The media industry continued to face considerable challenges in the past year. SPH forged ahead with its drive to transform its core media business while pursuing other growth opportunities.

The Group’s net profit attributable to shareholders of $350.1 million was $84.8 million or 32 per cent higher compared to FY2016. The Group’s results was boosted by a gain of $149.7 million from partial divestment of the regional online classifieds business.

Group recurring earnings excluding impairment charges declined $67.5 million or 20.2 per cent year-on-year. Group operating revenue of $1,032.5 million was $91.8 million or 8.2 per cent lower than FY2016.
**Newspapers**

*The Straits Times (ST)* held its position as the most-read publication in Singapore, with a combined print and digital (PDF and HTML versions) readership of 1.373 million, based on the Nielsen Media Index Report in 2016.

ST rolled out the ST+ initiative, with the tagline, “News with Benefits”. This rewards programme offered readers perks such as access to special interest websites and innovative digital media platforms, as well as invitations to exclusive events.

ST-branded annual events such as the ST Run, ST Concert in the Gardens and the Singapore Coffee Festival were well received. ST also partnered Lianhe Zaobao for the inaugural Best Asian Restaurants Awards to honour the finest Asian restaurants in Singapore.

*The Business Times (BT)* unveiled a new design in 2016 to mark its 40th anniversary. The revamped weekend edition clinched a “Redesigns Overall Newspaper” award from the US-based Society for News Design (SND). Its new format included a magazine supplement called Weekend, wrapped around the main paper.
CEO’S OVERVIEW OF GROUP OPERATIONS

The business daily continued to engage the business community with its yearly industry-focused events, such as Enterprise 50 in November 2016 and Singapore Business Awards in April 2017.

My Paper was merged with The New Paper (TNP), which became a free newspaper from December 2016. It targets PMETs aged 20-40 from Monday to Saturday, and focuses on news relating to local affairs, economy, property, business, sports and bread and butter issues.

SPH Golf card, which TNP manages, was launched in December 2016. The card has more than 1,000 members as of August 2017.

TNP organised the Miss Singapore Universe pageant during the year to complement its long-running and popular TNP New Face competition and generate new income from sponsors. Other TNP staples included the TNP Big Walk at the Singapore Zoo and Night Safari in November 2016.

Berita Harian (BH) transformed its newsroom, merging News, Sports, Money, Foreign, Features desks into a single integrated Newsdesk. It also enlarged job scopes, encouraging reporters to take photos and videos, and supervisors to edit stories and design pages. More staff were trained to generate digital content for online and social media to improve the paper’s digital capabilities.

The Malay language daily celebrated its 60th anniversary in 2017. To mark this milestone, it organised several outreach events such as a Car Rally to Kuantan in April 2017 and a dinner for needy children in June 2017.

As part of SPH’s physical reconfiguration, Tamil Murasu (TM) moved from its premises in Genting Lane to News Centre. This brought all SPH newspapers under one roof.

TM, which has been a fully-owned subsidiary of SPH, became part of SPH Limited on 1 September 2017. Together with tabla!, it held the annual Singapore International Indian Shopping Expo at Suntec Convention Centre in September 2016 and again in April/May 2017.

The Chinese Media Group, headed by Ms Lee Huay Leng from December 2016, continued to promote Chinese culture and heritage with community events like Teochew Festival, Mid-Autumn @ Gardens by the Bay, River Hongbao and Singapore Book Fair. Through a partnership with RINGS.TV Pte Ltd and mm2 Asia Ltd, it launched RINGS LIVE, an interactive broadcasting mobile application.

Following its revamp in 2016, Lianhe Zaobao (ZB) organised various events to promote audience engagement. These included the Singapore Budget Forum, Eminent Speakers Series and the Singapore-China Forum. ZB also embarked on a brand awareness campaign with an award-winning short film “Pa’s Expressions”.

The Chinese flagship newspaper launched “It Matters – The Future of Us”, a 5-episode talk show on StarHub TV and zaobao.sg in December 2016. It was produced in conjunction with the plans by the Committee on the Future Economy on its recommendations and report.

Lianhe Wanbao (WB) revamped its popular “Beauty, Health & Me” Fair with the inclusion of more lifestyle themes. It also reached out to more readers with events like the Singapore Heartland Enterprise Star Award and WB Coffee Talk. Together with ZB, WB organised Read Newspapers With the Elderly, a programme involving volunteers and journalists sharing current affairs with the elderly and helping them to access news on zaobao.sg using mobile devices.

Shin Min Daily News (SM) celebrated its 50th anniversary in 2017. A series of events was organised, including the SM50 Trade Event and Readers Cruise, SM50 Travelling Photo Exhibition and an SM50 supplement. Mr Choo Chee Wee became the new editor of SM after Mr Pan Cheng Lui’s retirement in February 2017.

Marketing

The formation of the Integrated Marketing Division (IMD) in October 2016 provided advertisers with a one-stop solutions stop to reach their audiences across multiple platforms. The move has yielded awards and trade engagement opportunities, while reinforcing the SPH brand as a media first-mover in an age of disruption.

IMD offers clients and business partners a holistic map of strategies to build their businesses, leading with print, digital, radio and outdoor media. It also empowered its sales force with skill sets to navigate a climate of volatility, uncertainty, complexity and ambiguity. This approach has driven successful customer interactions, resulting in more effective creative and innovative solutions for our clients.
SPH aims to remain at the forefront of the wave of innovation. The Intellectual Property Office of Singapore awarded a second patent for IMD’s technology, which enables SPH’s mobile applications and e-newspapers to have animated / interactive content.

**SPH Content Lab** was launched in April 2017, signaling IMD’s commitment to innovation. Its content marketing business unit combines its print and digital capabilities, including **BrandInsider**, as a cohesive approach to branded storytelling.

IMD also launched an integrated trade web portal (imsph.sg). It serves as a comprehensive resource for advertisers and agencies to be constantly updated with our product and technology developments and media kit.

**Outdoor Media**

**SPHMBO**, the Outdoor Media business unit, operates 14 large outdoor digital screens and a network of about 450 indoor screens in Paragon, VivoCity, HDB Hub, POSB branches and Downtown East resort.

Its product portfolio expanded to include 250 indoor digital advertising screens in the SingHealth Group (with two major hospitals and 15 clinics islandwide), as well as several large-format billboards on Orchard Road: Forum The Shopping Mall, Scotts Square and Midpoint Building. Another 100 non-digital billboards are situated at prime locations: Rendezvous Hotel, Paragon, Tanglin Mall, Raffles Place and Marina Bay.

**Circulation**

Total newspaper circulation business, inclusive of both print and digital editions, ended FY2017 with 922,979 daily average copies, boosted by its family of digital products. Total digital circulation is at 285,600 daily digital copies, a robust growth of 40.3 per cent year-on-year.

Lianhe Zaobao’s print and digital editions achieved a year-on-year growth of 4.7 per cent to 197,500 daily average copies, with a digital base averaging 60,400 daily copies. The Business Times’ print and digital editions achieved a year-on-year growth of 16.8 per cent to 43,100 daily average copies, with a digital base averaging 16,000 daily copies.

SPH launched a series of All-Digital subscription drives, in addition to the usual All-In-One promotion campaigns. Circulation Division is undergoing a restructuring exercise to build up the digital capability of its staff. More digitally-savvy staff were redeployed from Operations and Support teams to drive the digital thrust. Newspaper vendors were also equipped with skills and knowledge to canvass for home subscriptions.

SPH planned to launch 100 newspaper vending machines across the island. This initiative will help counter the diminishing network of roadside stalls which limited our readers’ accessibility to newspapers. These vending machines located at coffee shops, food centres, shopping malls and petrol kiosks will save manpower costs while making our newspapers easily available to our readers.

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CEO’S OVERVIEW OF GROUP OPERATIONS

SPH Buzz has evolved from a retail chain to a platform for advertisers to reach out to a larger audience through digital marketing. Buzz also acts as a redemption and fulfillment hub, a “one-stop-shop” for customers with an island-wide presence. It launched an online e-shop in May 2017, offering a wide range of products and providing customers with discounts for bulk purchases. Customers can enjoy the benefits of shopping online with their purchases delivered to their homes.

Magazines

SPH Magazines’ answer to digital disruption is to leverage the strengths and captive audience of its stable of more than 80 magazines in Singapore and the region.

This gave rise to SPH Magazines’ Audience Networks, which combines the scale of reach by aggregating the audiences across individual magazine brands and across devices and platforms. Collectively, the three Audience Networks – Women’s, Men’s and Luxury – were able to connect advertisers with a quality audience of 7.5 million.

SPH Magazines also forged strategic and innovative tie-ups with technology providers and commercial partners to harness content assets and extend its advertising network with minimal investment. The WIFI Library was one such innovation launched in 2017. It enables consumers at participating cafes, shopping malls and other lifestyle establishments to access over 7,000 magazines available on the Magzter digital newsstand within the Wi-Fi zone.

Such technology, on the strengths of our digital magazine assets and Magzter’s digital newsstand, effectively elevated our audience and advertising network to a global level – with a potential reach in excess of 26 million subscribers, and 150 countries worldwide.
Other new solutions launched included Cool-Finds, a mobile app which allow readers access to a wide range of lifestyle services and deals and LoveHome, a one-stop servicing and maintenance package that covers major home appliances in the household. With content being made transactable, our readers are able to enjoy a complete and immersive magazine experience.

In FY2017, SPH Magazines continued to receive high industry recognition with multiple wins at international publishing awards such as the Apex and Content Marketing awards. In Singapore, the SPH Magazines brand remained a market leader among consumers with signature, well-attended events such as Her World’s Woman of the Year, Shape Run, ICON Ball and Home & Décor Fair. Our magazine brands also topped the respective genres in terms of readership as measured by Nielsen Media Index 2016, an annual nation-wide media consumption survey.

**Digital Media**

In the digital space, ST focused on innovation and increasing reach. **Stirr** and **ST Food** were launched to target millennials in the 18-34 age group, and to capture the market for restaurant reviews and food-related news respectively.

In June 2017, ST launched two monthly e-zines for Singaporeans abroad, one targeted at adults and, the other, for students. These e-zines, which contain local news reports and stories, are distributed by the Overseas Singaporean Unit to our citizens abroad.

A new site, sgsme.sg, was launched in April to give SMEs a one-stop portal for all issues related to SMEs in Singapore, and to give partners a content-driven platform to reach out to these SMEs. The bilingual portal is produced by BT in partnership with ST and ZB.

BH’s digital team completed a makeover of its website and launched a new marketing plan to boost subscription. During this period, the team produced several noteworthy videos which went viral. For example, a video about the challenges faced by foreign workers during the fasting month of Ramadan garnered over 1 million views.

**AsiaOne** was relaunched in May 2017 as a social news website, utilising the latest technologies to curate and personalise news and content for its readers in Singapore and beyond.

**Stomp** was revamped in May 2017 in its ongoing efforts to promote civic mindedness through highlighting stories of inspiring acts contributed by its active citizen journalists.

**Zaobao.sg** website and mobile apps were refreshed in September 2016 with more content from CMG Digital and the three Chinese newspapers. Zaobao.sg boosted its content offerings with live streaming of major news events and a daily news programme called “Live!@Newsroom”, featuring editors and journalists giving snapshots of their stories. This allowed zaobao.sg to reach out to a bigger audience via its website, the RINGS LIVE app and on facebook. ZShop (zshop.zaobao.sg), an e-commerce platform, was launched in May 2017. Users can purchase books and merchandise, as well as register for events organised by CMG.

**FastJobs** introduced an in-app chat system where employers can communicate with job seekers, invite candidates to apply for job opportunities and purchase sales packages online. Job seekers are now able to receive job recommendations from FastJobs, have more options to update their profile details and generate their own resume from the FastJobs application. FastJobs Singapore currently receives 225,000 job applications monthly, a 100 per cent increase compared to last year. FastJobs also launched its mobile app in Malaysia and Philippines.

**SRX** held the inaugural PropTech conference in April 2017 for more than 300 real estate professionals, bankers and academics. The conference explored how property technology is changing the way professionals are delivering property-related products and services to consumers. The **SRX Property** consumer app was also launched during the conference to help consumers obtain real estate information in one application.
sgCarMart introduced a New Cars 360 panorama feature to provide an immersive experience to users. Buyers can experience a 360° virtual reality view of the car’s interior even before viewing the car. A Used Cars price comparison chart was added to provide a summary of prices and related information for a quick comparison. For the car dealers, the site was enhanced to provide data analysis of the vehicles posted and sold on site. There is also an estimated selling duration with the specific price range to help them optimise their sales.

ShareInvestor (SI) serviced more than 250 public listed companies and has more than 5,500 paying subscribers for its SI Station, SI WebPro and SI Mobile services. It organised several flagship events such as the REIT Symposium and INVEST Fair 2017. To promote investor education, SI launched a new portal to promote Catalist companies, in collaboration with SGX and two industry sponsors, Prime Partners and SAC Capital.

SI Malaysia recorded a milestone when it garnered 3,000 paying subscribers for its market data services. SI Thailand has more than 230 public listed companies on its online IR services program. As part of its expansion efforts, SI also set up offices in Jakarta and Sydney.

SPH Data Services entered into its 10th year partnership with FTSE Russell and Singapore Exchange (SGX), as well as celebrated Straits Times Index (STI) turning 50. The partnership continued to yield good financial returns.

SPH Media Fund was rebranded as SPH Ventures on 1 September this year. It divested Smaato, a mobile advertising technology company, as well as Kudo, a leading Indonesian online to offline e-commerce platform. It will continue to source for promising startups in sectors such as Digital Media, Marketing Technology and Consumer Internet.

Focus Publishing, which publishes entertainment and lifestyle magazines such as U-Weekly and Health No.1, designed and produced content for various contract publications, books and magazines. These included “Thong Chai 149th Anniversary Book”, “Lee Clan Book” and “Men at the Helm 2”.

Radio

SPH Radio grew in listenership and revenue. In the latest Nielsen Media Survey, Kiss92 emerged the No.1 English radio station in percentage share of listenership. UFM100.3 saw the largest growth among Chinese stations in Singapore in listenership and hit a new high of 422,000 listeners. Meanwhile, ONE FM91.3’s time spent listening continued to grow.

In March 2017, SPH Radio was awarded licences to operate another two stations. One will be a Chinese language infotainment station for listeners aged 50 and above. The other will be an English-language station focusing on Business and Finance for PMEBs aged 35 and above. They will be launched in a few months’ time.
Properties
A consortium formed by SPH and Kajima Development Pte Ltd was awarded the tender for a 99-year leasehold mixed commercial and residential site at Woodleigh by HDB in June 2017.

Despite the lacklustre retail climate, the malls under SPH REIT - Paragon and The Clementi Mall - enjoyed 100 per cent occupancy, while The Seletar Mall achieved an occupancy of 99.6 per cent. There were constant efforts to rejuvenate the malls and improve shoppers’ experience by refreshing the tenant mix and embarking on asset enhancement initiatives.

Events, Conferences and Exhibitions
Sphere Exhibits (Sphere) organised a range of Consumer and Trade events across various sectors such as Technology, Food & Beverage and Building & Construction. In addition to the flagship COMEX and IT Show, it introduced Consumer Electronics Exhibition and Consumer Electronics Fair to showcase new gadgets and technologies. World Food Fair and Food & Beverage Fair remained popular with foodies, and the inclusion of Yummy Food helped attract overseas participants from Hong Kong, Japan, Taiwan and Korea.

A 3-in-1 show was launched in June 2017 for multi-generational families to bond together. The inaugural Health Fiesta was held alongside Baby Baby Exhibition and The Kidz Academy. Sphere continued to enhance its presence in the Building & Construction sector with BuildTech Asia, BuildTech Yangon and a partnership event in Bangkok called Building Maintenance & Facilities Management and Green Building & Retrofits Expo. The third edition of Manufacturing Solutions Expo included conferences and seminars as exhibitor participation and trade visitorship grew.

Beyond Singapore, SmartKids Indonesia went into its second edition and BabyBaby Indonesia was launched. The Malaysian International Food & Beverage Fair (MIFB) remained a leading F&B trade event and attracted participating country pavilions from Singapore, China, Korea, Japan, Taiwan and Thailand.

Acquisitions
SPH announced its entry into the healthcare sector with the acquisition of nursing home provider Orange Valley Healthcare for $164 million in April 2017. In addition to its stake in MindChamps, SPH further strengthened its education portfolio by entering into a joint venture in August 2017 that involves investing up to $8.5 million in Han Language Centre. The transaction, when completed, will see SPH hold a 75 per cent share in Han Language Centre.

Business Outlook
With the uncertain economic outlook and the continuing disruption of the media industry, the Group will press on with its transformation strategy. We will continue to seek other growth opportunities to position ourselves as a forward-looking organisation.

As I am retiring on 31 August 2017, I would like to take this opportunity to thank all our shareholders, readers, advertisers, colleagues, unions and other stakeholders for the support you have given me.

I look forward to your continued support to my successor Mr Ng Yat Chung and to the Company.

Chan Heng Loon, Alan
Chief Executive Officer
(Mr Chan stepped down on 1 September 2017)