329
Proceeds from disposal of investments, current	316,770	47,468
Dividends received	1,158	2,699
Interest received	1,966	2,801
Other investment income	(3,165)	3,373
Net cash used in investing activities	**(423,986)**	**(146,462)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans (net of transaction costs)	524,996	322,880
Repayment of bank loans	(85,000)	(213,395)
Interest paid	(20,637)	(16,575)
Share buy-back	(3,593)	-
Proceeds from partial divestment of interests in subsidiaries	-	22,307
Proceeds from capital contribution by non-controlling interest	16,961	-
Net cash from financing activities	**432,727**	**115,217**
Net decrease in cash and cash equivalents	**(16,095)**	**(84,014)**
Cash and cash equivalents at beginning of period	359,498	312,647
Cash and cash equivalents at end of period	**343,403**	**228,633**

9. Earnings Per Share for the Half Year ended 28 February 2019

	Group	
	1H 2019	**1H 2018**
(a) Based on the weighted average number of shares on issue (S$)	0.05	0.06
(b) On fully diluted basis (S$)	0.05	0.06

10. Review of Results for the Half Year ended 28 February 2019 ("1H 2019") compared with the Half Year ended 28 February 2018 ("1H 2018")

10.1 Income Statement

10.1.1 Group operating revenue comprised mainly advertisement and circulation revenue (print and digital), rental income from retail malls and student accommodation, and income from other businesses (including aged care, events and exhibitions and education). The decrease in group operating revenue of S$14.8 million (3%), from S$492.5 million in 1H 2018 to S$477.6 million in 1H 2019, was due to lower print advertisement revenue of S$24 million (12.3%) and lower circulation revenue of S$7.4 million (9.7%), cushioned by rental revenue from the UK student accommodation portfolio of S$12.5 million, Figtree of S$3.2 million and Rail Mall of $2.5 million.

Other operating income included sales of production waste and other scrap materials, distribution service fees for third party periodicals, and income from branding events. Other operating income was lower by S$6.2 million (40.9%), from S$15.1 million in 1H 2018 to S$8.9 million in 1H 2019, mainly due to the absence of a S$5.9 million gain arising from the dilution of interest on the IPO listing of Mindchamps Preschool in 1H 2018.

Total revenue of S$486.6 million in 1H 2019 was lower by S$21 million (4.1%) compared to S$507.6 million in 1H 2018.

10.1.2 Materials, production and distribution costs included newsprint and other material costs, factory overheads and distribution costs for the media business, and production costs and supplies for the events and exhibitions and aged care businesses. The reduction in materials, production and distribution costs by S$4.3 million (6%), from S$71.1 million in 1H 2018 to S$66.9 million in 1H 2019, was in line with lower revenue of the media business.

Staff costs comprised salaries, bonuses, allowances, employers' contribution to defined contribution plans and share-based compensation expense. Staff costs was lower by S$11.1 million (6.3%), from S$177.5 million in 1H 2018 to S$166.3 million in 1H 2019. This was due to lower headcount and bonus provision.

Premises costs relate mainly to rental expenses, property tax, building maintenance costs and utility charges, and are primarily incurred for the retail malls, student accommodation, media and aged care businesses. The increase in premises costs of S$4.8 million (13.8%), from S$35 million in 1H 2018 to S$39.8 million in 1H 2019, was attributed mainly to the UK student accommodation portfolio and Figtree.

Other operating expenses included business promotion expenses, articles and news agencies' fees, computer system maintenance and software licence fees, amortisation of intangibles assets, foreign exchange differences and other expenses in line with business activities. Other operating expenses decreased S$16.3 million (22.5%), from S$72.4 million in 1H 2018 to S$56.1 million in 1H 2019. This was due to the absence of retrenchment costs of S$11.6 million that was incurred in 1H 2018, unrealised foreign exchange gains, reduced business promotion expense and lower amortisation charge on reduced value of intangible assets.

Finance costs increased by S$5.1 million (28.3%), from S$17.9 million in 1H 2018 to S$22.9 million in 1H 2019, due to interest costs on loan facilities taken up to fund the acquisition of the UK student accommodation portfolio and Figtree, and to provide equity funding for the Woodleigh development.

Overall, total costs fell by S$21.7 million (5.6%) from S$387 million in 1H 2018 to S$365.3 million in 1H 2019.

10.1.3 As a result of the foregoing, operating profit of S$121.3 million in 1H 2019 was S$0.7 million (0.6%) higher compared to S$120.6 million in 1H 2018.

10.1.4 Fair value change on investment properties of S$12.9 million relates mainly to expensing of stamp duty for the recently acquired Figtree.

10.1.5 The share of results of associates and joint ventures was a gain of S$9.4 million in 1H 2019 against a loss of S$2.1 million in 1H 2018. This was mainly due to fair value gain on the investment property of S$13.9 million arising from an associate, Chinatown Point.

10.1.6 Investment income comprised fair value changes on investments and derivatives, foreign exchange differences, and dividend and interest income from the investment portfolio. Investment income fell by S$19.2 million (88.8%), from S$21.7 million in 1H 2018 to S$2.4 million in 1H 2019. This was due to gain on disposal of investments of S$14.5 million in 1H 2018 which was absent in 1H 2019. In addition, foreign exchange losses of S$1.2 million was recorded in 1H 2019 against gains of S$3.1 million recognised in 1H 2018.

10.1.7 Taxation charge of S$20.7 million in 1H 2019 was based on the statutory tax rate, taking into account non-deductible expenses and non-taxable income. There was no material adjustment for over- or under- provision of taxation in respect of prior years.

10.1.8 Consequently, net profit attributable to shareholders of S$85.6 million in 1H 2019 was S$14.8 million (14.7%) lower compared to S$100.4 million in 1H 2018.

10.2 Statement of Cash Flows

10.2.1 Net cash from operating activities of S$24.8 million was due to payment of dividends of S$143.8 million and income tax of S$25.6 million, partially offset by cash inflow from operating activities of S$144.5 million.

10.2.2 Net cash used in investing activities of S$424 million was due to additions to investment properties of S$538 million (mainly the acquisition of UK student accommodation portfolio and Figtree); cash injection into Konnectivity of S$11.8 million; and additions to property, plant and equipment of S$14.6 million. This was partially offset by net proceeds from the disposal and purchase of treasury investments of S$140.7 million.

10.2.3 Net cash from financing activities of S$432.7 million was attributed to S$525 million of loan facilities related to the acquisition of UK student accommodation portfolio and Figtree. In addition, the non-controlling interest of Figtree contributed capital of S$17 million for its share of the investment. This was partially offset by repayment of S$85 million of short-term banking facilities and interest payment of S$20.6 million.

11. Segmental information (of the group) for the Year-To-Date ended 28 February 2019

Business Segments

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

Group Segmental Information

1H 2019

	Media	Property	Treasury and Investment	Others	Eliminations	Consolidated
	S$’000	S$’000	S$’000	S$’000	S$’000	S$’000
Operating revenue						
External sales	296,162	140,331	-	41,150	-	477,643
Inter-segmental sales	1,816	1,074	-	683	(3,573)	-
Total operating revenue	**297,978**	**141,405**	**-**	**41,833**	**(3,573)**	**477,643**
Result						
Segment result	42,397	106,074	2,060	(3,864)	-	146,667
Finance costs	-	(22,830)	(101)	-	-	(22,931)
Fair value change on investment properties	-	(12,864)	-	-	-	(12,864)
Share of results of associates and joint ventures	(325)	9,401	-	303	-	9,379
Profit/(Loss) before taxation	**42,072**	**79,781**	**1,959**	**(3,561)**	**-**	**120,251**

1H 2018

	Media	Property	Treasury and Investment	Others	Eliminations	Consolidated
	S$’000	S$’000	S$’000	S$’000	S$’000	S$’000
Operating revenue						
External sales	329,531	121,676	-	41,250	-	492,457
Inter-segmental sales	1,692	1,166	-	1,006	(3,864)	-
Total operating revenue	**331,223**	**122,842**	**-**	**42,256**	**(3,864)**	**492,457**
Result						
Segment result	43,796	95,261	17,107	3,945	-	160,109
Finance costs	-	(16,930)	(940)	(8)	-	(17,878)
Share of results of associates and joint ventures	(46)	(314)	-	(1,742)	-	(2,102)
Profit before taxation	**43,750**	**78,017**	**16,167**	**2,195**	**-**	**140,129**

Group Segmental Review

Media

Revenue for the Media business declined S$33.4 million (10.1%) from S$329.5 million in 1H 2018 to S$296.2 million in 1H 2019. Print advertisement revenue declined S$24 million (12.3%) with the Newspaper business accounting for S$18.6 million (10.5%) of the reduction, partly due to shorter festive advertising window between Christmas and Chinese New Year this year. On the digital front, Newspaper digital advertisement revenue showed encouraging growth of S$1.7 million (15.1%) year-on-year. Circulation revenue fell S$7.4 million (9.7%) as daily average newspaper print sales decreased by 71,129 copies (12.4%), while daily average newspaper digital sales increased by 23,081 copies (11.8%) excluding copies relating to a barter agreement which has ended.

Profit before tax was S$1.7 million (3.8%) lower year-on-year, from S$43.8 million in 1H 2018 to S$42.1 million in 1H 2019. The decline in revenue of S$33.4 million (10.1%) was cushioned by reduction in staff costs and bonus provision of S$13.1 million (8.6%), materials, production and distribution cost of S$3.3 million (4.8%) and business promotion expense of S$3 million (23.1%), together with absence of retrenchment costs of S$11.6 million taken up in 1H 2018.

Property

Revenue for the Property segment grew by S$18.7 million (15.3%), from S$121.7 million in 1H 2018 to S$140.3 million in 1H 2019, mainly through asset acquisitions. The increase comprised revenue contribution of S$12.5 million from the UK student accommodation portfolio, S$3.2 million from Figtree and S$2.5 million from The Rail Mall.

Profit before tax grew S$1.8 million (2.3%), from S$78 million in 1H 2018 to S$79.8 million in 1H 2019. The UK student accommodation portfolio recorded net operating income of S$6.2 million and the share of profits from Chinatown Point included a S$13.9 million fair value gain on the investment property. However, these were largely offset as the Group recognised a fair value change on investment properties of S$12.9 million mainly relating to the stamp duty expense for Figtree, and also accounted for its share of The Woodleigh Residences' financing and marketing costs.

Treasury and Investment

Profit before tax was S$14.2 million (87.9%) lower year-on-year, from S$16.2 million in 1H 2018 to S$2 million in 1H 2019, with the Treasury and Investment portfolio largely divested by August 2018.

Others

Revenue for the Others segment was flat at S$41.2 million for 1H 2019 compared to S$41.3 million for 1H 2018.

The segment posted a pre-tax loss of S$3.6 million in 1H 2019 against a pre-tax profit of S$2.2 million in 1H 2018. This was due to the absence of a one-off gain of S$5.9 million from dilution of interest on the IPO listing of MindChamps Preschool in 1H 2018.

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

No forecast was made previously.

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

13.1 The Group continues to make progress with its digital transformation strategy. Although the Media business continues to experience headwinds, revenue from the digital side of the business is showing growth.

13.2 The Group sees improved recurring income from the Property segment which has expanded its portfolio following recent acquisitions. SPH REIT made its first overseas foray in December with the acquisition of Figtree Grove Shopping Centre in Australia. The UK student accommodation portfolio expanded its capacity by over 10% with the addition of 380 beds across the two cities of Lincoln and Glasgow in February and post 1H 2019, in March. The Woodleigh Residences is expected to be officially launched for sale by May 2019.

13.3 With the completion of the M1 transaction, the Group looks forward to the next step of being part of M1's transformational journey, and will closely collaborate with Keppel Corporation and M1 to leverage on the synergies among the parties.

13.4 The Aged Care business remains on the lookout for expansion opportunities as it seeks to build operational capabilities in Singapore and enhance the range of services on offer.

14. Dividends

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Rate	5.5 cents per share
Tax rate	Tax exempt (One-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Rate	6 cents per share
Tax rate	Tax exempt (One-tier)

(c) Date payable

The date the dividend is payable: 24 May 2019.

(d) Record Date

The Share Transfer Books and Register of Members of the Company will be closed on 3 May 2019, 5.00 p.m. for preparation of dividend warrants. Duly stamped and completed transfers received by our Share Transfer Office, Tricor Barbinder Share Registration Services, 80 Robinson Road #02-00 Singapore 068898, up to 5.00 p.m. on 3 May 2019 will be registered to determine shareholders' entitlements to the interim dividend. In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will distribute the dividends to holders of the securities accounts.

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

Not applicable.

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

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

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

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

18. Subsequent Event

Acquisition of U.K. Student Accommodation Portfolio

On 25 March 2019, the Group's wholly-owned subsidiary, Straits One (Jersey) Limited, entered into a sale and purchase agreement to acquire a portfolio of Purpose-Built Student Accommodation in U.K. from Lysander Student Properties Operation Limited, a related company of Kier Group PLC for a cash consideration of £22.8 million (approximately S$40.4 million), with an independent valuation of £23 million by CBRE Limited, in accordance with RICS Valuation. The portfolio comprises 2 buildings in Glasgow, U.K. and has a total capacity of 264 beds for student accommodation. The properties consist of two assets of heritable title, which is Scottish equivalent of freehold, and are situated within walking distance from three established universities, including one in Russel Group, University of Glasgow.

This transaction will be accounted for in the third quarter of FY2019.

BY ORDER OF THE BOARD

Ginney Lim May Ling
Khor Siew Kim

Company Secretaries

Singapore,
9 April 2019

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

We, Lee Boon Yang and Ng Yat Chung, being two directors of Singapore Press Holdings Limited ("the Company"), do hereby confirm on behalf of the directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the second quarter ended 28 February 2019 to be false or misleading in any material respect.

On behalf of the Directors

LEE BOON YANG
Chairman

NG YAT CHUNG
Director

Singapore,
9 April 2019

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Report on review of Condensed Interim Financial Information

The Board of Directors
Singapore Press Holdings Limited

Introduction

We have reviewed the accompanying financial statements of Singapore Press Holdings Limited (the "Company") and its Subsidiaries (the "Group"), which comprised the statements of financial position of the Group and the Company as at 28 February 2019, and the consolidated statements of income, comprehensive income, changes in total equity and cash flows of the Group for the three-month and six-month periods then ended, and certain explanatory notes (the "Condensed Interim Financial Information"). Management is responsible for the preparation and presentation of this Condensed Interim Financial Information in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

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

Conclusion

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

Restriction on use

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
9 April 2019

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