

# Financial Contents

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# Directors' Statement

for the financial year ended August 31, 2015

The Directors present this statement to the members together with the audited financial statements of Singapore Press Holdings Limited and its subsidiaries (the "Group") for the financial year ended August 31, 2015 and the balance sheet of Singapore Press Holdings Limited (the "Company") as at August 31, 2015.

## DIRECTORS

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

Lee Boon Yang  
 Chan Heng Loon Alan  
 Janet Ang Guat Har (appointed on October 17, 2014)  
 Bahren Shaari  
 Chong Siak Ching  
 Ng Ser Miang  
 Quek See Tiat  
 Tan Chin Hwee  
 Tan Yen Yen  
 Lucien Wong Yuen Kuai

\* Prof Cham Tao Soon and Mr Sum Soon Lim stepped down as Directors on December 2, 2014.

## ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

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

## DIRECTORS' INTERESTS IN SHARES

3. The Directors holding office as at August 31, 2015 had interests in shares, and options and awards over shares, in the Company and its related corporations, and interests in units in SPH REIT, as recorded in the register of Directors' shareholdings as follows:

	Direct Interests			Deemed Interests		
	Sept 1, 2014*	Aug 31, 2015	Sept 21, 2015	Sept 1, 2014*	Aug 31, 2015	Sept 21, 2015
<b>Singapore Press Holdings Limited</b>						
<u>Management Shares</u>						
Lee Boon Yang	4	<b>4</b>	<b>4</b>	–	–	–
Chan Heng Loon Alan	8	<b>12</b>	<b>12</b>	–	–	–
Janet Ang Guat Har	4	<b>4</b>	<b>4</b>	–	–	–
Bahren Shaari	4	<b>4</b>	<b>4</b>	–	–	–
Chong Siak Ching	4	<b>4</b>	<b>4</b>	–	–	–
Ng Ser Miang	4	<b>4</b>	<b>4</b>	–	–	–
Quek See Tiat	4	<b>4</b>	<b>4</b>	–	–	–
Tan Chin Hwee	4	<b>4</b>	<b>4</b>	–	–	–
Tan Yen Yen	4	<b>4</b>	<b>4</b>	–	–	–
Lucien Wong Yuen Kuai	4	<b>4</b>	<b>4</b>	–	–	–

# Directors' Statement

for the financial year ended August 31, 2015

## DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Direct Interests			Deemed Interests		
	Sept 1, 2014*	Aug 31, 2015	Sept 21, 2015	Sept 1, 2014*	Aug 31, 2015	Sept 21, 2015
<u>Ordinary Shares</u>						
Chan Heng Loon Alan	934,650	<b>1,114,650</b>	<b>1,114,650</b>	–	–	–
Janet Ang Guat Har	–	–	–	4,250	<b>4,250</b>	<b>4,250</b>
Quek See Tiat	–	–	–	47,000	<b>47,000</b>	<b>47,000</b>
Lucien Wong Yuen Kuai	–	–	–	20,000	<b>20,000</b>	<b>20,000</b>
<u>Options for Ordinary Shares</u>						
Chan Heng Loon Alan	1,175,000	<b>537,500</b>	<b>537,500</b>	–	–	–
<u>Conditional Awards of Performance Shares**</u>						
Chan Heng Loon Alan						
78,334# shares to be vested in January 2015	Up to 92,400##	Up to –^^	Up to –^^	–	–	–
200,000# shares to be vested in January 2015	Up to 300,000##	Up to –^^	Up to –^^	–	–	–
80,000# shares to be vested in January 2016	Up to 100,801##	Up to <b>78,400##</b>	Up to <b>78,400##</b>	–	–	–
200,000# shares to be vested in January 2016	Up to 300,000##	Up to <b>300,000##</b>	Up to <b>300,000##</b>	–	–	–
80,000# shares to be vested in January 2017	Up to 76,800##	Up to <b>92,801##</b>	Up to <b>92,801##</b>	–	–	–
200,000# shares to be vested in January 2017	Up to 300,000##	Up to <b>300,000##</b>	Up to <b>300,000##</b>	–	–	–
53,333# shares to be vested in January 2018	Up to 38,399##	Up to <b>76,800##</b>	Up to <b>76,800##</b>	–	–	–
200,000# shares to be vested in January 2018	–	Up to <b>300,000##</b>	Up to <b>300,000##</b>	–	–	–
26,666# shares to be vested in January 2019	–	Up to <b>38,399##</b>	Up to <b>38,399##</b>	–	–	–
<b>Singapore News and Publications Limited</b>						
<u>Management Shares</u>						
Chan Heng Loon Alan	1^	1^	1^	–	–	–

# Directors' Statement

for the financial year ended August 31, 2015

## DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Direct Interests			Deemed Interests		
	Sept 1, 2014*	Aug 31, 2015	Sept 21, 2015	Sept 1, 2014*	Aug 31, 2015	Sept 21, 2015
<b>The Straits Times Press (1975) Limited</b>						
<u>Management Shares</u>						
Chan Heng Loon Alan	1 <sup>^</sup>	1 <sup>^</sup>	1 <sup>^</sup>	–	–	–
<b>SPH REIT</b>						
<u>Units</u>						
Lee Boon Yang	300,000	<b>300,000</b>	<b>300,000</b>	–	–	–
Chan Heng Loon Alan	–	–	–	200,000	<b>200,000</b>	<b>200,000</b>

\* Or date of appointment, if later.

\*\* Represents performance shares granted from FY2011 to FY2015.

# The number of shares represents the shares required if awarded at 100% of the grant.

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

^^ During the financial year, 280,000 shares were vested and awarded to Mr Chan Heng Loon Alan.

^ Held as nominee for Singapore Press Holdings Limited.

## SHARE OPTIONS IN THE COMPANY

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

4. (a) The 1999 Scheme was approved by shareholders at an Extraordinary General Meeting held on July 16, 1999 and is administered by the Remuneration Committee ("the Committee"). At another Extraordinary General Meeting held on December 5, 2006, the shareholders approved the adoption of the SPH Performance Share Plan and the 1999 Scheme was terminated with regard to the grant of further options. Options granted and outstanding prior to the termination will continue to be valid and be subject to the terms and conditions of the 1999 Scheme.
  - (b) Details of options granted previously have been disclosed in the Directors' Reports for the respective years.
  - (c) No ordinary shares were issued during the financial year pursuant to the exercise of options granted under the 1999 Scheme.
  - (d) The aggregate number of options granted since the commencement of the 1999 Scheme on July 16, 1999 to December 5, 2006 is 103,090,950.
  - (e) The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.
5. At the end of the financial year, unissued ordinary shares of the Company under options granted pursuant to the 1999 Scheme were as follows:

Grant Date	Expiry Date	Exercise Price (S\$)	Balance
16.12.05	16.12.15	4.30	8,574,350

# Directors' Statement

for the financial year ended August 31, 2015

## PERFORMANCE SHARES IN THE COMPANY

### SPH Performance Share Plan ("the Share Plan")

6. (a) The Share Plan was approved by shareholders at an Extraordinary General Meeting held on December 5, 2006 and is administered by the Committee.
- (b) Persons eligible to participate in the Share Plan are selected Group Employees of such rank and service period as the Committee may determine, and other participants selected by the Committee.
- (c) Awards initially granted under the Share Plan are conditional and will be principally performance-based with performance conditions to be set over a multi-year performance period. Performance conditions are intended to be based on medium- to longer-term corporate objectives and include both market and non-market conditions. Market conditions include Absolute Total Shareholder Return versus cost of equity and Relative Total Shareholder Return against ST All-Share Index. Non-market conditions include Newspaper Business EBITDA, distributable income of SPH REIT, market competitiveness, quality of returns including sales, efficiency, productivity and profit, and business and productivity growth.
- (d) The Share Plan contemplates the award of fully-paid shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met and upon expiry of the prescribed vesting periods.
- (e) Senior management are required to hold a minimum number of shares under the share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.
7. (a) During the financial year, 1,824,955 performance shares were granted subject to the terms and conditions of the Share Plan as follows:

Category	No. of Persons	No. of Performance Shares Granted
Executive Director	1	280,000 <sup>1</sup>
Employee	161	1,544,955 <sup>2</sup>
	162	1,824,955

<sup>1</sup> 80,000 granted with non-market conditions, and 200,000 granted with both market and non-market conditions.

<sup>2</sup> 1,010,955 granted with non-market conditions, and 534,000 granted with both market and non-market conditions.

The aggregate number of performance shares granted since the commencement of the Share Plan on December 5, 2006 to August 31, 2015 is 18,950,750 performance shares.

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

- (b) 1,844,252 ordinary shares were delivered during the financial year pursuant to the vesting of awards granted under the Share Plan.

The aggregate number of performance shares comprised in awards which are outstanding as at August 31, 2015 is 5,263,312 performance shares.

# Directors' Statement

for the financial year ended August 31, 2015

## OTHER INFORMATION ON OPTIONS AND AWARDS

8. Details of the options and awards granted to a Director under the 1999 Scheme and the Share Plan are as follows:

### 1999 Scheme

Name of Director	Aggregate options outstanding as at 1.9.14	Aggregate options granted and accepted since commencement of 1999 Scheme on 16.7.99 to 31.8.15	Aggregate options exercised since commencement of 1999 Scheme on 16.7.99 to 31.8.15	Aggregate options outstanding as at 31.8.15	Number of new ordinary shares issued pursuant to exercise of options during the financial year under review	Number of existing ordinary shares transferred pursuant to exercise of options during the financial year under review
Chan Heng Loon Alan	1,175,000	2,125,000	950,000	537,500	–	–

### Share Plan

Name of Director	Aggregate awards outstanding as at 1.9.14	Aggregate awards granted since commencement of Share Plan on 5.12.06 to 31.8.15	Aggregate awards released during the financial year under review	Aggregate awards outstanding as at 31.8.15
Chan Heng Loon Alan	Up to 1,208,400	Up to 3,275,700	280,000 <sup>#</sup>	Up to 1,186,400

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

In respect of the 1999 Scheme and the Share Plan:

- The 1999 Scheme has been terminated with regard to the grant of further options. No options were granted under the 1999 Scheme during the financial year under review.
- The Rules of the 1999 Scheme did not allow for options to be granted at a discount.
- Details of the ordinary shares delivered pursuant to awards granted under the Share Plan are set out in the notes to the financial statements. The prices at which the ordinary shares were purchased have been previously announced.
- No options or awards under the 1999 Scheme and the Share Plan have been granted to controlling shareholders of the Company or their associates.
- No participant has received in aggregate 5% or more of (a) the total number of new ordinary shares available under the Share Plan and 1999 Scheme collectively, and (b) the total number of existing ordinary shares delivered pursuant to awards released under the Share Plan and options exercised under the 1999 Scheme.

# Directors' Statement

for the financial year ended August 31, 2015

## AUDIT COMMITTEE

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

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

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

## AUDITORS

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

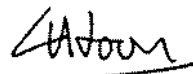
## DIRECTORS' OPINION

11. In the opinion of the Directors,
- (a) the consolidated financial statements of the Group and the balance sheet of the Company, as set out on pages 121 to 208, are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at August 31, 2015, and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
  - (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors



**Lee Boon Yang**  
Chairman



**Chan Heng Loon Alan**  
Director

Singapore,  
October 13, 2015

# Independent Auditors' Report

to the members of Singapore Press Holdings Limited

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Singapore Press Holdings Limited (the Company) and its subsidiaries (the Group), which comprise the balance sheets of the Group and the Company as at August 31, 2015, the income statement, statement of comprehensive income, statement of changes in total equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 121 to 208.

### *Management's responsibility 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 Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, 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.

### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at August 31, 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

## 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.



**KPMG LLP**

*Public Accountants and  
Chartered Accountants*

Singapore  
October 13, 2015



# Balance Sheets

as at August 31, 2015

	Note	Group		Company	
		Aug 31, 2015 S\$'000	Aug 31, 2014 S\$'000	Aug 31, 2015 S\$'000	Aug 31, 2014 S\$'000
<b>CAPITAL EMPLOYED</b>					
Share capital	4	522,809	522,809	522,809	522,809
Treasury shares	4	(13,408)	(3,046)	(13,408)	(3,046)
Reserves	5	482,704	526,409	50,167	59,884
Retained profits		2,626,708	2,640,923	792,423	614,378
Shareholders' interests		3,618,813	3,687,095	1,351,991	1,194,025
Non-controlling interests	6	727,837	709,088	–	–
<b>Total equity</b>		<b>4,346,650</b>	4,396,183	<b>1,351,991</b>	1,194,025
<b>EMPLOYMENT OF CAPITAL</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9	249,976	285,562	139,641	166,318
Investment properties	10	3,940,951	3,860,451	–	–
Investments in subsidiaries	11	–	–	419,250	411,805
Investments in associates	12	75,874	78,353	31,160	31,160
Investments in joint ventures	13	16,295	6,688	–	–
Long-term investments	14	617,312	603,266	38,001	42,998
Intangible assets	15	188,595	173,152	32,211	34,219
Trade and other receivables	17(a)	4,442	3,672	3,675	232,238
Derivative financial instruments	19	4,631	–	–	–
		5,098,076	5,011,144	663,938	918,738
<b>Current assets</b>					
Inventories	16	12,477	23,947	10,785	22,215
Trade and other receivables	17(b)	192,138	144,443	1,455,812	1,566,378
Short-term investments	18	474,633	1,028,026	32,055	207,536
Derivative financial instruments	19	472	899	–	3
Cash and cash equivalents	20(a)	292,246	442,937	152,929	189,271
		971,966	1,640,252	1,651,581	1,985,403
<b>Total assets</b>		<b>6,070,042</b>	6,651,396	<b>2,315,519</b>	2,904,141
<b>Non-current liabilities</b>					
Trade and other payables	21(a)	48,199	34,875	5,471	–
Deferred income tax liabilities	7(a)	50,658	46,901	23,208	25,308
Borrowings	8	947,271	879,107	–	–
Derivative financial instruments	19	–	8,757	–	–
		1,046,128	969,640	28,679	25,308
<b>Current liabilities</b>					
Trade and other payables	21(b)	271,171	298,046	818,445	819,334
Current income tax liabilities		62,331	60,502	31,404	35,689
Borrowings	8	336,681	926,369	85,000	829,482
Derivative financial instruments	19	7,081	656	–	303
		677,264	1,285,573	934,849	1,684,808
<b>Total liabilities</b>		<b>1,723,392</b>	2,255,213	<b>963,528</b>	1,710,116
<b>Net assets</b>		<b>4,346,650</b>	4,396,183	<b>1,351,991</b>	1,194,025

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

# Consolidated Income Statement

for the financial year ended August 31, 2015

		Group	
	Note	2015 S\$'000	2014 S\$'000
<b>Operating revenue</b>	23		
Media		<b>902,506</b>	963,380
Property		<b>230,751</b>	204,985
Others		<b>43,823</b>	46,819
		<b>1,177,080</b>	1,215,184
Other operating income		<b>27,636</b>	15,891
		<b>1,204,716</b>	1,231,075
Materials, production and distribution costs		<b>(176,128)</b>	(199,394)
Staff costs	24	<b>(371,610)</b>	(374,519)
Premises costs		<b>(67,952)</b>	(64,899)
Depreciation	9	<b>(49,582)</b>	(54,332)
Other operating expenses	25	<b>(152,324)</b>	(153,902)
Finance costs	26	<b>(33,620)</b>	(35,066)
Operating profit <sup>#</sup>		<b>353,500</b>	348,963
Fair value change on investment properties		<b>36,258</b>	109,076
Net income from investments	27	<b>51,707</b>	48,215
Share of results of associates and joint ventures		<b>(11,220)</b>	(30,726)
Gain on partial divestment of a joint venture		–	52,863
<b>Profit before taxation</b>		<b>430,245</b>	528,391
Taxation	7(b)	<b>(59,823)</b>	(57,655)
<b>Profit after taxation</b>		<b>370,422</b>	470,736
Attributable to:			
<b>Shareholders of the Company</b>		<b>321,701</b>	404,286
Non-controlling interests	6	<b>48,721</b>	66,450
		<b>370,422</b>	470,736
<b>Earnings per share (S\$)</b>	29		
Basic		<b>0.20</b>	0.25
Diluted		<b>0.20</b>	0.25

<sup>#</sup> 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, 2015

	Note	Group	
		2015 S\$'000	2014 S\$'000
<b>Profit after taxation</b>		<b>370,422</b>	470,736
<b>Other comprehensive income, net of tax</b>			
<u>Items that may be re-classified subsequently to profit or loss</u>			
Capital reserve			
- share of capital reserves of associates		<b>190</b>	–
Cash flow hedges			
- net fair value changes		<b>7,970</b>	(14,317)
- transferred to income statement		<b>5,919</b>	6,597
Net fair value changes on available-for-sale financial assets	5(d)		
- net fair value changes		<b>(12,605)</b>	109,211
- transferred to income statement		<b>(35,330)</b>	(5,353)
Currency translation difference			
- arising from consolidation of financial statements of foreign subsidiaries, associates and joint ventures		<b>(115)</b>	(1,823)
		<b>(33,971)</b>	94,315
<b>Total comprehensive income</b>		<b>336,451</b>	565,051
Attributable to:			
<b>Shareholders of the Company</b>		<b>284,049</b>	501,206
Non-controlling interests	6	<b>52,402</b>	63,845
		<b>336,451</b>	565,051

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, 2015

	Note	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000
Balance as at September 1, 2014		<b>522,809</b>	<b>(3,046)</b>	<b>(10,675)</b>
Total comprehensive income for the year		–	–	<b>190</b>
<b>Transactions with owners, recognised directly in equity</b>				
<u>Contributions by and distributions to owners</u>				
Share-based compensation	5(b)	–	–	–
Treasury shares re-issued	4 and 5(b)	–	<b>7,617</b>	–
Share buy-back – held as treasury shares	4	–	<b>(17,979)</b>	–
Lapse of share options	5(b)	–	–	–
Dividends	28	–	–	–
Fair value gain on interest-free loans		–	–	–
<u>Changes in ownership interests in subsidiaries without a change in control</u>				
Acquisition of additional interests in subsidiaries		–	–	–
Dilution of interests in subsidiaries		–	–	<b>27</b>
<u>Changes in ownership interests in subsidiaries</u>				
Acquisition of subsidiaries with non-controlling interests		–	–	<b>(1,072)</b>
<b>Balance as at August 31, 2015</b>		<b>522,809</b>	<b>(13,408)</b>	<b>(11,530)</b>
Balance as at September 1, 2013		522,114	(6,269)	(13,858)
Total comprehensive income for the year		–	–	–
<b>Transactions with owners, recognised directly in equity</b>				
<u>Contributions by and distributions to owners</u>				
Share-based compensation	5(b)	–	–	–
Issue of shares	4 and 5(b)	695	–	–
Reversal of listing expenses of a subsidiary	5(a)	–	–	3,183
Treasury shares re-issued	4 and 5(b)	–	7,225	–
Share buy-back – held as treasury shares	4	–	(4,002)	–
Lapse of share options	5(b)	–	–	–
Dividends	28	–	–	–
<u>Changes in ownership interests in subsidiaries without a change in control</u>				
Acquisition of additional interests in subsidiaries		–	–	–
Dilution of interests in a subsidiary		–	–	–
<b>Balance as at August 31, 2014</b>		<b>522,809</b>	<b>(3,046)</b>	<b>(10,675)</b>

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	
19,144	(6,386)	525,824	(1,498)	2,640,923	3,687,095	709,088	4,396,183	
–	9,798	(47,935)	295	321,701	284,049	52,402	336,451	
5,967	–	–	–	–	5,967	–	5,967	
(5,786)	–	–	–	(1,543)	288	–	288	
–	–	–	–	–	(17,979)	–	(17,979)	
(5,201)	–	–	–	5,201	–	–	–	
–	–	–	–	(339,348)	(339,348)	(41,277)	(380,625)	
–	–	–	–	–	–	882	882	
–	–	–	–	(509)	(509)	509	–	
–	12	–	–	283	322	3,690	4,012	
–	–	–	–	–	(1,072)	2,543	1,471	
<b>14,124</b>	<b>3,424</b>	<b>477,889</b>	<b>(1,203)</b>	<b>2,626,708</b>	<b>3,618,813</b>	<b>727,837</b>	<b>4,346,650</b>	
21,544	(1,289)	421,966	343	2,591,929	3,536,480	679,226	4,215,706	
–	(5,097)	103,858	(1,841)	404,286	501,206	63,845	565,051	
5,011	–	–	–	–	5,011	–	5,011	
(85)	–	–	–	–	610	–	610	
–	–	–	–	–	3,183	589	3,772	
(6,548)	–	–	–	(420)	257	–	257	
–	–	–	–	–	(4,002)	–	(4,002)	
(778)	–	–	–	778	–	–	–	
–	–	–	–	(355,444)	(355,444)	(34,528)	(389,972)	
–	–	–	–	67	67	(317)	(250)	
–	–	–	–	(273)	(273)	273	–	
19,144	(6,386)	525,824	(1,498)	2,640,923	3,687,095	709,088	4,396,183	

# Consolidated Statement of Cash Flows

for the financial year ended August 31, 2015

	Note	Group 2015 S\$'000	2014 S\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		430,245	528,391
Adjustments for:			
Depreciation		49,582	54,332
Impairment of property, plant and equipment		–	9,798
Net loss on disposal of property, plant and equipment		150	618
Fair value change on investment properties		(36,258)	(109,076)
Share of results of associates and joint ventures		11,220	30,726
Gain on disposal of associates		(100)	(7)
Gain on dilution of interest in an associate		(1,943)	–
Gain on partial divestment of a joint venture		–	(52,863)
Loss on disposal of a joint venture		459	–
Write-back of impairment of loan to an associate		–	(388)
Net income from investments		(51,707)	(48,215)
Amortisation of intangible assets		11,042	9,614
Impairment of goodwill		8,768	–
Impairment of intangible assets		301	–
Finance costs		33,620	35,066
Share-based compensation expense		5,940	4,976
Other non-cash items		2,106	3,079
Operating cash flow before working capital changes		463,425	466,051
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:			
Inventories		11,470	(57)
Trade and other receivables, current		5,078	2,777
Trade and other payables, current		(13,574)	1,391
Trade and other receivables, non-current		(770)	(685)
Trade and other payables, non-current		13,324	849
Currency translation difference		(143)	(498)
		478,810	469,828
Income tax paid		(58,332)	(65,925)
Dividends paid		(339,348)	(355,444)
Dividends paid (net) by subsidiaries to non-controlling interests		(41,277)	(34,528)
<b>Net cash from operating activities</b>		<b>39,853</b>	<b>13,931</b>

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

# Consolidated Statement of Cash Flows

for the financial year ended August 31, 2015

	Note	Group	
		2015 S\$'000	2014 S\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(13,552)	(18,924)
Purchase of intangible assets		(155)	–
Proceeds from disposal of property, plant and equipment		95	228
Additions to investment properties		(46,763)	(66,247)
Acquisition of subsidiaries (net of cash acquired)	20(b)	(29,561)	–
Acquisition of additional interest in a subsidiary		–	(200)
Acquisition of businesses by subsidiaries	20(c)	–	(10,531)
Acquisition of interests in associates		–	(21,275)
Acquisition of interests in joint ventures		(14,327)	–
Additional consideration paid on interest in an associate		(271)	–
Additional consideration paid on interest in a joint venture		(10,512)	–
Proceeds from partial divestment of interest in a subsidiary		4,012	–
Dividends received from associates		6,951	2,873
Proceeds from capital distribution of an associate		–	92
Proceeds from disposal of associates		–	31,903
Proceeds from partial divestment of interest in a joint venture		–	16,856
Decrease in amounts owing by associates/joint ventures		168	1,063
(Decrease)/Increase in amounts owing to joint ventures		(7,738)	21,000
Purchase of long-term investments		(83,127)	(48,583)
Purchase of short-term investments		(137,230)	(772,333)
Proceeds from capital distribution/disposal of long-term investments		4,111	13,605
Proceeds from redemption/disposal of short-term investments		702,015	751,991
Dividends received		30,413	33,284
Interest received		6,338	8,169
Other investment income		(19,688)	643
<b>Net cash from/(used in) investing activities</b>		<b>391,179</b>	<b>(56,386)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from bank loans (net of transaction costs)		500,900	62,427
Repayment of bank loans		(441,252)	(800)
Repayment of loans from non-controlling interests		(225)	(351)
Interest paid		(39,967)	(37,890)
Proceeds from issuance of shares by the Company		–	610
Repayment of fixed rate notes		(600,000)	–
Share buy-back		(17,979)	(4,002)
Loan from a non-controlling interest		16,800	–
<b>Net cash (used in)/from financing activities</b>		<b>(581,723)</b>	<b>19,994</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(150,691)</b>	<b>(22,461)</b>
Cash and cash equivalents at beginning of financial year		442,937	465,398
<b>Cash and cash equivalents at end of financial year</b>	20(a)	<b>292,246</b>	<b>442,937</b>

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

# Notes to the Financial Statements

August 31, 2015

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, and
- (l) developing applications and operating a financial portal.

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 became effective in the current financial year.



# Notes to the Financial Statements

August 31, 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (a) Basis of preparation (cont'd)

The key changes to FRS adopted by the Group are as follows:

#### **FRS 110 Consolidated Financial Statements**

As a result of FRS 110, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. FRS 110 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns.

In accordance with the transitional provisions of FRS 110, the Group assessed the control conclusion for its investees at September 1, 2014. The change in accounting policy as a result of FRS 110 has no impact on the recognised assets, liabilities and total comprehensive income of the Group.

#### **FRS 111 Joint Arrangements**

FRS 111 establishes the principles for classification and accounting for joint arrangements. Under this standard, interests in joint ventures will be accounted for using the equity method whilst interests in joint operations will be accounted for using the applicable FRSs relating to the underlying assets, liabilities, revenue and expense items arising from the joint operations.

The Group has re-evaluated its involvement in its joint arrangements and classified its investments from jointly-controlled entities to joint ventures. Notwithstanding the reclassification, the investments continue to be recognised by applying the equity method and there has been no impact on the recognised assets, liabilities and total comprehensive income of the Group.

#### **FRS 112 Disclosure of interests in other entities**

From September 1, 2014, as a result of FRS 112, the Group has expanded its disclosures about its interests in subsidiaries, associates and joint ventures.

#### **Amendments to FRS 36 Impairment of Assets – Recoverable Amounts Disclosures for Non-Financial Assets**

From September 1, 2014, as a result of the amendments to FRS 36, the Group has expanded its disclosures of recoverable amounts when they are based on fair values less costs of disposals and an impairment is recognised.

#### **Amendments to FRS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities**

Under the amendments to FRS 32, to qualify for offsetting, the right to set off a financial asset and a financial liability must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

There is no significant financial impact to the Group's balance sheet arising from the adoption of the amendments to FRS 32.

The adoption of other 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, 2015

## 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 balance sheet. 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, 2015

## 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 amounts 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, 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 balance sheet. 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, 2015

## 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 balance sheet 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 date of the balance sheet;
- 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 on or after September 1, 2005 are treated as assets and liabilities of the foreign entity and translated at the closing rates at the date of balance sheet. For acquisitions prior to September 1, 2005, the exchange rates at the dates of acquisition are used.

# Notes to the Financial Statements

August 31, 2015

## 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.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement.

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, 2015

## 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	30-50 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 balance sheet 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.

### (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.

# Notes to the Financial Statements

August 31, 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (f) Investment properties (cont'd)

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 balance sheet at cost less accumulated impairment losses. On disposal of these investments, the difference between disposal proceeds and the carrying amounts of the investments is recognised in the income statement.

### (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 12 months after the balance sheet date. Financial assets designated at fair value through profit or loss comprise securities that otherwise would have been classified as available-for-sale.

# Notes to the Financial Statements

August 31, 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (i) Financial assets (cont'd)

#### (i) Classification (cont'd)

- 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 12 months after the balance sheet 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. The Group has no held-to-maturity financial assets at balance sheet date.

- 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 12 months after the balance sheet 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 amount 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 balance sheet 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.



# Notes to the Financial Statements

August 31, 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (i) Financial assets (cont'd)

#### (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 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.

Interest income on available-for-sale financial assets, calculated using the effective interest method, is recognised in the income statement. Dividends on available-for-sale equity securities are recognised in the income statement when the Group's right to receive payment is established. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in the fair value reserve within equity are included in the income statement.

#### (v) Impairment

The Group assesses at each balance sheet 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.

# Notes to the Financial Statements

August 31, 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (i) Financial assets (cont'd)

#### (v) Impairment (cont'd)

- 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 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 at the balance sheet 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 balance sheet 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.

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates. The fair values of cross currency swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest and forward exchange rates.

# Notes to the Financial Statements

August 31, 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (k) Derivative financial instruments and hedging activities

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

A derivative financial instrument 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 has no fair value hedge at balance sheet date.

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 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 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 any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

# Notes to the Financial Statements

August 31, 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (I) 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 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 balance sheet.

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 2 to 20 years, which is the shorter of their estimated useful lives and periods of contractual rights.

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

# Notes to the Financial Statements

August 31, 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (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 12 months after the balance sheet 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.

# Notes to the Financial Statements

August 31, 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (q) Employee benefits (cont'd)

#### (iii) Share-based compensation

- Share options

The share option scheme allows selected employees of the Company and/or its subsidiaries, including the Executive Director of the Company, and other selected participants, to subscribe for ordinary shares in the Company at an agreed exercise price.

The fair value of the options 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 fair value is measured at grant date and recognised over the vesting period during which the employees become unconditionally entitled to the options.

When the options are exercised, the proceeds received (net of any directly attributable transaction costs) and the balance previously recognised in the share-based compensation reserve are credited to share capital when new ordinary shares are issued, or to the treasury share account within equity when treasury shares purchased are re-issued to the employees.

- Performance shares

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

The Share Plan 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 Share Plan 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 financial 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.

# Notes to the Financial Statements

August 31, 2015

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (s) Income taxes

Current income 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 balance sheet date.

Deferred income 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 income 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 income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred income 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 income 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, 2015

## 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, 2015

## 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 balance sheet 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**

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which goodwill is 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 impairment are discussed in Note 15(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, 2015

## 4. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2015		2014	
	Number of Shares '000	Amount S\$'000	Number of Shares '000	Amount S\$'000
<b>Issued and fully paid, with no par value</b>				
Management shares	16,362	7,109	16,362	7,109
Ordinary shares	1,600,649	515,700	1,600,649	515,700
	<b>1,617,011</b>	<b>522,809</b>	1,617,011	522,809
Treasury shares	(3,306)	(13,408)	(765)	(3,046)
	<b>1,613,705</b>	<b>509,401</b>	1,616,246	519,763
Movements during the financial year:				
Beginning of financial year	1,616,246	519,763	1,615,261	515,845
Issue of ordinary shares fully paid under the Singapore Press Holdings Group (1999) Share Option Scheme	–	–	163	688
Issue of management shares fully paid in accordance with the Newspaper and Printing Presses Act	–	–	2	7
	<b>1,616,246</b>	<b>519,763</b>	1,615,426	516,540
Purchase of treasury shares	(4,385)	(17,979)	(1,000)	(4,002)
Treasury shares re-issued for the fulfilment of share awards vested under SPH Performance Share Plan	1,844	7,617	1,820	7,225
End of financial year	<b>1,613,705</b>	<b>509,401</b>	1,616,246	519,763

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 4,385,600 (2014: 1,000,000) of its own shares through purchases on the Singapore Exchange during the current financial year. The total amount paid to acquire the shares was S\$18 million (2014: S\$4 million). The shares, held as treasury shares, were included as deduction against shareholders' equity.

The Company re-issued 1,844,252 (2014: 1,819,918) 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\$7.6 million (2014: S\$7.2 million).

# Notes to the Financial Statements

August 31, 2015

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

### (b) Share options

At the Extraordinary General Meeting held on December 5, 2006, the shareholders approved the adoption of the SPH Performance Share Plan ("the Share Plan") and the Singapore Press Holdings Group (1999) Share Option Scheme ("1999 Scheme") was terminated with regard to the grant of further options. Options granted and outstanding prior to such termination will continue to be valid and be subject to the terms and conditions of the 1999 Scheme.

Movements in the number of the unissued shares of the Company under option during the financial year and their exercise prices are as follows:

#### 2015

Grant Date	Expiry Date	Exercise Price (S\$)	Balance 01.09.14	Options Exercised	Options Lapsed	Balance 31.08.15
21.12.04	21.12.14	4.54	9,872,300	–	(9,872,300)	–
16.12.05	16.12.15	4.30	9,245,425	–	(671,075)	8,574,350
			19,117,725	–	(10,543,375)	8,574,350

#### 2014

Grant Date	Expiry Date	Exercise Price (S\$)	Balance 01.09.13	Options Exercised	Options Lapsed	Balance 31.08.14
16.12.03	16.12.13	3.69	767,175	(163,500)	(603,675)	–
21.12.04	21.12.14	4.54	10,410,775	–	(538,475)	9,872,300
16.12.05	16.12.15	4.30	9,722,700	–	(477,275)	9,245,425
			20,900,650	(163,500)	(1,619,425)	19,117,725

All the outstanding options as at the balance sheet date were exercisable. There were no options exercised in 2015. Options exercised in 2014 resulted in 163,500 shares being issued at an average price of S\$3.69 each.

# Notes to the Financial Statements

August 31, 2015

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

### (c) Performance shares

During the financial year, 1,824,955 (2014: 1,954,145) performance shares were granted subject to the terms and conditions of the Share Plan.

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

#### 2015

Grant Date	Outstanding as at 01.09.14 '000	Adjusted* '000	Granted '000	Vested '000	Lapsed '000	Outstanding as at 31.08.15 '000
12.01.11	473	–	–	(458)	(15)	–
12.01.12	1,470	43	–	(1,155)	(32)	326
11.01.13	1,957	(426)	–	(231)	(47)	1,253
13.01.14	1,913	4	–	–	(47)	1,870
13.01.15	–	–	1,825	–	(11)	1,814

#### 2014

Grant Date	Outstanding as at 01.09.13 '000	Adjusted* '000	Granted '000	Vested '000	Lapsed '000	Outstanding as at 31.08.14 '000
12.01.10	541	–	–	(535)	(6)	–
12.01.11	1,699	(268)	–	(930)	(28)	473
12.01.12	1,997	(121)	–	(355)	(51)	1,470
11.01.13	2,047	–	–	–	(90)	1,957
13.01.14	–	–	1,954	–	(41)	1,913

\* 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, 2015

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

### (c) 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:

#### 2015

Grant Date	Vesting Date	Number of Shares '000	Fair Value per Share S\$	Expected Volatility*		Expected Dividend Yield %	Risk-free Interest Rate %	Correlation between SPH Share Price and FTSE ST All Share Index <sup>^</sup>	Share Price at Grant Date S\$
				SPH %	FTSE ST All Share Index %				
13.01.15 <sup>(a)</sup>	13.01.17	364	3.66	12.36	N.A.	6.00	0.67	N.A.	4.11
13.01.15 <sup>(a)</sup>	13.01.18	364	3.45	12.36	N.A.	6.00	0.89	N.A.	4.11
13.01.15 <sup>(b)</sup>	13.01.18	734	3.43	12.36	9.98	6.00	0.89	0.62	4.11
13.01.15 <sup>(a)</sup>	13.01.19	363	3.25	12.36	N.A.	6.00	1.21	N.A.	4.11

#### 2014

Grant Date	Vesting Date	Number of Shares '000	Fair Value per Share S\$	Expected Volatility*		Expected Dividend Yield %	Risk-free Interest Rate %	Correlation between SPH Share Price and FTSE ST All Share Index <sup>^</sup>	Share Price at Grant Date S\$
				SPH %	FTSE ST All Share Index %				
13.01.14 <sup>(a)</sup>	13.01.16	387	3.58	12.94	N.A.	6.00	0.33	N.A.	4.03
13.01.14 <sup>(a)</sup>	13.01.17	387	3.38	12.94	N.A.	6.00	0.44	N.A.	4.03
13.01.14 <sup>(b)</sup>	13.01.17	793	3.49	12.94	14.89	6.00	0.44	0.58	4.03
13.01.14 <sup>(a)</sup>	13.01.18	387	3.18	12.94	N.A.	6.00	0.87	N.A.	4.03

\* Derived based on 36 months of historical volatility prior to grant date.

<sup>^</sup> 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 current financial year, the Group recognised S\$5.9 million (2014: S\$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.

# Notes to the Financial Statements

August 31, 2015

## 5. RESERVES

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
<b>Non-distributable</b>				
Capital reserve [Note 5(a)]	<b>(11,530)</b>	(10,675)	–	–
Share-based compensation reserve [Note 5(b)]	<b>14,124</b>	19,144	<b>14,124</b>	19,098
Hedging reserve [Note 5(c)]	<b>3,424</b>	(6,386)	–	(251)
Fair value reserve [Note 5(d)]	<b>477,889</b>	525,824	<b>36,043</b>	41,037
Currency translation reserve	<b>(1,203)</b>	(1,498)	–	–
	<b>482,704</b>	526,409	<b>50,167</b>	59,884

### (a) Capital reserve

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

### (b) Share-based compensation reserve

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Beginning of financial year	<b>19,144</b>	21,544	<b>19,098</b>	21,544
Share-based compensation expense [Note 24]	<b>5,940</b>	4,976	<b>5,986</b>	4,930
Share-based compensation expense charged to a joint venture	<b>27</b>	35	<b>27</b>	35
Exercise of share options	–	(85)	–	(85)
Lapse of share options	<b>(5,201)</b>	(778)	<b>(5,201)</b>	(778)
Award of performance shares	<b>(5,786)</b>	(6,548)	<b>(5,786)</b>	(6,548)
End of financial year	<b>14,124</b>	19,144	<b>14,124</b>	19,098

# Notes to the Financial Statements

August 31, 2015

## 5. RESERVES (CONT'D)

### (c) Hedging reserve

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Beginning of financial year	<b>(6,386)</b>	(1,289)	<b>(251)</b>	(309)
Fair value changes	<b>5,694</b>	(9,937)	<b>119</b>	(470)
Deferred tax on fair value changes	<b>(96)</b>	80	<b>(20)</b>	80
	<b>5,598</b>	(9,857)	<b>99</b>	(390)
Transferred to finance costs	<b>4,237</b>	4,852	<b>183</b>	540
Deferred tax on transfer	<b>(37)</b>	(92)	<b>(31)</b>	(92)
	<b>4,200</b>	4,760	<b>152</b>	448
Dilution of interest in a subsidiary	<b>12</b>	–	–	–
End of financial year	<b>3,424</b>	(6,386)	–	(251)

### (d) Fair value reserve

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Beginning of financial year	<b>525,824</b>	421,966	<b>41,037</b>	51,718
Financial assets, available-for-sale				
- Fair value changes	<b>(1,858)</b>	113,817	<b>(4,994)</b>	(855)
- Deferred tax on fair value changes	<b>(10,747)</b>	(4,606)	–	–
	<b>(12,605)</b>	109,211	<b>(4,994)</b>	(855)
Transferred to income statement [Note 27]	<b>(42,572)</b>	(4,583)	–	(9,826)
Deferred tax on transfer	<b>7,242</b>	(770)	–	–
	<b>(35,330)</b>	(5,353)	–	(9,826)
End of financial year	<b>477,889</b>	525,824	<b>36,043</b>	41,037

# Notes to the Financial Statements

August 31, 2015

## 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.

### 2015

	SPH REIT S\$'000	Other subsidiaries S\$'000	Total S\$'000
Revenue	<b>205,113</b>		
Profit	<b>153,531</b>		
Other comprehensive income	<b>13,072</b>		
<b>Total comprehensive income</b>	<b>166,603</b>		
Attributable to non-controlling interests:			
Profit	<b>45,832</b>	<b>2,889</b>	<b>48,721</b>
Other comprehensive income	<b>3,921</b>	<b>(240)</b>	<b>3,681</b>
<b>Total comprehensive income</b>	<b>49,753</b>	<b>2,649</b>	<b>52,402</b>
Non-current assets	<b>3,226,893</b>		
Current assets	<b>82,728</b>		
Non-current liabilities	<b>(632,250)</b>		
Current liabilities	<b>(279,561)</b>		
<b>Net assets</b>	<b>2,397,810</b>		
<b>Net assets attributable to non-controlling interests</b>	<b>713,616</b>	<b>14,221</b>	<b>727,837</b>
Cash flows from operating activities	<b>158,375</b>		
Cash flows used in investing activities	<b>(14,837)</b>		
Cash flows used in financing activities	<b>(156,841)</b>		
<b>Net decrease in cash and cash equivalents</b>	<b>(13,303)</b>		



# Notes to the Financial Statements

August 31, 2015

## 6. NON-CONTROLLING INTERESTS (CONT'D)

2014

	SPH REIT S\$'000	Other subsidiaries S\$'000	Total S\$'000
Revenue	202,241		
Profit	216,514		
Other comprehensive income	(7,778)		
<b>Total comprehensive income</b>	<b>208,736</b>		
Attributable to non-controlling interests:			
Profit	64,721	1,729	66,450
Other comprehensive income	(2,329)	(276)	(2,605)
<b>Total comprehensive income</b>	<b>62,392</b>	<b>1,453</b>	<b>63,845</b>
Non-current assets	3,172,463		
Current assets	96,570		
Non-current liabilities	(880,836)		
Current liabilities	(35,131)		
<b>Net assets</b>	<b>2,353,066</b>		
<b>Net assets attributable to non-controlling interests</b>	<b>700,886</b>	<b>8,202</b>	<b>709,088</b>
Cash flows from operating activities	174,525		
Cash flows used in investing activities	(2,675)		
Cash flows used in financing activities	(142,064)		
<b>Net increase in cash and cash equivalents</b>	<b>29,786</b>		

# Notes to the Financial Statements

August 31, 2015

## 7. INCOME TAXES

### (a) Deferred income taxes

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

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Deferred income tax liabilities	<b>54,690</b>	52,401	<b>26,068</b>	29,397
Deferred income tax assets	<b>(4,032)</b>	(5,500)	<b>(2,860)</b>	(4,089)
	<b>50,658</b>	46,901	<b>23,208</b>	25,308

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

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Hedging reserve	<b>167</b>	12	<b>51</b>	12
Fair value reserve	<b>3,505</b>	5,376	–	–
	<b>3,672</b>	5,388	<b>51</b>	12

Deferred income 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\$1.7 million (2014: S\$1.8 million) and S\$0.8 million (2014: S\$0.1 million) respectively at the balance sheet 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.

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

### Group

#### 2015

### (i) Deferred income tax liabilities

	Accelerated Tax Depreciation S\$'000	Fair Value Changes S\$'000	Others S\$'000	Total S\$'000
Beginning of financial year	<b>39,945</b>	<b>5,616</b>	<b>6,840</b>	<b>52,401</b>
Recognised in income statement	<b>(2,426)</b>	–	<b>(77)</b>	<b>(2,503)</b>
Recognised in equity	–	<b>3,621</b>	–	<b>3,621</b>
Acquisition of a subsidiary [Note 20(b)]	–	–	<b>1,171</b>	<b>1,171</b>
End of financial year	<b>37,519</b>	<b>9,237</b>	<b>7,934</b>	<b>54,690</b>

# Notes to the Financial Statements

August 31, 2015

## 7. INCOME TAXES (CONT'D)

### (a) Deferred income taxes (cont'd)

#### Group

2015

#### (ii) Deferred income tax assets

	Provisions S\$'000	Fair Value Changes S\$'000	Total S\$'000
Beginning of financial year	(5,449)	(51)	(5,500)
Recognised in income statement	1,312	–	1,312
Recognised in equity	–	51	51
Currency translation differences	105	–	105
End of financial year	(4,032)	–	(4,032)

#### Group

2014

#### (i) Deferred income tax liabilities

	Accelerated Tax Depreciation S\$'000	Fair Value Changes S\$'000	Others S\$'000	Total S\$'000
Beginning of financial year	42,378	240	3,865	46,483
Recognised in income statement	(2,433)	–	3,261	828
Recognised in equity	–	5,376	–	5,376
Currency translation differences	–	–	(286)	(286)
End of financial year	39,945	5,616	6,840	52,401

#### (ii) Deferred income tax assets

	Provisions S\$'000	Fair Value Changes S\$'000	Total S\$'000
Beginning of financial year	(5,102)	(63)	(5,165)
Recognised in income statement	(334)	–	(334)
Recognised in equity	–	12	12
Currency translation differences	(13)	–	(13)
End of financial year	(5,449)	(51)	(5,500)

# Notes to the Financial Statements

August 31, 2015

## 7. INCOME TAXES (CONT'D)

### (a) Deferred income taxes (cont'd)

#### Company

2015

#### (i) Deferred income tax liabilities

	Accelerated Tax Depreciation S\$'000	Others S\$'000	Total S\$'000
Beginning of financial year	29,264	133	29,397
Recognised in income statement	(3,317)	(12)	(3,329)
End of financial year	25,947	121	26,068

#### (ii) Deferred income tax assets

	Provisions S\$'000	Fair Value Changes S\$'000	Total S\$'000
Beginning of financial year	(4,038)	(51)	(4,089)
Recognised in income statement	1,178	–	1,178
Recognised in equity	–	51	51
End of financial year	(2,860)	–	(2,860)

#### Company

2014

#### (i) Deferred income tax liabilities

	Accelerated Tax Depreciation S\$'000	Others S\$'000	Total S\$'000
Beginning of financial year	33,823	113	33,936
Recognised in income statement	(4,559)	20	(4,539)
End of financial year	29,264	133	29,397

#### (ii) Deferred income tax assets

	Provisions S\$'000	Fair Value Changes S\$'000	Total S\$'000
Beginning of financial year	(4,097)	(63)	(4,160)
Recognised in income statement	59	–	59
Recognised in equity	–	12	12
End of financial year	(4,038)	(51)	(4,089)

# Notes to the Financial Statements

August 31, 2015

## 7. INCOME TAXES (CONT'D)

### (b) Income tax expense

	Group	
	2015 S\$'000	2014 S\$'000
Tax expense attributable to profit is made up of:		
Current year		
- Current tax	<b>61,278</b>	58,766
- Deferred tax	<b>(1,136)</b>	510
	<b>60,142</b>	59,276
Prior years		
- Current tax	<b>(264)</b>	(1,605)
- Deferred tax	<b>(55)</b>	(16)
	<b>(319)</b>	(1,621)
	<b>59,823</b>	57,655

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	
	2015 S\$'000	2014 S\$'000
Profit before taxation	<b>430,245</b>	528,391
Tax calculated at corporate tax rate of 17%	<b>73,142</b>	89,826
Income taxed at concessionary rate	<b>(222)</b>	(319)
Income not subject to tax	<b>(17,018)</b>	(35,714)
Expenses not deductible for tax purposes	<b>5,371</b>	8,156
Deferred tax benefits not recognised	<b>514</b>	165
Tax relief for contributions made to Institutes of Public Character	<b>(842)</b>	(1,194)
Effect of different tax rates in other countries	<b>1,162</b>	820
Tax rebates	<b>(420)</b>	(572)
Tax incentives	<b>(1,131)</b>	(1,540)
Others	<b>(414)</b>	(352)
Over-provision in prior years	<b>(319)</b>	(1,621)
Tax charge	<b>59,823</b>	57,655

# Notes to the Financial Statements

August 31, 2015

## 8. BORROWINGS

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
<b>Secured</b>				
Term loans [Note 8(a) and 8(b)]	<b>1,144,070</b>	937,007	–	–
<b>Unsecured</b>				
Fixed rate notes [Note 8(c)]	–	599,828	–	599,828
Term loan [Note 8(d)]	–	229,654	–	229,654
Loans from non-controlling interests [Note 8(e) and 8(f)]	<b>52,531</b>	36,216	–	–
Other banking facilities [Note 8(g)]	<b>87,351</b>	2,771	<b>85,000</b>	–
	<b>1,283,952</b>	1,805,476	<b>85,000</b>	829,482
Borrowings are repayable:				
Within 1 year	<b>336,681</b>	926,369	<b>85,000</b>	829,482
Between 1 - 5 years	<b>947,271</b>	581,759	–	–
After 5 years	–	297,348	–	–
	<b>947,271</b>	879,107	–	–
	<b>1,283,952</b>	1,805,476	<b>85,000</b>	829,482

- (a) On July 24, 2013, SPH REIT, a subsidiary of the Group, established a term loan facility available for drawdown up to the amount of S\$975 million (2014: S\$975 million). As at the balance sheet date, the amount drawn down was S\$850 million (2014: S\$850 million). The loan stated at amortised cost amounted to S\$844.9 million (2014: S\$843.1 million). The loan has repayment terms ranging from three to seven years, of which S\$250 million is repayable on July 25, 2016, S\$135 million on March 26, 2018, S\$185 million on July 24, 2018 and S\$280 million on July 24, 2020.

The term loan is secured by way of a first legal mortgage on SPH REIT's investment property – Paragon [Note 10], 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\$720 million (2014: S\$465 million), the effective interest rate as at the balance sheet date on the outstanding term loan of S\$850 million (2014: S\$850 million) was 2.55% (2014: 2.33%) per annum.

- (b) During the financial year, The Seletar Mall Pte Ltd ("TSMPL"), a subsidiary of the Group, established a term loan facility available for drawdown up to the amount of S\$300 million. As at the balance sheet date, the amount drawn down was S\$300 million. The loan has a repayment term of three years and is repayable on June 8, 2018. The loan stated at amortised cost amounted to S\$299.2 million.

The term loan taken up by TSMPL is secured by way of a first legal mortgage on TSMPL's investment property – The Seletar Mall [Note 10], 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 August 31, 2014, TSMPL had a term loan facility available for drawdown up to the amount of S\$138 million, of which S\$94.1 million had been drawn down. The loan was fully repaid during the financial year ended August 31, 2015.

After taking into account interest rate swap arrangements totalling S\$100 million (2014: nil), the effective interest rate as at the balance sheet date on the outstanding term loan was 1.80% (2014: 1.31%) per annum.

# Notes to the Financial Statements

August 31, 2015

## 8. BORROWINGS (CONT'D)

- (c) On February 22, 2010, the Company established a S\$1 billion Multicurrency Medium Term Note Programme. Notes outstanding as at August 31, 2014 comprised S\$600 million unsecured fixed rate notes which were fully repaid during the financial year ended August 31, 2015.
- (d) As at August 31, 2014, the Company had an unsecured term loan facility available for drawdown up to the amount of S\$230 million which was fully drawn down. The loan was fully repaid during the financial year ended August 31, 2015.
- (e) As at August 31, 2015, TSMPL had outstanding unsecured loans of S\$53.7 million (2014: S\$36.9 million) from its non-controlling interest, United Engineers Developments Pte Ltd. 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 8(b)]. The loans stated at amortised cost amounted to S\$52.5 million (2014: S\$36 million).

On initial recognition, the loans were recognised at fair value, which was determined from the cash flow analyses, discounted at the market borrowing rates on the inception dates. The difference between the fair value and principal loan amounts was recognised in the income statement. The unamortised fair value gain as at the balance sheet date was S\$1.2 million (2014: S\$0.9 million).

- (f) As at August 31, 2014, Blu Inc (Holdings) Malaysia Sdn Bhd, a subsidiary of the Group, had an unsecured loan of S\$0.2 million from its non-controlling interests. The loan was fully repaid during the financial year ended August 31, 2015.
- (g) As at August 31, 2015, the other banking facilities included S\$85 million (2014: nil) of unsecured fixed advance facility drawn down by the Company. The amount is repayable on September 25, 2015.
- (h) 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, TSMPL and SPH REIT (2014: the Company and SPH REIT) 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, TSMPL and SPH REIT (2014: the Company and SPH REIT) 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, 2015, the fixed interest rate was 1.82% per annum for TSMPL and 1.10% to 2.31% per annum for SPH REIT (2014: 0.66% per annum for the Company and 1.44% to 2.31% per annum for SPH REIT). 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, 2015 are:

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Notional due:				
Within 1 year	120,000	120,000	–	120,000
Between 1 - 5 years	550,000	35,000	–	–
After 5 years	–	280,000	–	–
Fair values* [Note 19]	4,997	(9,060)	–	(303)

\* The fair values of interest rate swap contracts had been calculated (using rates quoted by the Group's bankers) assuming the contracts are terminated at the balance sheet date. These interest rate swaps are contracted with counter-parties which are banks and financial institutions with acceptable credit ratings.

# Notes to the Financial Statements

August 31, 2015

## 8. BORROWINGS (CONT'D)

- (i) As at August 31, 2015, the fair value of the loans from non-controlling interest was S\$52.5 million (2014: S\$36 million), determined from the cash flow analysis, discounted at market borrowing rate of 1.81% (2014: 1.57%) per annum which management expected to be available to the Group. The fair value of the fixed rate notes as at August 31, 2014 was S\$605 million based on its quoted price.

## 9. PROPERTY, PLANT AND EQUIPMENT

### (a) Group

2015

	Leasehold Land and Buildings S\$'000	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
<b>Cost</b>					
Beginning of financial year	236,832	740,018	21,039	2,092	999,981
Additions	118	3,079	517	–	3,714
Acquisition of subsidiaries [Note 20(b)]	–	82	85	–	167
Transfer in from capital work-in-progress	–	7,826	83	–	7,909
Disposals/Write-offs	–	(15,547)	(616)	(45)	(16,208)
Currency translation differences	627	(145)	(71)	(15)	396
End of financial year	237,577	735,313	21,037	2,032	995,959
<b>Accumulated depreciation and impairment losses</b>					
Beginning of financial year	132,530	566,781	16,995	1,526	717,832
Depreciation	6,923	40,882	1,409	368	49,582
Disposals/Write-offs	–	(15,320)	(598)	(45)	(15,963)
Currency translation differences	46	(103)	(60)	(9)	(126)
End of financial year	139,499	592,240	17,746	1,840	751,325
<b>Carrying amount</b>					
End of financial year	98,078	143,073	3,291	192	244,634
Capital work-in-progress	–	5,298	44	–	5,342
Total	98,078	148,371	3,335	192	249,976
<b>Capital work-in-progress</b>					
Beginning of financial year	–	3,377	36	–	3,413
Additions	–	9,747	91	–	9,838
Transfer out to property, plant and equipment	–	(7,826)	(83)	–	(7,909)
End of financial year	–	5,298	44	–	5,342



# Notes to the Financial Statements

August 31, 2015

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Group

2014

	Leasehold Land and Buildings S\$'000	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
<b>Cost</b>					
Beginning of financial year	236,994	731,368	20,562	2,151	991,075
Additions	30	2,420	1,123	–	3,573
Acquisition of businesses by subsidiaries [Note 20(c)]	–	21	–	–	21
Transfer in from capital work-in-progress	–	21,906	180	–	22,086
Disposals/Write-offs	–	(15,711)	(826)	(61)	(16,598)
Currency translation differences	(192)	14	–	2	(176)
End of financial year	236,832	740,018	21,039	2,092	999,981
<b>Accumulated depreciation and impairment losses</b>					
Beginning of financial year	125,684	526,599	16,080	1,082	669,445
Depreciation	6,957	45,450	1,421	504	54,332
Disposals/Write-offs	–	(15,179)	(512)	(61)	(15,752)
(Reversal of impairment)/ Impairment	(103)	9,901	–	–	9,798
Currency translation differences	(8)	10	6	1	9
End of financial year	132,530	566,781	16,995	1,526	717,832
<b>Carrying amount</b>					
End of financial year	104,302	173,237	4,044	566	282,149
Capital work-in-progress	–	3,377	36	–	3,413
Total	104,302	176,614	4,080	566	285,562
<b>Capital work-in-progress</b>					
Beginning of financial year	–	10,097	51	–	10,148
Additions	–	15,186	165	–	15,351
Transfer out to property, plant and equipment	–	(21,906)	(180)	–	(22,086)
End of financial year	–	3,377	36	–	3,413

In the previous financial year, the Group and the Company recognised an impairment charge of S\$9.9 million on a press line arising from the optimisation of printing capacity. This amount was included within "Other operating expenses" in the income statement.

# Notes to the Financial Statements

August 31, 2015

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### (c) Company

2015

	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
<b>Cost</b>				
Beginning of financial year	636,603	13,446	1,621	651,670
Additions	558	48	–	606
Transfer in from capital work-in-progress	7,106	5	–	7,111
Disposals/Write-offs	(11,445)	(456)	(45)	(11,946)
End of financial year	632,822	13,043	1,576	647,441
<b>Accumulated depreciation and impairment losses</b>				
Beginning of financial year	474,859	11,896	1,249	488,004
Depreciation	35,870	286	227	36,383
Disposals/Write-offs	(11,281)	(451)	(45)	(11,777)
End of financial year	499,448	11,731	1,431	512,610
<b>Carrying amount</b>				
End of financial year	133,374	1,312	145	134,831
Capital work-in-progress	4,810	–	–	4,810
Total	138,184	1,312	145	139,641
<b>Capital work-in-progress</b>				
Beginning of financial year	2,652	–	–	2,652
Additions	9,264	5	–	9,269
Transfer out to property, plant and equipment	(7,106)	(5)	–	(7,111)
End of financial year	4,810	–	–	4,810

# Notes to the Financial Statements

August 31, 2015

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) Company

2014

	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
<b>Cost</b>				
Beginning of financial year	628,878	12,974	1,621	643,473
Additions	749	345	–	1,094
Transfer in from capital work-in-progress	21,466	165	–	21,631
Disposals/Write-offs	(14,490)	(38)	–	(14,528)
End of financial year	636,603	13,446	1,621	651,670
<b>Accumulated depreciation and impairment losses</b>				
Beginning of financial year	439,790	11,661	897	452,348
Depreciation	39,151	273	352	39,776
Disposals/Write-offs	(14,021)	(38)	–	(14,059)
Impairment	9,939	–	–	9,939
End of financial year	474,859	11,896	1,249	488,004
<b>Carrying amount</b>				
End of financial year	161,744	1,550	372	163,666
Capital work-in-progress	2,652	–	–	2,652
Total	164,396	1,550	372	166,318
<b>Capital work-in-progress</b>				
Beginning of financial year	9,619	–	–	9,619
Additions	14,499	165	–	14,664
Transfer out to property, plant and equipment	(21,466)	(165)	–	(21,631)
End of financial year	2,652	–	–	2,652

# Notes to the Financial Statements

August 31, 2015

## 10. INVESTMENT PROPERTIES

	Group	
	2015 S\$'000	2014 S\$'000
<b>Investment properties</b>		
Beginning of financial year	3,393,451	3,291,437
Additions	18,128	1,439
Transfer from investment property under development	493,114	–
Fair value change	36,258	100,575
End of financial year	3,940,951	3,393,451
<b>Investment property under development</b>		
Beginning of financial year	467,000	381,128
Additions	26,114	77,371
Fair value change	–	8,501
Transfer to investment properties	(493,114)	–
End of financial year	–	467,000
<b>Total carrying amount</b>	<b>3,940,951</b>	<b>3,860,451</b>
Carrying amount of		
- Freehold investment properties	2,845,151	2,792,151
- Leasehold investment properties	1,095,800	601,300
- Leasehold investment property under development	–	467,000
	<b>3,940,951</b>	<b>3,860,451</b>

The fair value of the investment properties as at the balance sheet date was stated based on independent professional valuations using valuation techniques and assumptions set out in Note 31(e).

The Paragon on Orchard Road, with a carrying value of S\$2,756 million (2014: S\$2,700 million), is mortgaged to banks as security for the loan facility of S\$975 million (2014: S\$975 million) granted to SPH REIT [Note 8(a)].

As at August 31, 2015, The Seletar Mall with a carrying amount of S\$495 million is mortgaged to a bank as security for the loan facility of S\$300 million granted to TSMPL [Note 8(b)].

As at August 31, 2014, The Seletar Mall with a carrying amount of S\$467 million was mortgaged as security for loan facilities granted to TSMPL respectively by a bank (S\$138 million) (first legal mortgage) [Note 8(b)] and the Company (S\$230 million) (second legal mortgage) [Note 17(a)(i)].

The following amounts are recognised in the income statement:

	Group	
	2015 S\$'000	2014 S\$'000
Rental income	229,620	202,896
Direct operating expenses arising from investment properties that generated rental income	(53,766)	(48,161)

# Notes to the Financial Statements

August 31, 2015

## 11. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 S\$'000	2014 S\$'000
Equity investments at cost	<b>452,304</b>	412,305
Allowance for impairment	<b>(33,054)</b>	(500)
	<b>419,250</b>	411,805

During the current financial year, an allowance for impairment loss of S\$32.6 million (2014: nil) was recognised in respect of the Company's investment in a subsidiary following a review of the subsidiary's business. The recoverable amount was determined based on fair value less cost to sell. Fair value less cost to sell was represented by the net assets of the subsidiary as at the balance sheet date which approximates its fair value as it mainly comprises monetary assets and liabilities. This investment is classified as Level 3 within the fair value hierarchy as the fair value measurement is not based on observable market data.

Details of significant subsidiaries are set out in Note 30. A list of other operating subsidiaries of the Group can be found on pages 209 and 210 of the annual report.

## 12. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Investments in associates	<b>75,874</b>	78,353	<b>31,160</b>	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:

	MediaCorp Press Ltd ("MCPL")	MediaCorp TV Holdings Pte Ltd ("MCTV")	MindChamps Preschool (Worldwide) Pte Limited ("MindChamps")
Nature of relationship with the Group	Related media business	Related media business	Business adjacency
Principal place of business/ Country of incorporation	Singapore	Singapore	Singapore
Ownership interest/Voting rights held	40% (2014: 40%)	20% (2014: 20%)	22% (2014: 22%)

# Notes to the Financial Statements

August 31, 2015

## 12. INVESTMENTS IN 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
<b>2015</b>			
Revenue	64,543	290,549	11,126
Profit after tax	5,435	2,676	3,384
Other comprehensive income	342	(580)	37
<b>Total comprehensive income</b>	<b>5,777</b>	<b>2,096</b>	<b>3,421</b>
Attributable to:			
- Non-controlling interests	-	(58)	198
- Associate's shareholders	5,777	2,154	3,223
Non-current assets	15,570	26,969	1,091
Current assets	31,713	141,785	8,348
Non-current liabilities	(310)	(3,301)	(195)
Current liabilities	(11,110)	(56,824)	(4,897)
<b>Net assets</b>	<b>35,863</b>	<b>108,629</b>	<b>4,347</b>
Attributable to:			
- Non-controlling interests	-	410	141
- Associate's shareholders	35,863	108,219	4,206

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	Other associates S\$'000	Total S\$'000
<b>2015</b>					
Beginning of financial year	33,683	21,224	12,000	11,446	78,353
Group's share of:					
Profit after tax	2,174	535	701		
Other comprehensive income	137	(115)	8		
Total comprehensive income	2,311	420	709	(702)	2,738
Dividends received	(6,566)	-	-	(385)	(6,951)
Gain on dilution of interest	-	-	-	1,943	1,943
Disposal	-	-	-	(480)	(480)
Group's contribution	-	-	-	271	271
End of financial year	29,428*	21,644	12,709*	12,093	75,874

\* 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, 2015

## 12. INVESTMENTS IN 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
<b>2014</b>			
Revenue	70,424	259,070	–
Profit after tax	8,187	5,521	–
Other comprehensive income	989	654	–
<b>Total comprehensive income</b>	<b>9,176</b>	<b>6,175</b>	<b>–</b>
Attributable to:			
- Non-controlling interests	–	(39)	–
- Associate's shareholders	9,176	6,214	–
Non-current assets	15,668	39,101	1,072
Current assets	41,310	116,542	5,341
Non-current liabilities	(402)	(4,240)	(223)
Current liabilities	(10,075)	(44,813)	(5,264)
<b>Net assets</b>	<b>46,501</b>	<b>106,590</b>	<b>926</b>
Attributable to:			
- Non-controlling interests	–	468	(57)
- Associate's shareholders	46,501	106,122	983

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	Other associates S\$'000	Total S\$'000
<b>2014</b>					
Beginning of financial year	32,291	19,989	–	3,577	55,857
Group's share of:					
Profit after tax	3,275	1,104	–	–	–
Other comprehensive income	396	131	–	–	–
<b>Total comprehensive income</b>	<b>3,671</b>	<b>1,235</b>	<b>–</b>	<b>(328)</b>	<b>4,578</b>
Dividends/Distribution received	(2,279)	–	–	(686)	(2,965)
Disposal	–	–	–	(392)	(392)
Group's contribution	–	–	12,000	9,275	21,275
<b>End of financial year</b>	<b>33,683*</b>	<b>21,224</b>	<b>12,000*</b>	<b>11,446</b>	<b>78,353</b>

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

A list of operating associates of the Group can be found on page 211 of the annual report.

# Notes to the Financial Statements

August 31, 2015

## 13. INVESTMENTS IN JOINT VENTURES

	Group	
	2015 S\$'000	2014 S\$'000
Investments in joint ventures	<b>16,295</b>	6,688

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	
	2015 S\$'000	2014 S\$'000
Beginning of financial year	<b>6,688</b>	6,391
Group's share of:		
Loss after tax	<b>(13,896)</b>	(34,578)
Other comprehensive income	<b>(769)</b>	(1,132)
Total comprehensive income	<b>(14,665)</b>	(35,710)
Group's contribution	<b>24,839</b>	–
Dilution of interest	–	(16,856)
Gain on dilution of interest	–	52,863
Disposal	<b>(567)</b>	–
End of financial year	<b>16,295</b>	6,688

In the previous financial year, the Group completed the partial divestment of its interest in 701Search Pte Ltd to Telenor Communications II AS. As a result, the Group recognised a gain of S\$52.9 million on the divestment.

A list of operating joint ventures of the Group can be found on page 211 of the annual report.

## 14. LONG-TERM INVESTMENTS

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
<b>Available-for-sale financial assets</b>				
- Equity securities	<b>509,316</b>	540,733	<b>38,001</b>	42,998
- Bonds	<b>8,452</b>	–	–	–
- Investment funds	<b>98,687</b>	62,533	–	–
	<b>616,455</b>	603,266	<b>38,001</b>	42,998
<b>Financial assets at fair value through profit or loss</b>				
Designated at fair value on initial recognition				
- Bonds and notes	<b>857</b>	–	–	–
	<b>617,312</b>	603,266	<b>38,001</b>	42,998



# Notes to the Financial Statements

August 31, 2015

## 15. INTANGIBLE ASSETS

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Arising from business combinations				
- Goodwill [Note 15(a)]	<b>87,853</b>	69,124	-	-
- Technology, trademarks, licences, mastheads and others [Note 15(b)]	<b>100,459</b>	103,868	-	-
Acquired separately				
- Technology, trademarks and licences [Note 15(c)]	<b>283</b>	160	<b>32,211</b>	34,219
	<b>188,595</b>	173,152	<b>32,211</b>	34,219

### (a) Arising from business combinations - Goodwill

	Group	
	2015 S\$'000	2014 S\$'000
<b>Cost</b>		
Beginning of financial year	<b>83,597</b>	80,783
Acquisition of subsidiaries [Note 20(b)]	<b>27,430</b>	-
Acquisition of businesses by subsidiaries [Note 20(c)]	-	3,294
Currency translation differences	<b>60</b>	(480)
End of financial year	<b>111,087</b>	83,597
<b>Accumulated impairment</b>		
Beginning of financial year	<b>14,473</b>	14,591
Impairment charge [Note 25]	<b>8,768</b>	-
Currency translation differences	<b>(7)</b>	(118)
End of financial year	<b>23,234</b>	14,473
<b>Net book value</b>	<b>87,853</b>	69,124

During the financial year, the Group recognised an impairment charge of S\$8.8 million mainly for the magazine business within "Other operating expenses" due to unfavourable market conditions.

# Notes to the Financial Statements

August 31, 2015

## 15. 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 <sup>(1)</sup>		Terminal growth rate <sup>(2)</sup>	
	2015 S\$'000	2014 S\$'000	2015 %	2014 %	2015 %	2014 %

Carrying value of goodwill in:

Singapore						
- Magazine	<b>20,029</b>	28,029	<b>9.2</b>	11.5	<b>2.3</b>	2.3
- Online	<b>53,376</b>	26,686	<b>13.3</b>	15.1	<b>2.3</b>	2.3
- Exhibition	<b>8,659</b>	8,194	<b>9.7</b>	12.2	<b>2.0</b>	2.0
Malaysia						
- Magazine	<b>3,574</b>	4,086	<b>11.1</b>	13.8	<b>2.0</b>	2.0
Multiple units with insignificant goodwill	<b>2,215</b>	2,129				
	<b>87,853</b>	69,124				

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 cash generating units 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. Capital expenditure is also assumed to be insignificant.

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 and 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. 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 August 31, 2015.

# Notes to the Financial Statements

August 31, 2015

## 15. INTANGIBLE ASSETS (CONT'D)

### (b) Arising from business combinations

#### - Technology, trademarks, licences, mastheads and others

#### Group

	Technology S\$'000	Trademarks, licences, mastheads and others S\$'000	Total S\$'000
<b>2015</b>			
<b>Cost</b>			
Beginning of financial year	6,686	137,750	144,436
Acquisition of subsidiaries [Note 20(b)]	7,390	750	8,140
Currency translation differences	–	(227)	(227)
End of financial year	14,076	138,273	152,349
<b>Accumulated amortisation</b>			
Beginning of financial year	3,829	36,739	40,568
Amortisation charge [Note 25]	2,321	8,700	11,021
Impairment charge [Note 25]	–	301	301
End of financial year	6,150	45,740	51,890
<b>Net book value</b>	<b>7,926</b>	<b>92,533</b>	<b>100,459</b>
<b>2014</b>			
<b>Cost</b>			
Beginning of financial year	6,506	129,447	135,953
Acquisition of businesses by subsidiaries [Note 20(c)]	–	8,378	8,378
Currency translation differences	180	(75)	105
End of financial year	6,686	137,750	144,436
<b>Accumulated amortisation</b>			
Beginning of financial year	3,114	27,858	30,972
Amortisation charge [Note 25]	709	8,881	9,590
Currency translation differences	6	–	6
End of financial year	3,829	36,739	40,568
<b>Net book value</b>	<b>2,857</b>	<b>101,011</b>	<b>103,868</b>

# Notes to the Financial Statements

August 31, 2015

## 15. INTANGIBLE ASSETS (CONT'D)

### (c) Acquired separately - Technology, trademarks and licences

	Group	
	2015 S\$'000	2014 S\$'000
<b>Cost</b>		
Beginning of financial year	204	204
Additions	155	–
Currency translation differences	(11)	–
End of financial year	348	204
<b>Accumulated amortisation</b>		
Beginning of financial year	44	20
Amortisation charge [Note 25]	21	24
End of financial year	65	44
<b>Net book value</b>	<b>283</b>	<b>160</b>

### Company

	Technology S\$'000	Trademarks, licences, mastheads and others S\$'000	Total S\$'000
<b>2015</b>			
<b>Cost</b>			
Beginning and end of financial year	178	36,889	37,067
<b>Accumulated amortisation</b>			
Beginning of financial year	84	2,764	2,848
Amortisation charge	59	1,949	2,008
End of financial year	143	4,713	4,856
<b>Net book value</b>	<b>35</b>	<b>32,176</b>	<b>32,211</b>
<b>2014</b>			
<b>Cost</b>			
Beginning and end of financial year	178	36,889	37,067
<b>Accumulated amortisation</b>			
Beginning of financial year	25	812	837
Amortisation charge	59	1,952	2,011
End of financial year	84	2,764	2,848
<b>Net book value</b>	<b>94</b>	<b>34,125</b>	<b>34,219</b>

# Notes to the Financial Statements

August 31, 2015

## 16. INVENTORIES

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Raw materials and consumable stores	<b>13,138</b>	26,264	<b>11,400</b>	24,482
Allowance for write-down of inventories	<b>(661)</b>	(2,317)	<b>(615)</b>	(2,267)
	<b>12,477</b>	23,947	<b>10,785</b>	22,215

The cost of inventories recognised as an expense and included in materials, production and distribution costs in the income statement amounted to S\$75.7 million (2014: S\$89 million).

During the financial year, the Group wrote-back an allowance for stock obsolescence amounting to S\$1.6 million as those stocks were utilised. (2014: An allowance of S\$18,000 was made).

## 17. TRADE AND OTHER RECEIVABLES

### (a) Non-current

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Loans to subsidiaries [Note 17(a)(i)]	–	–	–	229,672
Staff loans	<b>3,612</b>	2,658	<b>3,524</b>	2,508
Sundry debtors	<b>830</b>	1,014	<b>151</b>	58
	<b>4,442</b>	3,672	<b>3,675</b>	232,238

- (i) As at August 31, 2014, the loan to a subsidiary of S\$230 million was non-trade and secured, inter alia, by way of a second legal mortgage on the subsidiary's investment property [Note 10]. The loan was fully repaid during the financial year ended August 31, 2015.

# Notes to the Financial Statements

August 31, 2015

## 17. TRADE AND OTHER RECEIVABLES (CONT'D)

### (b) Current

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Trade receivables				
- Non-related parties	<b>125,860</b>	135,518	<b>88,274</b>	96,236
- Less: Allowance for impairment of receivables – non-related parties	<b>(9,193)</b>	(11,567)	<b>(6,693)</b>	(8,767)
	<b>116,667</b>	123,951	<b>81,581</b>	87,469
Amount owing by				
- Subsidiaries [Note 17(b)(i)]	–	–	<b>1,036,986</b>	1,199,981
- Associates [Note 17(b)(ii)]	<b>40</b>	150	–	–
- Joint ventures [Note 17(b)(ii)]	<b>129</b>	160	<b>117</b>	104
	<b>169</b>	310	<b>1,037,103</b>	1,200,085
Loans to subsidiaries [Note 17(b)(iii)]	–	–	<b>329,911</b>	272,078
Accrued interest	<b>885</b>	1,463	<b>70</b>	145
Sundry debtors [Note 17(b)(iv)]	<b>66,567</b>	11,684	<b>1,554</b>	1,485
Prepayments	<b>6,527</b>	6,003	<b>4,343</b>	4,181
Staff loans	<b>1,323</b>	1,032	<b>1,250</b>	935
	<b>192,138</b>	144,443	<b>1,455,812</b>	1,566,378

- (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\$1.2 million (2014: S\$1.2 million).
- (ii) The amounts owing by associates and joint ventures are non-trade, unsecured, interest-free and repayable on demand.
- (iii) The loans to subsidiaries are unsecured, interest-free and repayable on demand. The loans included an allowance for impairment of S\$65.5 million (2014: S\$44.7 million). During the current financial year, an allowance for impairment loss of S\$20.8 million (2014: nil) was recognised in respect of loans to a subsidiary following a review of the subsidiary's business.
- (iv) The amounts owing by sundry debtors included proceeds of S\$52 million from the disposal of short-term investments due after financial year-end.

# Notes to the Financial Statements

August 31, 2015

## 18. SHORT-TERM INVESTMENTS

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
<b>Available-for-sale financial assets</b>				
- Equity securities	859	2,683	-	-
- Bonds	61,434	310,812	29,988	179,982
- Investment funds	360,228	650,184	2,067	27,554
	<b>422,521</b>	963,679	<b>32,055</b>	207,536
<b>Financial assets at fair value through profit or loss</b>				
Designated at fair value on initial recognition				
- Bonds and notes	41,608	53,578	-	-
- Preference shares	10,504	10,769	-	-
	<b>52,112</b>	64,347	-	-
	<b>474,633</b>	1,028,026	<b>32,055</b>	207,536

During the financial year, the Group recognised an impairment loss of S\$1.4 million (2014: S\$7.3 million) on certain available-for-sale financial assets within "Net income from investments" due to prolonged decline in value.

## 19. DERIVATIVE FINANCIAL INSTRUMENTS

Analysed as:

### Group

### 2015

	Contract Notional Amount S\$'000	Fair Value	
		Assets S\$'000	Liabilities S\$'000
<b>Non-current</b>			
Cash flow hedge			
- Interest-rate swaps [Note 8(h)]	550,000	4,631	-
<b>Current</b>			
Cash flow hedge			
- Interest-rate swaps [Note 8(h)]	120,000	366	-
Derivatives that do not qualify as hedges			
- Currency forwards	236,617	106	7,081
		<b>472</b>	<b>7,081</b>

# Notes to the Financial Statements

August 31, 2015

## 19. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Analysed as:

Group

2014

	Contract Notional Amount S\$'000	Fair Value	
		Assets S\$'000	Liabilities S\$'000
<b>Non-current</b>			
Cash flow hedge			
- Interest-rate swaps [Note 8(h)]	315,000	–	8,757
<b>Current</b>			
Cash flow hedge			
- Interest-rate swaps [Note 8(h)]	120,000	–	303
Derivatives that do not qualify as hedges			
- Currency forwards	354,433	899	353
		899	656

Company

2014

	Contract Notional Amount S\$'000	Fair Value	
		Assets S\$'000	Liabilities S\$'000
<b>Current</b>			
Cash flow hedge			
- Interest-rate swaps [Note 8(h)]	120,000	–	303
Derivatives that do not qualify as hedges			
- Currency forwards	6,112	3	–

## 20. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents at the end of the financial year comprise the following:

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Cash held as fixed bank deposits	<b>185,075</b>	271,376	<b>100,681</b>	161,856
Cash and bank balances	<b>107,171</b>	171,561	<b>52,248</b>	27,415
	<b>292,246</b>	442,937	<b>152,929</b>	189,271



# Notes to the Financial Statements

August 31, 2015

## 20. CASH AND CASH EQUIVALENTS (CONT'D)

### (b) Acquisition of subsidiaries

	Group At fair values 2015 S\$'000
<b>Identifiable assets and liabilities</b>	
Property, plant and equipment [Note 9(a)]	167
Intangible assets (excluding goodwill) [Note 15(b)]	8,140
Current assets (including cash)	2,983
Deferred income tax liabilities [Note 7(a)(i)]	(1,171)
Current liabilities	(2,936)
Identifiable net assets acquired	7,183
Less: Non-controlling interests at fair value	(2,543)
Less: Amount previously accounted for as an associated company	(580)
Goodwill on acquisition [Note 15(a)]	27,430
Total purchase consideration [Note 20(b)(i)]	31,490
Less: Cash and cash equivalents	(1,929)
Net cash outflow on acquisition of subsidiaries	29,561

#### Note (b)(i)

##### Waterbrooks Consultants Pte Ltd ("Waterbrooks")

On September 5, 2014, the Group acquired 60% of the issued share capital of Waterbrooks. Waterbrooks provides investor relations, financial and corporate communications, sustainability reporting and crisis management services. The acquisition included certain trademarks and other intellectual property rights of Waterbrooks.

The total consideration for the acquisition was S\$0.9 million. After accounting for cash acquired of S\$0.1 million, the net cash outflow as of August 31, 2015 was S\$0.8 million. The Group has recognised intangible assets of S\$0.8 million (including goodwill).

An amount of S\$1.1 million representing the fair value of the call option for the remaining 40% of the shares was recorded in the Group's capital reserve and liabilities accordingly.

The acquired business contributed revenue of S\$1.2 million and net profit of S\$0.1 million for the period September 5, 2014 to August 31, 2015. There is no material effect to the Group operating revenue and net profit had the acquisition occurred on September 1, 2014.

##### StreetSine Technology Group Pte Ltd ("StreetSine")

On October 31, 2014, the Group acquired 60% of the issued share capital of StreetSine. StreetSine provides real-time proprietary information and advanced analytics on the real estate sector in Singapore.

The total consideration for the acquisition was S\$30 million. After accounting for cash acquired of S\$1.6 million, the net cash outflow as of August 31, 2015 was S\$28.4 million. The Group has recognised intangible assets of S\$33.6 million (including goodwill).

The acquired business contributed revenue of S\$3.5 million and net loss of S\$1.8 million to the Group for the period October 31, 2014 to August 31, 2015. If the acquisition had occurred on September 1, 2014, Group operating revenue and net profit for the year ended August 31, 2015 would have increased by another S\$0.8 million and decreased by another S\$0.3 million respectively.

# Notes to the Financial Statements

August 31, 2015

## 20. CASH AND CASH EQUIVALENTS (CONT'D)

### (b) Acquisition of subsidiaries (cont'd)

#### Note (b)(i) (cont'd)

##### Beerfest Asia Pte Ltd ("Beerfest")

On June 2, 2015, the Group acquired an additional 40% stake in Beerfest at a consideration of S\$0.6 million. As a result, the Group's shareholdings in Beerfest increased from the initial 40% to 80%. The investment was re-categorised from Investment in associates to Investment in subsidiaries and accounted for accordingly.

The total consideration for the acquisition was S\$0.6 million. After accounting for cash acquired of S\$0.2 million, the net cash outflow as of August 31, 2015 was S\$0.4 million. The Group has recognised intangible assets of S\$1.2 million (including goodwill), subject to completion of the purchase price allocation exercise.

The acquired business contributed revenue of S\$1.7 million and net profit of S\$0.04 million to the Group for the period June 2, 2015 to August 31, 2015. There is no material effect to the Group operating revenue and net profit had the acquisition occurred on September 1, 2014.

### (c) Acquisition of businesses by subsidiaries

	Group At fair values 2014 S\$'000
<b>Identifiable assets and liabilities</b>	
Property, plant and equipment [Note 9(b)]	21
Intangible assets (excluding goodwill) [Note 15(b)]	8,378
Current assets	48
Identifiable net assets acquired	8,447
Goodwill on acquisitions [Note 15(a)]	3,294
Total purchase consideration [Note 20(c)(i)]	11,741
Less: Consideration payable	(1,210)
Net cash outflow on acquisition of businesses by subsidiaries	10,531

#### Note (c)(i)

##### Facon Exhibitions Sdn Bhd ("Facon")

On September 16, 2013, Sphere Exhibits Pte Ltd acquired the exhibitions business and certain assets of Facon for a total consideration of S\$7 million. The exhibitions business comprises exhibitions marketed in Malaysia under the respective names, logos and marks "Facon Education fair", "ICA" - an international exhibition on Instruments, Controls and Automation and "M. Lab" - an international exhibition on laboratory instruments and services.

The Group had recognised intangible assets (including goodwill) of S\$7 million.

The acquired business contributed revenue of S\$3.5 million and net profit of S\$1 million for the period September 16, 2013 to August 31, 2014. There was no material effect to the Group operating revenue and net profit had the acquisition occurred on September 1, 2013.

# Notes to the Financial Statements

August 31, 2015

## 20. CASH AND CASH EQUIVALENTS (CONT'D)

### (c) Acquisition of businesses by subsidiaries (cont'd)

#### Note (c)(i) (cont'd)

##### Write On Media Sdn Bhd ("WOM")

On December 2, 2013, Blu Inc Media Sdn Bhd acquired certain assets and contracts from WOM. WOM publishes HWM Malaysia, Home & Decor Malaysia, GameAxis Malaysia, Megaguide and Vibes.

The total consideration for the acquisition was S\$0.4 million. The net cash outflow as of August 31, 2014 was S\$0.3 million with the balance of S\$0.1 million payable upon meeting certain conditions. The Group had recognised goodwill of S\$0.4 million.

The acquired business contributed revenue of S\$1 million and net loss of S\$0.2 million to the Group for the period December 2, 2013 to August 31, 2014. If the acquisition had occurred on September 1, 2013, Group operating revenue and net profit for the year ended August 31, 2014 would have increased by another S\$0.6 million and S\$0.1 million respectively.

##### Harenet Communications Sdn Bhd and Harenet Expo Sdn Bhd (collectively "Harenet")

On May 27, 2014, Sphere Exhibits Pte Ltd acquired the exhibitions and events business of Harenet. The acquired business comprised exhibitions marketed in Malaysia under the respective names, logos and marks "KL wedding expo", "Parents & Kids Expo", "International Baby Expo" and "Motherhood Expo".

The total consideration for the acquisition was S\$2 million. The net cash outflow as at August 31, 2014 was S\$1 million. The balance of S\$1 million was payable upon meeting certain conditions. The Group had recognised intangible assets (including goodwill) of S\$2 million.

The acquired business contributed revenue of S\$0.5 million and net profit of S\$0.1 million to the Group for the period May 27, 2014 to August 31, 2014. If the acquisition had occurred on September 1, 2013, Group operating revenue and net profit for the year ended August 31, 2014 would have increased by another S\$1.6 million and S\$0.3 million respectively.

##### White Wave Media Group Pte Ltd ("WWMG")

On August 31, 2014, SPH Magazines Pte Ltd acquired the business and assets of Luxury-Insider.com from WWMG.

The total consideration for the acquisition was S\$2.4 million and of which S\$2.3 million was paid as at August 31, 2014. The Group had recognised intangible assets (including goodwill) of S\$2.3 million.

If the acquisition had occurred on September 1, 2013, Group operating revenue and net profit for the year ended August 31, 2014 would have increased by another S\$0.7 million and S\$0.3 million respectively.

# Notes to the Financial Statements

August 31, 2015

## 21. TRADE AND OTHER PAYABLES

### (a) Non-current

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Deposits received	<b>42,728</b>	34,875	–	–
Collections in advance	<b>5,471</b>	–	<b>5,471</b>	–
	<b>48,199</b>	34,875	<b>5,471</b>	–

### (b) Current

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Trade payables – non-related parties	<b>29,954</b>	24,718	<b>18,282</b>	12,124
Amount owing to				
- Subsidiaries [Note 21(b)(i)]	–	–	<b>662,027</b>	639,397
- Joint ventures [Note 21(b)(ii)]	<b>17,188</b>	24,926	<b>7,529</b>	24,926
	<b>17,188</b>	24,926	<b>669,556</b>	664,323
Accrued operating expenses	<b>142,920</b>	170,650	<b>93,017</b>	107,405
Deposits received	<b>23,461</b>	28,732	<b>9,781</b>	10,067
Sundry creditors	<b>20,416</b>	17,719	<b>12,013</b>	12,170
Collections in advance	<b>37,232</b>	31,301	<b>15,796</b>	13,245
	<b>271,171</b>	298,046	<b>818,445</b>	819,334

(i) The amounts owing to subsidiaries are non-trade, unsecured, repayable on demand and interest-free. As at August 31, 2014, there was an amount of S\$9.8 million owing to a subsidiary with effective interest rate of 0.42% per annum.

(ii) The amounts owing to joint ventures are non-trade, unsecured, repayable on demand and interest-bearing. The effective interest rates range from 0.43% to 0.46% (2014: 0.18% to 0.29%) per annum as at the balance sheet date.

# Notes to the Financial Statements

August 31, 2015

## 22. CAPITAL AND OTHER COMMITMENTS

### (a) Commitments for capital expenditure and investments

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Authorised and contracted for				
- Property, plant and equipment	<b>7,777</b>	5,007	<b>7,496</b>	4,832
- Investment properties	<b>6,450</b>	39,262	–	–
- Long-term/Short-term investments	<b>18,483</b>	9,272	–	–
	<b>32,710</b>	53,541	<b>7,496</b>	4,832

### (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 at the balance sheet date but not recognised as liabilities, are as follows:

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Within 1 year	<b>8,823</b>	9,064	<b>305</b>	565
Between 1 - 5 years	<b>21,430</b>	21,217	<b>272</b>	473
After 5 years	<b>127,557</b>	134,789	–	–
	<b>157,810</b>	165,070	<b>577</b>	1,038

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\$15.4 million (2014: S\$13.6 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 at the balance sheet date but not recognised as receivables, are as follows:

	Group	
	2015 S\$'000	2014 S\$'000
Within 1 year	<b>221,382</b>	206,243
Between 1 - 5 years	<b>327,737</b>	351,587
After 5 years	<b>2,998</b>	4,663
	<b>552,117</b>	562,493

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, 2015

## 23. OPERATING REVENUE

	Group	
	2015 S\$'000	2014 S\$'000
<b>Media</b>		
Sale of services – Advertisements	<b>668,025</b>	721,690
Sale of goods – Circulation	<b>175,973</b>	186,035
Others	<b>58,508</b>	55,655
	<b>902,506</b>	963,380
<b>Property</b>		
Rental and rental-related services	<b>230,751</b>	204,985
<b>Others</b>		
Sale of services – Advertisements	<b>14,034</b>	14,369
Sale of services – Multimedia and other services	<b>29,789</b>	32,450
	<b>43,823</b>	46,819
	<b>1,177,080</b>	1,215,184

## 24. STAFF COSTS

	Group	
	2015 S\$'000	2014 S\$'000
Salaries, bonuses and other costs	<b>326,311</b>	330,678
Employers' contribution to defined contribution plans	<b>39,359</b>	38,865
Share-based compensation expense [Note 5(b)]	<b>5,940</b>	4,976
	<b>371,610</b>	374,519

# Notes to the Financial Statements

August 31, 2015

## 25. OTHER OPERATING EXPENSES

	Group	
	2015 S\$'000	2014 S\$'000
Included in other operating expenses are:		
Audit fees		
- Company's auditors	<b>867</b>	858
- Other auditors	<b>74</b>	49
Non-audit fees <sup>#</sup>		
- Company's auditors	<b>289</b>	267
Net foreign exchange differences from operations	<b>657</b>	462
Allowance for impairment of trade receivables [Note 31(b)(ii)]	<b>370</b>	3,761
Bad debts recovery	<b>(251)</b>	(300)
Impairment of property, plant and equipment	<b>-</b>	9,939
Net loss on disposal of property, plant and equipment	<b>150</b>	618
Impairment of goodwill [Note 15(a)]	<b>8,768</b>	-
Impairment of intangible assets [Note 15(b)]	<b>301</b>	-
Amortisation of intangible assets [Note 15(b) and 15(c)]	<b>11,042</b>	9,614
Write-back of impairment of loan to an associate	<b>-</b>	(388)

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

## 26. FINANCE COSTS

	Group	
	2015 S\$'000	2014 S\$'000
Interest expense		
- Bank loans	<b>18,763</b>	11,517
- Fixed rate notes	<b>8,407</b>	16,860
- Loans from non-controlling interest	<b>492</b>	-
Cash flow hedges, reclassified from hedging reserve*	<b>5,958</b>	6,689
	<b>33,620</b>	35,066

\* In relation to interest rate swap arrangements in Note 8(h).

# Notes to the Financial Statements

August 31, 2015

## 27. NET INCOME FROM INVESTMENTS

	Group	
	2015 S\$'000	2014 S\$'000
<b>Available-for-sale financial assets</b>		
Interest income	1,817	3,025
Dividend income	30,413	33,284
Net foreign exchange differences	5,808	235
Transfer from fair value reserve on disposal of investments [Note 5(d)]	43,991	11,865
Impairment of investments [Note 5(d) and 18]	(1,419)	(7,282)
	<b>80,610</b>	41,127
<b>Financial assets at fair value through profit or loss</b>		
Net fair value changes on investments		
- Designated upon initial recognition	1,515	2,406
- Held for trading	202	-
Net fair value changes on derivative financial instruments	(37,318)	3,141
	<b>(35,601)</b>	5,547
<b>Deposits with financial institutions</b>		
Interest income	2,397	2,573
Net foreign exchange differences	4,301	(1,032)
	<b>6,698</b>	1,541
	<b>51,707</b>	48,215

## 28. DIVIDENDS

	Group and Company	
	2015 S\$'000	2014 S\$'000
Tax-exempt dividends paid:		
- Final dividend of 8 cents per share in respect of previous financial year (2014: 8 cents per share)	129,300	129,230
- Special final dividend of 6 cents per share in respect of previous financial year (2014: 7 cents per share)	96,975	113,077
- Interim dividend of 7 cents per share (2014: 7 cents per share)	113,073	113,137
	<b>339,348</b>	355,444

The Directors have proposed a final dividend of 8 cents per share and a special final dividend of 5 cents per share for the financial year, amounting to a total of S\$209.8 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, 2016 when they are approved at the next annual general meeting.



# Notes to the Financial Statements

August 31, 2015

## 29. EARNINGS PER SHARE

	Group			
	2015		2014	
	Basic S\$'000	Diluted S\$'000	Basic S\$'000	Diluted S\$'000
Profit after taxation attributable to shareholders of the Company	<b>321,701</b>	<b>321,701</b>	404,286	404,286
	Number of Shares '000		Number of Shares '000	
Weighted average number of shares	<b>1,615,527</b>	<b>1,615,527</b>	1,615,858	1,615,858
Adjustment for assumed conversion of performance shares	–	<b>7,372</b>	–	8,004
Weighted average number of shares used to compute earnings per share	<b>1,615,527</b>	<b>1,622,899</b>	1,615,858	1,623,862
	Basic	Diluted	Basic	Diluted
Earnings per share (S\$)	<b>0.20</b>	<b>0.20</b>	0.25	0.25

## 30. SIGNIFICANT SUBSIDIARIES OF THE GROUP

Name of Subsidiaries	Principal Activities	Country of Incorporation	Effective % of Equity held by the Group	
			2015 %	2014 %
Times Properties Private Limited	Letting properties and provision of property management services	Singapore	<b>100</b>	100
Orchard 290 Ltd	Holding investments and management of shopping centres and other commercial properties	Singapore	<b>100</b>	100
Singapore News and Publications Limited	Holding investments and properties	Singapore	<b>100</b>	100
Singapore Newspaper Services Private Limited	Holding investments and properties	Singapore	<b>100</b>	100
Lianhe Investments Pte. Ltd.	Holding investments for trading purposes	Singapore	<b>100</b>	100
SPH MultiMedia Private Limited	Holding investments	Singapore	<b>100</b>	100
SPH AsiaOne Ltd	Holding investments	Singapore	<b>100</b>	100
The Seletar Mall Pte Ltd	Holding property investments and management of shopping centre	Singapore	<b>70</b>	70
SPH REIT	Holding property investments	Singapore	<b>70</b>	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 209 and 210 of the annual report.

# Notes to the Financial Statements

August 31, 2015

## 31. 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.

The policies for managing these risks are summarised below.

### (a) Market risk

#### (i) Currency risk

The currency risk of the Group arises mainly from its operational purchases of raw materials and 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.

# Notes to the Financial Statements

August 31, 2015

## 31. FINANCIAL RISK MANAGEMENT (CONT'D)

### (a) Market risk (cont'd)

#### (i) Currency risk (cont'd)

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

#### 2015

	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
<b>Financial assets</b>				
Trade and other receivables	125,801	53,230	7,390	186,421
Long-term investments	8,452	–	–	8,452
Short-term investments	103,042	–	–	103,042
Cash and cash equivalents	261,984	17,677	12,585	292,246
	<b>499,279</b>	<b>70,907</b>	<b>19,975</b>	<b>590,161</b>
<b>Financial liabilities</b>				
Trade and other payables	(253,626)	(16,851)	(6,190)	(276,667)
Borrowings	(1,281,601)	–	(2,351)	(1,283,952)
	<b>(1,535,227)</b>	<b>(16,851)</b>	<b>(8,541)</b>	<b>(1,560,619)</b>
<b>Net financial (liabilities)/assets</b>	<b>(1,035,948)</b>	<b>54,056</b>	<b>11,434</b>	<b>(970,458)</b>
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	1,035,948	–	(9,320)	1,026,628
Less: Firm commitments in foreign currencies	–	(2,401)	(19)	(2,420)
Less: Currency forwards	–	(239,668)	(3,491)	(243,159)
<b>Currency exposure</b>	<b>–</b>	<b>(188,013)</b>	<b>(1,396)</b>	<b>(189,409)</b>

# Notes to the Financial Statements

August 31, 2015

## 31. FINANCIAL RISK MANAGEMENT (CONT'D)

### (a) Market risk (cont'd)

#### (i) Currency risk (cont'd)

2014

	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
<b>Financial assets</b>				
Trade and other receivables	125,956	1,274	11,733	138,963
Short-term investments	364,390	–	–	364,390
Cash and cash equivalents	427,665	4,964	10,308	442,937
	<u>918,011</u>	<u>6,238</u>	<u>22,041</u>	<u>946,290</u>
<b>Financial liabilities</b>				
Trade and other payables	(289,999)	(3,063)	(8,558)	(301,620)
Borrowings	(1,802,472)	–	(3,004)	(1,805,476)
	<u>(2,092,471)</u>	<u>(3,063)</u>	<u>(11,562)</u>	<u>(2,107,096)</u>
<b>Net financial (liabilities)/assets</b>	<b>(1,174,460)</b>	<b>3,175</b>	<b>10,479</b>	<b>(1,160,806)</b>
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	1,174,460	–	(9,234)	1,165,226
Less: Firm commitments in foreign currencies	–	(693)	(272)	(965)
Less: Currency forwards	–	(343,407)	(11,026)	(354,433)
<b>Currency exposure</b>	<b>–</b>	<b>(340,925)</b>	<b>(10,053)</b>	<b>(350,978)</b>

# Notes to the Financial Statements

August 31, 2015

## 31. 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:

#### 2015

	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
<b>Financial assets</b>				
Trade and other receivables	1,454,487	405	252	1,455,144
Short-term investments	29,988	–	–	29,988
Cash and cash equivalents	136,047	16,501	381	152,929
	<b>1,620,522</b>	<b>16,906</b>	<b>633</b>	<b>1,638,061</b>
<b>Financial liabilities</b>				
Trade and other payables	(789,807)	(12,734)	(108)	(802,649)
Borrowings	(85,000)	–	–	(85,000)
	<b>(874,807)</b>	<b>(12,734)</b>	<b>(108)</b>	<b>(887,649)</b>
<b>Net financial assets</b>	<b>745,715</b>	<b>4,172</b>	<b>525</b>	<b>750,412</b>
Less: Net financial assets denominated in the Company's functional currencies	(745,715)	–	–	(745,715)
Less: Firm commitments in foreign currencies	–	(2,401)	(19)	(2,420)
<b>Currency exposure</b>	<b>–</b>	<b>1,771</b>	<b>506</b>	<b>2,277</b>

# Notes to the Financial Statements

August 31, 2015

## 31. FINANCIAL RISK MANAGEMENT (CONT'D)

### (a) Market risk (cont'd)

#### (i) Currency risk (cont'd)

2014

	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
<b>Financial assets</b>				
Trade and other receivables	1,793,366	769	300	1,794,435
Short-term investments	179,982	–	–	179,982
Cash and cash equivalents	185,755	3,188	328	189,271
	<u>2,159,103</u>	<u>3,957</u>	<u>628</u>	<u>2,163,688</u>
<b>Financial liabilities</b>				
Trade and other payables	(802,200)	(3,518)	(371)	(806,089)
Borrowings	(829,482)	–	–	(829,482)
	<u>(1,631,682)</u>	<u>(3,518)</u>	<u>(371)</u>	<u>(1,635,571)</u>
<b>Net financial assets</b>	527,421	439	257	528,117
Less: Net financial assets denominated in the Company's functional currencies	(527,421)	–	–	(527,421)
Less: Firm commitments in foreign currencies	–	(693)	(272)	(965)
Less: Currency forwards	–	(6,112)	–	(6,112)
<b>Currency exposure</b>	<u>–</u>	<u>(6,366)</u>	<u>(15)</u>	<u>(6,381)</u>

# Notes to the Financial Statements

August 31, 2015

## 31. FINANCIAL RISK MANAGEMENT (CONT'D)

### (a) Market risk (cont'd)

#### (i) Currency risk (cont'd)

If the USD changed against the SGD by 5% (2014: 5%) with all other variables including tax rate being held constant, the effects arising from the currency exposure will be as follows:

	2015		2014	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000

#### Increase/(Decrease)

##### Group

USD against SGD

- strengthened	<b>(7,803)</b>	–	(14,148)	–
- weakened	<b>7,803</b>	–	14,148	–

##### Company

USD against SGD

- strengthened	<b>73</b>	–	(264)	–
- weakened	<b>(73)</b>	–	264	–

#### (ii) Price risk

The Group is exposed to equity securities price risk arising from its equity 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 in equity securities, the Group diversifies its portfolio across different markets and industries, where appropriate.

If prices for equity securities changed by 20% (2014: 20%) with all other variables including tax rate being held constant, the effects on profit after tax and other comprehensive income arising from the change in valuation of the equity securities will be as follows:

	2015		2014	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000

#### Increase/(Decrease)

##### Group

Long-term and Short-term investments

- increased by	<b>1,915</b>	<b>181,194</b>	1,788	222,626
- decreased by	<b>(1,915)</b>	<b>(181,194)</b>	(1,788)	(222,626)

##### Company

Long-term investments

- increased by	–	<b>7,600</b>	–	8,600
- decreased by	–	<b>(7,600)</b>	–	(8,600)

# Notes to the Financial Statements

August 31, 2015

## 31. 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.

Movements in interest rates will therefore have an impact on the Group. A change of 0.5% point (2014: 0.5% point) in interest rate at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below, assuming that all other variables remain constant.

	2015		2014	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
<b>Increase/(Decrease)</b>				
<b>Group</b>				
Borrowings				
- increased by	(1,480)	–	(2,772)	–
- decreased by	1,480	–	2,772	–
Short-term investments				
- increased by	(179)	(161)	(346)	(1,030)
- decreased by	179	161	346	1,030
<b>Company</b>				
Borrowings				
- increased by	–	–	(456)	–
- decreased by	–	–	456	–



# Notes to the Financial Statements

August 31, 2015

## 31. 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 balance sheet which comprise mainly trade and other receivables, investments in bonds and notes, and cash balances placed with banks. As at August 31, 2015, trade and other receivables included amounts owing by three counterparties totalling S\$52 million, being proceeds from the disposal of short-term investments due after financial year-end. 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 amount utilised by the Company as at August 31, 2015 was S\$85 million (2014: nil) [Note 8(g)].

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

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
<b>By types of customers</b>				
Advertisement	<b>80,405</b>	87,269	<b>66,424</b>	70,191
Circulation	<b>12,341</b>	11,699	<b>11,429</b>	10,261
Multimedia	<b>4,610</b>	4,293	<b>1,535</b>	1,904
Broadcasting	<b>4,270</b>	5,018	–	–
Rental	<b>3,249</b>	2,121	–	–
Others	<b>11,792</b>	13,551	<b>2,193</b>	5,113
	<b>116,667</b>	123,951	<b>81,581</b>	87,469

As at August 31, 2015, 40% - 60% (2014: 40% - 60%) 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, 2015

## 31. 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	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Past due 1 to 30 days	<b>22,061</b>	23,735	<b>12,805</b>	10,936
Past due 31 to 60 days	<b>8,523</b>	8,811	<b>3,568</b>	4,030
Past due 61 to 90 days	<b>4,208</b>	4,018	<b>1,393</b>	1,129
Past due over 90 days	<b>4,330</b>	4,223	<b>2,878</b>	2,032
	<b>39,122</b>	40,787	<b>20,644</b>	18,127

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	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Gross amount	<b>9,193</b>	11,567	<b>6,693</b>	8,767
Less: Allowance for impairment	<b>(9,193)</b>	(11,567)	<b>(6,693)</b>	(8,767)
	–	–	–	–
Beginning of financial year	<b>11,567</b>	10,385	<b>8,767</b>	7,503
Acquisition of a subsidiary	<b>69</b>	–	–	–
Allowance made [Note 25]	<b>370</b>	3,761	<b>61</b>	3,225
Allowance utilised	<b>(2,808)</b>	(2,552)	<b>(2,135)</b>	(1,961)
Currency translation difference	<b>(5)</b>	(27)	–	–
End of financial year	<b>9,193</b>	11,567	<b>6,693</b>	8,767

The basis of determining impairment is set out in the accounting policy Note 2(i)(v).

# Notes to the Financial Statements

August 31, 2015

## 31. 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
<b>Group</b>				
<b>At August 31, 2015</b>				
Net-settled interest rate swaps	(2,881)	453	7,301	–
Gross-settled currency forwards				
- Receipts	236,700	–	–	–
- Payments	(243,675)	–	–	–
Trade and other payables	(233,939)	(13,941)	(26,852)	(1,935)
Borrowings	(358,369)	(17,162)	(978,913)	–
	<b>(602,164)</b>	<b>(30,650)</b>	<b>(998,464)</b>	<b>(1,935)</b>
<b>At August 31, 2014</b>				
Net-settled interest rate swaps	(6,390)	(4,211)	(28)	1,487
Gross-settled currency forwards				
- Receipts	354,428	–	–	–
- Payments	(353,879)	–	–	–
Trade and other payables	(266,745)	(13,210)	(21,167)	(498)
Borrowings	(949,724)	(298,407)	(322,708)	(303,724)
	<b>(1,222,310)</b>	<b>(315,828)</b>	<b>(343,903)</b>	<b>(302,735)</b>
<b>Company</b>				
<b>At August 31, 2015</b>				
Trade and other payables	(802,649)	–	–	–
Borrowings	(85,046)	–	–	–
	<b>(887,695)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>At August 31, 2014</b>				
Net-settled interest rate swap	(330)	–	–	–
Gross-settled currency forwards				
- Receipts	6,115	–	–	–
- Payments	(6,112)	–	–	–
Trade and other payables	(806,089)	–	–	–
Borrowings	(839,987)	–	–	–
	<b>(1,646,403)</b>	<b>–</b>	<b>–</b>	<b>–</b>

# Notes to the Financial Statements

August 31, 2015

## 31. 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 as at the balance sheet dates is represented by the respective "Shareholders' interests" as presented on the balance sheets.

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 8.9% per annum for the current financial year ended August 31, 2015 (2014: 11.0% per annum) and is in line with the Group's objectives. The "Return on Shareholders' Funds" for the last 5 years was between 8.9% and 17.4%.

### (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).

#### Group

#### 2015

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>Assets</b>				
Investment properties	–	–	3,940,951	3,940,951
Financial assets at fair value				
through profit or loss	52,112	857	–	52,969
Available-for-sale financial assets	683,305	231,267	124,404	1,038,976
Derivative financial instruments	–	5,103	–	5,103
	<b>735,417</b>	<b>237,227</b>	<b>4,065,355</b>	<b>5,037,999</b>
<b>Liabilities</b>				
Derivative financial instruments	–	(7,081)	–	(7,081)

# Notes to the Financial Statements

August 31, 2015

## 31. FINANCIAL RISK MANAGEMENT (CONT'D)

### (e) Fair value measurements (cont'd)

Group

2014

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>Assets</b>				
Investment properties	–	–	3,860,451	3,860,451
Financial assets at fair value through profit or loss	64,347	–	–	64,347
Available-for-sale financial assets	1,103,596	377,702	85,647	1,566,945
Derivative financial instruments	–	899	–	899
	1,167,943	378,601	3,946,098	5,492,642
<b>Liabilities</b>				
Derivative financial instruments	–	(9,413)	–	(9,413)

Company

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>2015</b>				
<b>Assets</b>				
Available-for-sale financial assets	70,056	–	–	70,056
<b>2014</b>				
<b>Assets</b>				
Available-for-sale financial assets	250,534	–	–	250,534
Derivative financial instruments	–	3	–	3
	250,534	3	–	250,537
<b>Liabilities</b>				
Derivative financial instruments	–	(303)	–	(303)

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, 2015

## 31. FINANCIAL RISK MANAGEMENT (CONT'D)

### (e) Fair value measurements (cont'd)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined from information provided by financial institutions and issuers using valuation techniques with observable inputs that are based on market information existing at each balance sheet date. These financial instruments are included in Level 2.

Where a valuation technique for financial instruments is based on significant unobservable inputs, such instruments are included in Level 3. 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
<b>Investment properties</b>			
Completed - Retail, residential and commercial	Capitalisation approach	Capitalisation rate: 3.8% to 5.0% (2014: 3.8% to 5.0%)	The estimated fair value varies inversely with the capitalisation rate.
	Discounted cashflow approach	Discount rate: 6.5% to 7.5% (2014: 6.5% to 7.5%)	The estimated fair value varies inversely with the discount rate.
	Comparable sales method	Comparable sales prices: S\$1,250psf to S\$1,993psf (2014: S\$1,100psf to S\$2,000psf)	The estimated fair value varies with comparable sales prices.
<b>Available-for-sale financial assets</b>			
Equities	Net tangible assets	Net tangible assets*	N.A.
Bonds	Net asset value	Net asset value**	N.A.
Investment funds	Net asset value	Net asset value**	N.A.

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

\*\* 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

# Notes to the Financial Statements

August 31, 2015

## 31. FINANCIAL RISK MANAGEMENT (CONT'D)

### (e) Fair value measurements (cont'd)

Movements in Level 3 assets are as follows:

#### Group

	Available-for-sale financial assets			
	Investment properties S\$'000	Equities S\$'000	Bonds S\$'000	Investment funds S\$'000
<b>2015</b>				
At September 1, 2014	<b>3,860,451</b>	<b>733</b>	–	<b>84,914</b>
Purchases	<b>44,242</b>	<b>2,223</b>	<b>8,463</b>	<b>19,932</b>
Disposals	–	–	–	<b>(4,952)</b>
Gains/(Losses) recognised in income statement	<b>36,258</b>	–	–	<b>(1,394)</b>
Gains/(Losses) recognised in other comprehensive income	–	<b>670</b>	<b>(11)</b>	<b>7,773</b>
Transferred in from Level 2	–	<b>6,053</b>	–	–
At August 31, 2015	<b>3,940,951</b>	<b>9,679</b>	<b>8,452</b>	<b>106,273</b>
<b>2014</b>				
At September 1, 2013	3,672,565	5,372	–	52,575
Purchases	78,810	695	–	40,020
Disposals	–	–	–	(4,519)
Gains/(Losses) recognised in income statement	109,076	(713)	–	(6,353)
Gains/(Losses) recognised in other comprehensive income	–	113	–	3,191
Transferred out to Level 2	–	(4,734)	–	–
At August 31, 2014	3,860,451	733	–	84,914

During the financial year, an available-for-sale financial asset was transferred from Level 2 to Level 3 due to lack of recent arm's length transactions.

In the previous financial year, an available-for-sale financial asset was transferred from Level 3 to Level 2 as observable market data becomes available.

# Notes to the Financial Statements

August 31, 2015

## 31. 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
<b>Group</b>				
<b>2015</b>				
<b>Liabilities</b>				
Borrowings	–	52,531	–	52,531
<b>2014</b>				
<b>Liabilities</b>				
Borrowings	604,992	35,994	–	640,986
<b>Company</b>				
<b>2014</b>				
<b>Liabilities</b>				
Borrowings	604,992	–	–	604,992

### (g) Offsetting financial assets and liabilities

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

#### Group

	Gross amount of recognised financial assets/ (liabilities) S\$'000	Gross amount of recognised financial assets/ (liabilities) offset in the balance sheet S\$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet S\$'000	Related amount not offset in the balance sheet S\$'000	Net amount S\$'000
<b>2015</b>					
<b>Financial assets</b>					
Currency forwards [Note 19]	106	–	106	(106)	–
Interest rate swaps [Note 19]	4,997	–	4,997	–	4,997
	<b>5,103</b>	<b>–</b>	<b>5,103</b>	<b>(106)</b>	<b>4,997</b>
<b>Financial liabilities</b>					
Currency forwards [Note 19]	(7,081)	–	(7,081)	106	(6,975)
<b>2014</b>					
<b>Financial assets</b>					
Currency forwards [Note 19]	899	–	899	(168)	731
<b>Financial liabilities</b>					
Currency forwards [Note 19]	(353)	–	(353)	168	(185)
Interest rate swaps [Note 19]	(9,060)	–	(9,060)	–	(9,060)
	<b>(9,413)</b>	<b>–</b>	<b>(9,413)</b>	<b>168</b>	<b>(9,245)</b>



# Notes to the Financial Statements

August 31, 2015

## 31. FINANCIAL RISK MANAGEMENT (CONT'D)

### (g) Offsetting financial assets and liabilities (cont'd)

Company

2014

	Gross amount of recognised financial assets/ (liabilities) S\$'000	Gross amount of recognised financial assets/ (liabilities) offset in the balance sheet S\$'000	Net amount of financial assets/ (liabilities) presented in the balance sheet S\$'000	Related amount not offset in the balance sheet S\$'000	Net amount S\$'000
<b>Financial assets</b>					
Currency forwards [Note 19]	3	–	3	–	3
<b>Financial liabilities</b>					
Interest rate swap [Note 19]	(303)	–	(303)	–	(303)

### (h) Fair value

The basis for fair value measurement of financial assets and liabilities is set out in Notes 8(i) and 31(e). The fair values of other financial assets and liabilities approximate their carrying amounts.

### (i) Financial instruments by category

Group

2015

	Loans and receivables S\$'000	Financial assets at fair value through profit or loss S\$'000	Available-for-sale financial assets S\$'000	Derivatives used for hedging S\$'000	Total S\$'000
<b>Assets as per balance sheet</b>					
Trade and other receivables excluding non-financial instruments	186,421	–	–	–	186,421
Long-term investments	–	857	616,455	–	617,312
Short-term investments	–	52,112	422,521	–	474,633
Derivative financial instruments	–	106	–	4,997	5,103
Bank balances and fixed deposits	292,246	–	–	–	292,246
	478,667	53,075	1,038,976	4,997	1,575,715

# Notes to the Financial Statements

August 31, 2015

## 31. FINANCIAL RISK MANAGEMENT (CONT'D)

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

#### Group

#### 2015

	Financial liabilities at fair value through profit or loss S\$'000	Other financial liabilities at amortised cost S\$'000	Total S\$'000
<b>Liabilities as per balance sheet</b>			
Trade and other payables			
excluding non-financial instruments	–	276,667	276,667
Borrowings	–	1,283,952	1,283,952
Derivative financial instruments	7,081	–	7,081
	<b>7,081</b>	<b>1,560,619</b>	<b>1,567,700</b>

#### 2014

	Loans and receivables S\$'000	Financial assets at fair value through profit or loss S\$'000	Available-for-sale financial assets S\$'000	Total S\$'000
<b>Assets as per balance sheet</b>				
Trade and other receivables				
excluding non-financial instruments	138,963	–	–	138,963
Long-term investments	–	–	603,266	603,266
Short-term investments	–	64,347	963,679	1,028,026
Derivative financial instruments	–	899	–	899
Bank balances and fixed deposits	442,937	–	–	442,937
	<b>581,900</b>	<b>65,246</b>	<b>1,566,945</b>	<b>2,214,091</b>

	Financial 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
<b>Liabilities as per balance sheet</b>				
Trade and other payables				
excluding non-financial instruments	–	–	(301,620)	(301,620)
Borrowings	–	–	(1,805,476)	(1,805,476)
Derivative financial instruments	(353)	(9,060)	–	(9,413)
	<b>(353)</b>	<b>(9,060)</b>	<b>(2,107,096)</b>	<b>(2,116,509)</b>

# Notes to the Financial Statements

August 31, 2015

## 31. FINANCIAL RISK MANAGEMENT (CONT'D)

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

#### Company

2015

	Loans and receivables S\$'000	Available- for-sale financial assets S\$'000	Total S\$'000
<b>Assets as per balance sheet</b>			
Trade and other receivables			
excluding non-financial instruments	1,455,144	–	1,455,144
Long-term investments	–	38,001	38,001
Short-term investments	–	32,055	32,055
Bank balances and fixed deposits	152,929	–	152,929
	<b>1,608,073</b>	<b>70,056</b>	<b>1,678,129</b>

	Other financial liabilities at amortised cost S\$'000	Total S\$'000
<b>Liabilities as per balance sheet</b>		
Trade and other payables		
excluding non-financial instruments	(802,649)	(802,649)
Borrowings	(85,000)	(85,000)
	<b>(887,649)</b>	<b>(887,649)</b>

# Notes to the Financial Statements

August 31, 2015

## 31. FINANCIAL RISK MANAGEMENT (CONT'D)

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

Company

2014

	Loans and receivables S\$'000	Financial assets at fair value through profit or loss S\$'000	Available- for-sale financial assets S\$'000	Total S\$'000
<b>Assets as per balance sheet</b>				
Trade and other receivables				
excluding non-financial instruments	1,794,435	–	–	1,794,435
Long-term investments	–	–	42,998	42,998
Short-term investments	–	–	207,536	207,536
Derivatives financial instruments	–	3	–	3
Bank balances and fixed deposits	189,271	–	–	189,271
	1,983,706	3	250,534	2,234,243

	Derivatives used for hedging S\$'000	Other financial liabilities at amortised cost S\$'000	Total S\$'000
<b>Liabilities as per balance sheet</b>			
Trade and other payables			
excluding non-financial instruments	–	(806,089)	(806,089)
Borrowings	–	(829,482)	(829,482)
Derivative financial instruments	(303)	–	(303)
	(303)	(1,635,571)	(1,635,874)

# Notes to the Financial Statements

August 31, 2015

## 32. RELATED PARTY TRANSACTIONS

### (a) Sales and purchases of goods and services

	Group	
	2015 S\$'000	2014 S\$'000
Fees paid to a firm of which a director is a member	–	260

### (b) Key management personnel compensation and transactions

Key management personnel compensation and transactions are as follows:

	Group	
	2015 S\$'000	2014 S\$'000
Remuneration and other short-term employee benefits	22,052	20,906
Employers' contribution to defined contribution plans	673	562
Share-based compensation expense	3,372	3,300
	<b>26,097</b>	<b>24,768</b>
Staff loans granted to key management personnel	570	430

The above includes total emoluments of the Company's directors of S\$3.9 million (2014: S\$4.3 million).

## 33. 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 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, 2015

## 33. SEGMENTAL INFORMATION (CONT'D)

### (a) Operating segments (cont'd)

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

2015

	Media S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
<b>Operating revenue</b>						
External sales	902,506	230,751	–	43,823	–	1,177,080
Inter-segmental sales	4,892	2,007	–	2,180	(9,079)	–
<b>Total operating revenue</b>	<b>907,398</b>	<b>232,758</b>	<b>–</b>	<b>46,003</b>	<b>(9,079)</b>	<b>1,177,080</b>
<b>Result</b>						
Segment result	239,400	173,352	50,397	(25,247)	–	437,902
Finance costs	(144)	(24,436)	(9,020)	(20)	–	(33,620)
Interest income	158	767	–	–	–	925
Fair value change on investment properties	–	36,258	–	–	–	36,258
Share of results of associates and joint ventures	2,066	–	–	(13,286)	–	(11,220)
<b>Profit/(Loss) before taxation</b>	<b>241,480</b>	<b>185,941</b>	<b>41,377</b>	<b>(38,553)</b>	<b>–</b>	<b>430,245</b>
Taxation						(59,823)
<b>Profit after taxation</b>						<b>370,422</b>
Non-controlling interests						(48,721)
<b>Profit attributable to Shareholders</b>						<b>321,701</b>
<b>Other information</b>						
<b>Segment assets</b>	<b>540,536</b>	<b>4,065,528</b>	<b>1,230,316</b>	<b>233,662</b>	<b>–</b>	<b>6,070,042</b>
Segment assets includes:						
Investments in associates/ joint ventures	62,839	–	–	29,330	–	92,169
Additions to:						
- property, plant and equipment	12,619	502	–	431	–	13,552
- investment properties	–	44,242	–	–	–	44,242
- intangible assets	930	–	–	34,795	–	35,725
<b>Segment liabilities</b>	<b>192,117</b>	<b>1,293,050</b>	<b>92,659</b>	<b>32,577</b>	<b>–</b>	<b>1,610,403</b>
Current income tax liabilities						62,331
Deferred income tax liabilities						50,658
<b>Consolidated total liabilities</b>						<b>1,723,392</b>
Depreciation	48,298	484	–	800	–	49,582
Amortisation of intangible assets	2,871	–	–	8,171	–	11,042
Impairment of goodwill	8,414	–	–	354	–	8,768
Impairment of intangible assets	–	–	–	301	–	301

# Notes to the Financial Statements

August 31, 2015

## 33. SEGMENTAL INFORMATION (CONT'D)

### (a) Operating segments (cont'd)

2014

	Media S\$'000	Property S\$'000	Treasury and Investment S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
<b>Operating revenue</b>						
External sales	963,380	204,985	–	46,819	–	1,215,184
Inter-segmental sales	6,263	1,937	–	911	(9,111)	–
<b>Total operating revenue</b>	<b>969,643</b>	<b>206,922</b>	<b>–</b>	<b>47,730</b>	<b>(9,111)</b>	<b>1,215,184</b>
<b>Result</b>						
Segment result	251,596	148,054	47,279	(15,141)	–	431,788
Finance costs	(140)	(18,066)	(16,860)	–	–	(35,066)
Interest income	111	333	–	12	–	456
Fair value change on investment properties	–	109,076	–	–	–	109,076
Share of results of associates and joint ventures	4,097	–	–	(34,823)	–	(30,726)
Gain on partial divestment of a joint venture	–	–	–	52,863	–	52,863
<b>Profit before taxation</b>	<b>255,664</b>	<b>239,397</b>	<b>30,419</b>	<b>2,911</b>	<b>–</b>	<b>528,391</b>
Taxation						(57,655)
<b>Profit after taxation</b>						<b>470,736</b>
Non-controlling interests						(66,450)
<b>Profit attributable to Shareholders</b>						<b>404,286</b>
<b>Other information</b>						
Segment assets	600,151	3,997,090	1,913,816	140,339	–	6,651,396
Segment assets includes: Investments in associates/ joint ventures	65,700	–	–	19,341	–	85,041
Additions to:						
- property, plant and equipment	17,918	366	–	640	–	18,924
- investment properties	–	78,810	–	–	–	78,810
- intangible assets	2,723	–	–	8,949	–	11,672
<b>Segment liabilities</b>	<b>199,374</b>	<b>1,311,515</b>	<b>600,629</b>	<b>36,292</b>	<b>–</b>	<b>2,147,810</b>
Current income tax liabilities						60,502
Deferred income tax liabilities						46,901
<b>Consolidated total liabilities</b>						<b>2,255,213</b>
Depreciation	52,968	385	–	979	–	54,332
Amortisation of intangible assets	2,985	–	–	6,629	–	9,614
Impairment of property, plant and equipment	9,798	–	–	–	–	9,798

# Notes to the Financial Statements

August 31, 2015

## 33. 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 classifieds services, organising events and exhibitions, and holding investments.

	Operating revenue		Non-current assets		Total assets	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Singapore	<b>1,136,032</b>	1,170,375	<b>5,049,503</b>	4,979,011	<b>5,998,781</b>	6,592,575
Other countries	<b>41,048</b>	44,809	<b>48,573</b>	32,133	<b>71,261</b>	58,821
	<b>1,177,080</b>	1,215,184	<b>5,098,076</b>	5,011,144	<b>6,070,042</b>	6,651,396

## 34. 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, 2015 or later periods for which the Group has not early adopted. The management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the financial statements of the Group and of the Company.

## 35. COMPARATIVE INFORMATION

During the financial year, the Group had announced a re-organisation of its newspaper divisions including the transfer of media-related subsidiaries and associates (collectively "entities") to the newspaper business to facilitate the growth of the media adjacencies. To better reflect the segmentation of the Group's businesses, the Newspaper and Magazine segment was renamed Media segment and amounts relating to these entities were re-classified from the Others segment to the Media segment. Comparative amounts in the income statement and segmental information were re-classified for consistency, as set out below.

	Group	
	As Restated 2014 S\$'000	As Previously Disclosed 2014 S\$'000
<b>Operating revenue</b>		
Media	963,380	931,686
Others	46,819	78,513

## 36. AUTHORISATION OF FINANCIAL STATEMENTS

On October 13, 2015, the Board of Directors of Singapore Press Holdings Limited authorised these financial statements for issue.



# Operating Companies of the Group

as at August 31, 2015

## SUBSIDIARIES

Name of Subsidiary	Principal Activities	Country of Incorporation
Beerfest Asia Pte. Ltd.	Organising events, concerts and exhibitions	Singapore
Bizlink Exhibition Services Pte. Ltd.	Organising conventions, conferences and exhibitions	Singapore
Blu Inc Holdings (Malaysia) Sdn. Bhd.	Holding investments and providing management support services	Malaysia
Blu Inc Media (HK) Limited	Publishing magazines and providing editorial and other services	Hong Kong
Blu Inc Media China	Advertising and promoting the magazine publishing business	The People's Republic of China
Blu Inc Media Sdn. Bhd.	Publishing and distributing magazines and books	Malaysia
CT Point Investments Pte. Ltd.	Holding investments	Singapore
Digi Ventures Private Limited	Fund management and holding investments	Singapore
Exhibits Inc Pte. Ltd.	Organising conventions, conferences and exhibitions	Singapore
Focus Publishing Ltd	Publishing magazines and providing editorial services	Singapore
Invest Learning Pte. Ltd.	Holding investments	Singapore
Invest Media Pte. Ltd.	Holding investments	Singapore
Moon Holdings Pte. Ltd.	Holding investments	Singapore
New Beginnings Management Consulting (Shanghai) Company Limited	Business management and consultancy services	The People's Republic of China
PE One Pte. Ltd.	Holding investments	Singapore
Quotz Pte. Ltd.	Providing online system for sales of vehicles and related services	Singapore
SGCM Pte. Ltd.	Providing online classifieds services for cars	Singapore
Shareinvestor Pte Ltd	Providing online investor relations services, developing applications and operating a financial portal	Singapore
Shareinvestor.com Holdings Pte Ltd	Holding investments and providing management services	Singapore
SI Portal.com Sdn Bhd	Providing online investor relations services, developing applications and operating a financial portal	Malaysia
Sin Chew Jit Poh (Singapore) Limited	Holding investments and properties	Singapore
Singapore Press Holdings (Overseas) Limited	Providing marketing and other services and holding investments	Singapore
SPH (Americas) Pte Ltd	Providing news reporting services	Singapore

# Operating Companies of the Group

as at August 31, 2015

## SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Activities	Country of Incorporation
SPH AlphaOne Pte. Ltd.	Holding investments	Singapore
SPH Buzz Pte. Ltd.	Franchising kiosks to third party operators	Singapore
SPH Data Services Pte Ltd	Licensing copyrights and trademarks	Singapore
SPH Digital Media Pte. Ltd.	Providing online investor relations services and holding investments	Singapore
SPH Digital Media Sdn. Bhd.	Providing sales agent services to its ultimate holding corporation	Malaysia
SPH Interactive International Pte. Ltd.	Licensing software, providing technical services and holding investments	Singapore
SPH Interactive Pte. Ltd.	Holding investments	Singapore
SPH Magazines Pte. Ltd.	Publishing magazines, providing online marketing services and editorial services and holding investments	Singapore
SPH Media Fund Pte. Ltd.	Holding investments	Singapore
SPH REIT Management Pte. Ltd.	Property fund management	Singapore
SPH Retail Property Management Services Pte. Ltd.	Managing shopping centres	Singapore
SPH Radio Private Limited	Radio broadcasting	Singapore
SPHM Pte Ltd	Publishing and distributing magazines	Singapore
Sphere Exhibits Pte. Ltd.	Organising conventions, conferences and exhibitions and holding investments	Singapore
Sphere Exhibits Malaysia Sdn. Bhd.	Management and promotion of events, exhibitions and meetings	Malaysia
Straits Times Press Pte. Ltd.	Publishing and distributing of books	Singapore
StreetSine Technology Group Pte. Ltd.	Developing E-commerce applications and software consultancy	Singapore
StreetSine Singapore Pte. Ltd.	Web search portals in providing property data and analysis and development of E-commerce applications	Singapore
Tamil Murasu Limited	Publishing newspapers	Singapore
The Straits Times Press (1975) Limited	Holding investments	Singapore
TPR Holdings Pte. Ltd.	Holding investments	Singapore
Waterbrooks Consultants Pte. Ltd	Providing public relations and consultancy services	Singapore

# Operating Companies of the Group

as at August 31, 2015

## ASSOCIATES

Name of Associate	Principal Activities	Country of Incorporation
The Chope Group Pte. Ltd.	Providing service automation technology and online reservations portal	Singapore
Conversion Hub Marketing Pte. Ltd.	Providing social media advertising	Singapore
Hardwarezone Philippines Corporation	Publishing, advertising and providing online services	Philippines
Kyosei Ventures Pte. Ltd.	Providing online marketing and technology services	Singapore
Magzter Inc.	Self-service digital magazine store and newsstand	United States
MediaCorp Press Ltd	Production and distribution of newspapers	Singapore
MediaCorp TV Holdings Pte. Ltd.	Provision and marketing of television broadcasting services, production and distribution of television programmes and music albums	Singapore
MindChamps Preschool (Worldwide) Pte. Limited	Operating and franchising of early childhood curriculum and enrichment programmes and related investment holdings	Singapore
SI.com (Thailand) Co. Ltd	Providing online investor relations services, developing applications and operating a financial portal	Thailand

## JOINT VENTURES

Name of Joint Venture	Principal Activities	Country of Incorporation
701Search Pte. Ltd.	Online businesses	Singapore
701 Ventures Pte. Ltd.	Providing online classifieds services	Singapore
702Search (Thailand) B.V.	Investment holding and other activities	The Netherlands
703Search (Indonesia) B.V.	Investment holding and other activities	The Netherlands
Cho Tot Company Limited	Providing online classifieds services	Vietnam
Mudah.my Sdn. Bhd.	Providing online classifieds services	Malaysia
SPH Plug and Play Pte. Ltd.	Holding investments	Singapore

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As at 26 October 2015

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# Properties of the Group

As at 31 August 2015

Location	Tenure	Expiry Date of Lease	Land (Sq M)	Built-In (Sq M)	Existing Use	Effective Group Interest (%)
<b>SINGAPORE</b>						
<b>Media Centre</b> 82 Genting Lane	Leasehold	July 15, 2040	24,892	49,131	Industrial	100
<b>Print Centre</b> 2 Jurong Port Road	Leasehold	June 8, 2034	110,075	102,152	Industrial	100
<b>News Centre</b> 1000 Toa Payoh North	Leasehold	March 2, 2031	21,730	54,296	Industrial	100
<b>Manhattan House</b> 151 Chin Swee Road Units #01-39 to #01-48 and #01-51 to #01-56	Leasehold	October 15, 2068	-	554	Commercial	100
<b>20A Yarwood Avenue</b>	Leasehold	May 6, 2878	1,721	488	Residential	100
<b>42 Nassim Road</b>	Freehold	-	1,406	686	Residential	100
<b>42A Nassim Road</b>	Freehold	-	1,444	645	Residential	100
<b>42B Nassim Road</b>	Freehold	-	1,418	645	Residential	100
<b>Paragon</b> 290 Orchard Road	Freehold	-	17,355	94,307	Commercial	70
<b>The Clementi Mall</b> 3155 Commonwealth Avenue West	Leasehold	August 31, 2109	-	26,976	Commercial	70
<b>The Seletar Mall</b> 33 Sengkang West Avenue	Leasehold	April 17, 2111	8,790	26,370	Commercial	70
<b>MALAYSIA</b>						
<b>Awana Condominium</b> Unit 3544 Genting Highlands (Divestment in progress)	Freehold	-	-	117	Residential	100
<b>HONGKONG</b>						
<b>Tower Two, Lippo Centre</b> Unit 1308 13th Floor 89 Queensway, Hong Kong	Leasehold	February 14, 2059	-	368	Commercial	100
<b>CHINA</b>						
<b>New Beginnings</b> Room 1302, Block A, No. 868 East Longhua Road, Shanghai 200023, PRC	Leasehold	February 17, 2058	170	111	Commercial	100
<b>Blu Inc Media China</b> Unit 1902-1905, No. 425, Yishan Road, Xuhui District, Shanghai	Leasehold	August 27, 2054	647	461	Commercial	100

# Shareholding Statistics

As at 6 October 2015

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 - 99	246	0.42	8,619	0.00
100 - 1,000	8,709	14.95	7,993,169	0.50
1,001 - 10,000	36,905	63.33	168,825,050	10.57
10,001 - 1,000,000	12,324	21.15	568,720,599	35.60
1,000,001 and above	86	0.15	851,795,514	53.33
<b>TOTAL</b>	<b>58,270</b>	<b>100.00</b>	<b>1,597,342,951</b>	<b>100.00</b>

\* Shareholdings exclude 3,306,170 treasury shares.

## TWENTY LARGEST ORDINARY SHAREHOLDERS

	Name of Shareholder	No. of Shares	%*
1	CITIBANK NOMINEES SINGAPORE PTE LTD	200,034,258	12.52
2	DBS NOMINEES PTE LTD	163,662,876	10.25
3	HSBC (SINGAPORE) NOMINEES PTE LTD	79,211,898	4.96
4	DBSN SERVICES PTE LTD	47,158,681	2.95
5	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	39,803,437	2.49
6	RAFFLES NOMINEES (PTE) LTD	36,534,344	2.29
7	BANK OF SINGAPORE NOMINEES PTE LTD	25,401,678	1.59
8	UOB KAY HIAN PTE LTD	17,921,141	1.12
9	LEE FOUNDATION STATES OF MALAYA	15,215,522	0.95
10	BNP PARIBAS SECURITIES SERVICES PTE LTD	13,262,231	0.83
11	LEE PINEAPPLE COMPANY PTE LTD	12,750,000	0.80
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	11,103,610	0.70
13	LEUNG KAI FOOK MEDICAL COMPANY PTE LTD	10,425,350	0.65
14	CHAN SIEW KIM ALICE	10,355,000	0.65
15	PHAY THONG HUAT PTE LTD	9,782,000	0.61
16	LEE FOUNDATION	8,210,940	0.51
17	NANYANG PRESS (SINGAPORE) LIMITED	7,973,824	0.50
18	DB NOMINEES (SINGAPORE) PTE LTD	7,301,087	0.46
19	YONG YING-I	6,900,000	0.43
20	TAN TIANG HIN JERRY	5,303,675	0.33
	<b>TOTAL</b>	<b>728,311,552</b>	<b>45.59</b>

\* Shareholdings exclude 3,306,170 treasury shares.



# Shareholding Statistics

As at 6 October 2015

## DISTRIBUTION OF MANAGEMENT SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	10	52.63	48	0.00
100 - 1,000	0	0.00	0	0.00
1,001 - 10,000	0	0.00	0	0.00
10,001 - 1,000,000	3	15.79	2,193,317	13.41
1,000,001 and above	6	31.58	14,168,404	86.59
<b>TOTAL</b>	<b>19</b>	<b>100.00</b>	<b>16,361,769</b>	<b>100.00</b>

## HOLDERS OF MANAGEMENT SHARES

Name of Shareholder	No. of Shares	%
1 THE GREAT EASTERN LIFE ASSURANCE CO LTD	3,698,297	22.60
2 OVERSEA-CHINESE BANKING CORPORATION LTD	2,748,829	16.80
3 NTUC INCOME INSURANCE COOPERATIVE LIMITED	2,674,219	16.35
4 SINGAPORE TELECOMMUNICATIONS LIMITED	2,176,119	13.30
5 DBS BANK LTD	1,554,362	9.50
6 UNITED OVERSEAS BANK LTD	1,316,578	8.05
7 NATIONAL UNIVERSITY OF SINGAPORE	876,797	5.36
8 FULLERTON (PRIVATE) LIMITED	658,260	4.02
9 NANYANG TECHNOLOGICAL UNIVERSITY	658,260	4.02
10 CHIEF EXECUTIVE OFFICE	12	0.00
11 DIRECTORS* (FOUR EACH)	36	0.00
<b>TOTAL</b>	<b>16,361,769</b>	<b>100.00</b>

\* Excluding the Chief Executive Officer

Not less than 99.9% of the ordinary shares in the Company is held by the public and Rule 723 of the SGX Listing Manual has been complied with.

## VOTING RIGHTS OF SHAREHOLDERS

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

# Notice of Annual General Meeting

## Singapore Press Holdings Limited

(Incorporated in the Republic of Singapore) Co Reg No. 198402868E

NOTICE IS HEREBY GIVEN that the Thirty-First Annual General Meeting of Singapore Press Holdings Limited (the “**Company**”) will be held at the Auditorium, 1000 Toa Payoh North, News Centre, 1st Storey, Annexe Block, Singapore 318994 on Tuesday, December 1, 2015 at 10.30 a.m. for the following business:

### ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended August 31, 2015 and the Auditors’ Report thereon.
2. To declare a final dividend of 8 cents per share and a special dividend of 5 cents per share, on a tax-exempt basis, in respect of the financial year ended August 31, 2015.
3. To re-elect the following Directors who are retiring by rotation in accordance with Articles 111 and 112 of the Company’s Articles of Association, and who, being eligible, offer themselves for re-election:
  - (i) Bahren Shaari
  - (ii) Tan Yen Yen
  - (iii) Ng Ser Miang
  - (iv) Quek See Tiat
4. To approve Directors’ fees of up to S\$1,450,000 for the financial year ending August 31, 2016 (2015: up to S\$1,450,000).
5. To appoint Auditors and to authorise the Directors to fix their remuneration.
6. To transact any other business of an Annual General Meeting.

### SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:
  - (i) “That pursuant to Section 161 of the Companies Act, Chapter 50 (the “**Companies Act**”) and the listing rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), and subject to the provisions of the Newspaper and Printing Presses Act, Chapter 206, authority be and is hereby given to the Directors of the Company to:
    - (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
    - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
  - (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force,

# Notice of Annual General Meeting

## Singapore Press Holdings Limited

(Incorporated in the Republic of Singapore) Co Reg No. 198402868E

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per cent. of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
  - (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:
    - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
    - (ii) any subsequent bonus issue, consolidation or subdivision of shares;
  - (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
  - (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”
- (ii) “That approval be and is hereby given to the Directors of the Company to grant awards in accordance with the provisions of the SPH Performance Share Plan (the “**SPH Performance Share Plan**”) and to allot and issue such number of ordinary shares in the capital of the Company (“**Ordinary Shares**”) as may be required to be delivered pursuant to the vesting of awards under the SPH Performance Share Plan, provided that the aggregate number of new Ordinary Shares allotted and issued and/or to be allotted and issued, when aggregated with existing Ordinary Shares (including Ordinary Shares held in treasury) delivered and/or to be delivered, pursuant to the Singapore Press Holdings Group (1999) Share Option Scheme and the SPH Performance Share Plan, shall not exceed 5 per cent. of the total number of issued Ordinary Shares (excluding treasury shares) from time to time.”
- (iii) “That:
- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued Ordinary Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
    - (i) market purchase(s) on the SGX-ST; and/or
    - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

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

# Notice of Annual General Meeting

## Singapore Press Holdings Limited

(Incorporated in the Republic of Singapore) Co Reg No. 198402868E

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next Annual General Meeting of the Company is held;
  - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
  - (iii) the date on which purchases or acquisitions of Ordinary Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;
- (c) in this Resolution:
- “**Average Closing Price**” means the average of the last dealt prices of an Ordinary Share for the five consecutive trading days on which the Ordinary Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action which occurs after the relevant five day period;
- “**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Ordinary Shares from holders of Ordinary Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Ordinary Share and the relevant terms of the equal access scheme for effecting the off-market purchase;
- “**Maximum Limit**” means that number of issued Ordinary Shares representing 10 per cent. of the total number of the issued Ordinary Shares as at the date of the passing of this Resolution (excluding any Ordinary Shares which are held as treasury shares as at that date); and
- “**Maximum Price**”, in relation to an Ordinary Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, in the case of a market purchase of an Ordinary Share and off-market purchase pursuant to an equal access scheme, 105 per cent. of the Average Closing Price of the Ordinary Share; and
- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.”

By Order of the Board

**Ginney Lim May Ling**  
**Khor Siew Kim**  
Company Secretaries

Singapore,  
October 30, 2015

# Notice of Annual General Meeting

## Singapore Press Holdings Limited

(Incorporated in the Republic of Singapore) Co Reg No. 198402868E

### Notes:

A Member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote in his stead and the proxy need not be a Member of the Company. The instrument appointing the proxy must be lodged at the Company's Share Registration Office, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00, Singapore 068898 not less than 48 hours before the time fixed for the meeting.

### Personal Data Privacy:

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

### EXPLANATORY NOTES & STATEMENT PURSUANT TO ARTICLE 72 OF THE COMPANY'S ARTICLES OF ASSOCIATION

1. In relation to Ordinary Resolution No. 3(i):  
Bahren Shaari\* will, upon re-election, continue as Chairman of the Audit Committee and a member of the Executive Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Bahren and the other Directors or the Company.
2. In relation to Ordinary Resolution No. 3(ii):  
Tan Yen Yen\* will, upon re-election, continue as a member of the Remuneration Committee and the Board Risk Committee. She is considered an independent Director. There are no relationships (including immediate family relationships) between Ms Tan and the other Directors or the Company.
3. In relation to Ordinary Resolution No. 3(iii):  
Ng Ser Miang\* will, upon re-election, continue as Chairman of the Nominating Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Ng and the other Directors or the Company.
4. In relation to Ordinary Resolution No. 3(iv):  
Quek See Tiat\* will, upon re-election, continue as Chairman of the Board Risk Committee and a member of the Executive Committee and Audit Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Quek and the other Directors or the Company.
5. Ordinary Resolution No. 4, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is, during the financial year from September 1, 2015 to August 31, 2016. The amount of Directors' fees is computed based on the anticipated number of Board and Board Committee meetings, assuming full attendance by all the Directors. The amount also includes a contingency sum to cater to unforeseen circumstances such as the appointment of an additional Director, additional unscheduled Board meetings and for the formation of additional Board Committees.

# Notice of Annual General Meeting

## Singapore Press Holdings Limited

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6. The effects of the resolutions under the heading “Special Business” in the Notice of the Thirty-First Annual General Meeting are:

- (a) Ordinary Resolution No. 7(i) is to authorise the Directors of the Company from the date of that meeting until the next Annual General Meeting, subject to the provisions of the Newspaper and Printing Presses Act, Chapter 206, to issue shares in the capital of the Company and/or to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total 50 per cent. of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 10 per cent. of the total number of issued shares (excluding treasury shares) in the capital of the Company may be issued other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Ordinary Resolution No. 7(i) is passed, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution No. 7(i) is passed, and (ii) any subsequent bonus issue, consolidation or subdivision of shares. For the avoidance of doubt, any consolidation or subdivision of shares in the capital of the Company will require shareholders’ approval.
- (b) Ordinary Resolution No. 7(ii) is to empower the Directors to offer and grant awards, and to allot and issue new ordinary shares in the capital of the Company, pursuant to the SPH Performance Share Plan (which was approved by shareholders at the Extraordinary General Meeting held on 5 December 2006), provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with the existing ordinary shares (including ordinary shares held in treasury) delivered and/or to be delivered, pursuant to the Singapore Press Holdings Group (1999) Share Option Scheme and the SPH Performance Share Plan, shall not exceed 5 per cent. of the total number of issued ordinary shares in the capital of the Company (excluding ordinary shares held in treasury) from time to time. Although the Rules of the SPH Performance Share Plan provide for a higher limit of 10 per cent. for new shares which may be issued under the Singapore Press Holdings Group (1999) Share Option Scheme and the SPH Performance Share Plan, Ordinary Resolution 7(ii) provides for a lower limit of 5 per cent., as the Company does not anticipate that it will require a higher limit before the next Annual General Meeting.
- (c) Ordinary Resolution No. 7(iii) is to renew the mandate to permit the Company to purchase or acquire issued ordinary shares in the capital of the Company on the terms and subject to the conditions of the Resolution.

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

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Buy Back Mandate on the audited financial statements of the Company and the Group for the financial year ended August 31, 2015, based on certain assumptions, are set out in paragraph 2.6 of the Letter to Shareholders dated October 30, 2015, which is enclosed together with the Summary Financial Report.

\* Details of the Director’s current directorships in other listed companies and other principal commitments are set out on pages 26 to 29 of the Annual Report.

# Proxy Form

**Singapore Press Holdings Limited**

(Incorporated in the Republic of Singapore)

Co Reg No. 198402868E

## IMPORTANT

1. For investors who have used their CPF monies to buy shares of Singapore Press Holdings Limited, the Annual Report 2015 is forwarded to them FOR INFORMATION ONLY.
2. This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as observers must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

## Personal Data Privacy

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

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No.)

of \_\_\_\_\_ (Address)

being a member/members of the above named Company, hereby appoint:

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

and/or (delete as appropriate)

--	--	--	--

or failing him/her, or if no person is named above, the Chairman of the Annual General Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the Auditorium, 1000 Toa Payoh North, News Centre, 1st Storey, Annexe Block, Singapore 318994 on December 1, 2015 at 10.30 a.m. and at any adjournment thereof.

(Voting will be conducted by poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" in the relevant box provided below. Alternatively, if you wish to vote some of your shares "For" and some of your shares "Against" the relevant resolution, please insert the relevant number of shares (and, if you hold both ordinary shares and management shares, the relevant class of shares) in the relevant boxes provided below. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

No.	Ordinary Resolutions	No. of votes For	No. of votes Against
	<b>Ordinary Business</b>		
1.	To adopt Directors' Statement and Audited Financial Statements and Auditors' Report thereon		
2.	To declare a Final Dividend and a Special Dividend		
3.	To re-elect Directors pursuant to Articles 111 and 112		
	(i) Bahren Shaari		
	(ii) Tan Yen Yen		
	(iii) Ng Ser Miang		
	(iv) Quek See Tiat		
4.	To approve Directors' fees for the financial year ending August 31, 2016		
5.	To appoint Auditors and authorise Directors to fix their remuneration		
6.	To transact any other business		
	<b>Special Business</b>		
7.	(i) To approve the Ordinary Resolution pursuant to Section 161 of the Companies Act, Cap. 50		
	(ii) To authorise Directors to grant awards and to allot and issue shares in accordance with the provisions of the SPH Performance Share Plan		
	(iii) To approve the renewal of the Share Buy Back Mandate		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015

\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal

**IMPORTANT: PLEASE READ NOTES ON THE REVERSE**

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



# Proxy Form

**Singapore Press Holdings Limited**

(Incorporated in the Republic of Singapore)

Co Reg No. 198402868E

## IMPORTANT

### Note:

1. Please insert the total number of ordinary shares and/or management shares ("Shares") held by you. If you have ordinary shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of ordinary shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have ordinary shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. In the case of a joint appointment of two proxies, the Chairman of the Annual General Meeting will be a Member's proxy by default if either or both of the proxies appointed does/do not attend the Annual General Meeting. In the case of an appointment of two proxies in the alternative, the Chairman of the Annual General Meeting will be a Member's proxy by default if both the proxies appointed do not attend the Annual General Meeting.
3. A Member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a Member of the Company.
4. Where a Member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5. The instrument appointing a proxy or proxies must be deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00, Singapore 068898, not less than 48 hours before the time appointed for the Annual General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
7. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the Member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.



**This annual report was produced by the  
Corporate Communications & CSR Division**

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**SINGAPORE PRESS HOLDINGS LIMITED**

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Co. Reg. No 198402868E