The Directors present their report together with the audited financial statements of the Group and of the Company for the year ended August 31, 2003.

Directors

1. The Directors in office at the date of this report are:
   - Lim Chin Beng
   - Chan Heng Loon Alan
   - Cheong Choong Kong
   - Michael Fam Yue Onn
   - Lee Ek Tieng
   - Lee Hee Seng
   - Ngiam Tong Dow
   - Tang I-Fang
   - Wee Cho Yaw
   - Yeo Ning Hong

Principal Activities

2. The principal activities of the Group consist of:
   (a) publishing, printing and distributing newspapers,
   (b) publishing and distributing magazines,
   (c) providing broadcasting and multimedia services,
   (d) holding investments, and
   (e) holding and managing properties.

The principal activities of the Company consist of:
   (a) publishing, printing and distributing newspapers,
   (b) distributing magazines,
   (c) providing multimedia content and services,
   (d) holding shares in subsidiaries,
   (e) holding investments, and
   (f) providing management services to subsidiaries.

Following the partial disposal of interests in an associate during the financial year, the activities of this associate relating to the provision of telecommunication services ceased to be carried on by the Group. Except as disclosed, there have been no significant changes in the nature of these activities during the financial year.

Acquisition and Disposal of Subsidiaries

3. (a) The Group incorporated the following subsidiary during the financial year:

<table>
<thead>
<tr>
<th>Share capital issued on incorporation, at par for cash</th>
<th>Effective equity held by the Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5</td>
<td>%</td>
</tr>
<tr>
<td>Evol Media Pte Ltd</td>
<td>2</td>
</tr>
</tbody>
</table>

(b) The Group acquired the following subsidiary during the financial year:

<table>
<thead>
<tr>
<th>Net tangible assets at date of acquisition</th>
<th>Effective equity acquired by the Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5</td>
<td>%</td>
</tr>
<tr>
<td>TP Ventures Pte Ltd</td>
<td>2</td>
</tr>
</tbody>
</table>

(c) There was no disposal of subsidiaries during the financial year.

Results

4. | Group | Company |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Profit after taxation</td>
<td>379,135</td>
</tr>
<tr>
<td>Minority interests</td>
<td>(399)</td>
</tr>
<tr>
<td>Profit attributable to shareholders</td>
<td>378,736</td>
</tr>
</tbody>
</table>

Reserves and Provisions

5. Material movements in reserves and provisions are disclosed in the financial statements.

Share Capital and Debentures

6. (a) During the financial year, the following shares were issued:

<table>
<thead>
<tr>
<th>Class of Shares</th>
<th>Shares Issued</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>9,098 shares of $1 each for cash, at market prices prevailing on allotment dates.</td>
<td>Issue of shares in accordance with the Newspaper and Printing Presses Act.</td>
</tr>
<tr>
<td>Ordinary</td>
<td>900,965 shares of $1 each for cash, at exercise prices.</td>
<td>Issue of shares under the Singapore Press Holdings Group Executives’ Share Option Scheme.</td>
</tr>
</tbody>
</table>

(b) The newly issued shares rank pari passu in all respects with the previously issued shares.
GROWTH WITH SYNERGY

(c) At the Annual General Meeting held on December 13, 2002, shareholders approved the renewal of a mandate (first approved by shareholders on July 16, 1999) to permit the Company to purchase or acquire issued ordinary shares of $1 each fully paid in the capital of the Company, not exceeding in aggregate 10 percent of the issued ordinary share capital of the Company as at December 13, 2002. During the financial year, 1,050,000 ordinary shares were repurchased.

(d) No debentures were issued by the Company or its subsidiaries during the financial year.

Arrangements to enable Directors to acquire Benefits

7. Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was 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 paragraphs 19 and 22.

Directors’ Interests in Shares

8. The Directors holding office as at August 31, 2003 who had interests in shares and options in the Company and its subsidiaries as recorded in the register of Directors’ shareholdings were as follows:

<table>
<thead>
<tr>
<th>Shares of $1 each</th>
<th>Direct Interests</th>
<th>Deemed Interests</th>
</tr>
</thead>
</table>

The Company

Management Shares
Lim Chin Beng 1 1 1 - - -
Chan Heng Loon Alan 1 2 2 - - -
Cheong Choong Kong 1 1 1 - - -
Michael Fam Yue Onn 1 1 1 - - -
Lee Ek-Tieng 1 1 1 - - -
Lee Hee Seng 1 1 1 - - -
Ngiam Tong Dow 1 1 1 - - -
Tang I-Fang 1 1 1 - - -
Wee Cho Yaw 1 1 1 - - -
Yeo Ning Hong 1 1 1 - - -

Ordinary Shares
Cheong Choong Kong 8,000 8,000 8,000 1,000 1,000 1,000
Michael Fam Yue Onn 50,000 50,000 50,000 - - -
Lee Hee Seng 113,082 113,082 113,082 - 110,000 110,000
Wee Cho Yaw 139,043 139,043 139,043 - - -
Yeo Ning Hong 7,920 7,920 7,920 12,870 12,870 12,870

Options for Ordinary Shares
Chan Heng Loon Alan - 50,000 50,000 - - -

Full detailed information regarding directors’ shareholdings can be obtained in accordance with Sections 164(8) and (9) of the Companies Act, Chapter 50.

Dividends

9. (a) The Directors recommend a special dividend of 30 cents per share less income tax at 22%.

(b) In addition, the Directors recommend a final dividend of 50 cents per share less income tax at 22% in respect of the financial year.

(c) The amount of dividends payable may be increased in the event that share options set out in Note 3 to the financial statements are exercised before the share transfer register is closed for dividend entitlement.

(d) During the financial year, the following dividends were paid by the Company:

- A final dividend of 50 cents per share less income tax at 22% in respect of the previous financial year.
- A special dividend of 30 cents per share less income tax at 22% in respect of the previous financial year.
- An interim dividend of 20 cents per share less income tax at 22% in respect of the financial year under review.
- A special interim dividend of 30 cents per share less income tax at 22% in respect of the financial year under review.

9,000
86,476
144,128

Bad and Doubtful Debts

10. (a) Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain the action taken in relation to the writing off of bad debts and providing for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts.

(b) At the date of this report, the Directors are not aware of any circumstances which would render the amounts written off for bad debts or provided for doubtful debts in the financial statements of the Group inadequate to any substantial extent.

Current Assets

11. (a) Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values, or that adequate provision has been made for the diminution in values of such current assets.

(b) At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to current assets in the financial statements of the Group misleading.
Charge on Assets and Contingent Liabilities

12. At the date of this report, there does not exist any:
(a) charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person, and
(b) contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Ability to meet Obligations

13. No contingent or other liability of any company in the Group or of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

Other Statutory Information

14. As at the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in their report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

15. In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended August 31, 2003 have not been substantially affected by any item, transaction or event of a material and unusual nature other than the exceptional items set out in Note 26 to the financial statements.

16. In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Group and of the Company for the current financial year.

Directors’ Benefits

17. Since the end of the previous financial year, no Director has received or become entitled to receive a benefit under a contract which is required to be disclosed by Section 201(8) of the Companies Act, Chapter 50.

Material Contracts

18. There are no material contracts of the Group and of the Company involving the interests of the Chief Executive Officer, each director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Share Options

Share Options in the Company

Singapore Press Holdings Group Executives’ Share Option Scheme (“1990 Scheme”)

19. (a) The 1990 Scheme was approved by shareholders on December 28, 1990 and modified pursuant to ordinary resolutions passed by shareholders at Extraordinary General Meetings held on January 7, 1995, January 6, 1996 and July 16, 1999 respectively.

(b) (i) Details of options granted previously have been disclosed in the Directors’ Reports for the respective years.

(ii) 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.

(c) The 1990 Scheme was replaced by the 1999 Scheme on July 16, 1999, and since then, no options have been granted under the 1990 Scheme.

(d) The aggregate number of options granted since the commencement of the 1990 Scheme on December 28, 1990 to August 31, 1999 is 14,347,975.

20. No shares of the Company have been issued during the financial year by virtue of the exercise of options to take up unissued shares, except as disclosed in paragraph 6(a).

21. The unissued ordinary shares of the Company under option at the end of the financial year pursuant to the 1990 Scheme are set out in Note 3 to the financial statements.


22. (a) The 1999 Scheme was approved by shareholders at an Extraordinary General Meeting held on July 16, 1999 to replace the 1990 Scheme.

(b) Details of options granted previously have been disclosed in the Directors’ Reports for the respective years.

(c) During the financial year, options were granted for a total of 3,251,600 ordinary shares of S$1 each, details of which are as follows:

(i) Categories of persons to whom options were granted:

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of Persons</th>
<th>Total No. of Ordinary Shares of S$1 each under Options granted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Directors</td>
<td>2</td>
<td>275,000</td>
</tr>
<tr>
<td>Employees</td>
<td>1,383</td>
<td>2,967,100</td>
</tr>
<tr>
<td>Associates</td>
<td>1</td>
<td>9,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,386</strong></td>
<td><strong>3,251,600</strong></td>
</tr>
</tbody>
</table>

(ii) The expiry date of these options is disclosed in Note 3 to the financial statements, provided that they have not been subsequently cancelled.

(iii) 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.
(d) The aggregate number of options granted since the commencement of the 1999 Scheme on July 16, 1999 to August 31, 2003 is 12,717,400.

23. No shares of the Company have been issued during the financial year by virtue of the exercise of options to take up unissued shares, pursuant to the 1999 Scheme.

24. The unissued ordinary shares of the Company under option at the end of the financial year pursuant to the 1999 Scheme are set out in Note 3 to the financial statements.

Share Options in Subsidiaries

SPH MediaWorks Pre-IPO Share Option Scheme ("MediaWorks Pre-IPO Scheme")

25. (a) The MediaWorks Pre-IPO Scheme was approved on February 12, 2001.

(b) (i) Details of options granted previously have been disclosed in the Directors’ Reports for the respective years.

(ii) 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.

(c) No options were granted during the financial year under the MediaWorks Pre-IPO Scheme.

(d) The aggregate number of options granted since the commencement of the MediaWorks Pre-IPO Scheme on February 12, 2001 to August 31, 2003 is 65,026,000.

26. No shares of SPH MediaWorks Ltd have been issued during the financial year by virtue of the exercise of options to take up unissued shares.

27. At the end of the financial year, unissued ordinary shares of SPH MediaWorks Ltd under option pursuant to the MediaWorks Pre-IPO Scheme were as follows:

<table>
<thead>
<tr>
<th>Date of Grant</th>
<th>Date of Expiry</th>
<th>Exercise Price</th>
<th>Balance 1.9.02</th>
<th>Options Exercised</th>
<th>Options Cancelled</th>
<th>Balance 31.8.03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 23, 2001</td>
<td>*</td>
<td>S$0.10</td>
<td>51,210,000</td>
<td>-</td>
<td>(22,160,000)</td>
<td>29,050,000</td>
</tr>
</tbody>
</table>

*February 23, 2011 or the fifth anniversary of the Listing Date, whichever is earlier.

Audit Committee

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

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 and adequacy of the internal audit function; reviewing the balance sheet and income statement of the Company and the Group before submitting them to the Board for approval; reviewing any interested person transaction; and reviewing the independence, objectivity and cost effectiveness of the external auditors and the nature and extent of non-audit services supplied by them.

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

Auditors

32. The auditors, PricewaterhouseCoopers, have expressed their willingness to accept re-appointment.

On behalf of the Directors

Lim Chin Beng Michael Fam Yue Onn
Chairman Director

Singapore, October 10, 2003

Other Subsidiaries

28. No option to take up unissued shares of other subsidiaries has been granted during the financial year.

29. No shares of other subsidiaries have been issued during the financial year by virtue of the exercise of options to take up unissued shares.

30. At the end of the financial year, there were no unissued shares of other subsidiaries under option.