

AUDITED FINANCIAL STATEMENTS  
BALANCE SHEETS AS AT AUGUST 31, 2004

	Note	GROUP		COMPANY	
		2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
<b>CAPITAL EMPLOYED</b>					
Share capital	3	316,527	369,557	316,527	369,557
Share premium		62,319	27,301	62,319	27,301
Capital redemption reserve		4,509	4,509	4,509	4,509
Capital reserve	4	2,005	2,005	-	-
Retained profit		1,093,755	1,843,587	883,559	1,776,944
		<b>1,479,115</b>	<b>2,246,959</b>	<b>1,266,914</b>	<b>2,178,311</b>
Exchange translation difference		4	777	-	-
<b>Shareholders' interests</b>		<b>1,479,119</b>	<b>2,247,736</b>	<b>1,266,914</b>	<b>2,178,311</b>
<b>Minority interests</b>		<b>518</b>	<b>1,108</b>	<b>-</b>	<b>-</b>
		<b>1,479,637</b>	<b>2,248,844</b>	<b>1,266,914</b>	<b>2,178,311</b>
<b>Non-current liabilities</b>					
Deferred taxation	5a	72,126	85,199	59,210	69,539
Borrowings	6	683,000	740,000	-	-
		<b>2,234,763</b>	<b>3,074,043</b>	<b>1,326,124</b>	<b>2,247,850</b>
<b>EMPLOYMENT OF CAPITAL</b>					
Property, plant and equipment	7	565,531	633,856	342,668	365,671
Investment property	8	1,045,852	1,039,754	-	-
Interests in subsidiaries	9	-	-	1,009,749	1,827,554
Interests in associates	10	928	186	-	-
Long-term investments	11	174,415	269,224	36,002	36,002
Other non-current assets	12	5,051	4,916	4,900	4,781
<b>Current assets</b>					
Stocks	13	32,278	54,763	23,208	37,268
Prepaid content rights	14	-	22,227	-	-
Trade debtors	15	86,435	85,352	76,634	76,930
Other debtors and prepayments	16	15,130	14,181	5,904	4,546
Short-term investments	17	473,639	915,610	-	-
Cash on deposit		166,093	297,020	8,222	41,493
Cash and bank balances		26,528	31,156	19,699	20,595
		<b>800,103</b>	<b>1,420,309</b>	<b>133,667</b>	<b>180,832</b>
<b>Current liabilities</b>					
Trade creditors		64,860	58,049	34,784	32,206
Other creditors and accrued liabilities	18	130,145	114,541	106,670	80,901
Borrowings	6	81,000	52,900	-	-
Current taxation	5b	81,112	68,712	59,408	53,883
		<b>357,117</b>	<b>294,202</b>	<b>200,862</b>	<b>166,990</b>
<b>Net current assets/ (liabilities)</b>		<b>442,986</b>	<b>1,126,107</b>	<b>(67,195)</b>	<b>13,842</b>
		<b>2,234,763</b>	<b>3,074,043</b>	<b>1,326,124</b>	<b>2,247,850</b>

CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED AUGUST 31, 2004

	Note	GROUP	
		2004 S\$'000	2003 S\$'000
<b>Operating revenue</b>	21		
Newspaper and magazine		833,202	789,382
Broadcasting and multimedia		54,301	55,734
Property		82,572	52,700
		<b>970,075</b>	<b>897,816</b>
Other operating income		11,353	8,816
		<b>981,428</b>	<b>906,632</b>
Materials, consumables & broadcasting costs		(202,596)	(185,989)
Staff costs	22	(262,369)	(240,758)
Depreciation	7	(51,685)	(53,652)
Other operating expenses		(126,829)	(135,337)
Profit from operations	23	337,949	290,896
Finance costs	24	(24,203)	(24,326)
Net income from investments	25	258,017	39,584
Share of net (losses)/profits of associates		(249)	10,990
Profit before exceptional items		571,514	317,144
Exceptional items	26	28,677	121,760
<b>Profit before taxation</b>		<b>600,191</b>	<b>438,904</b>
Taxation	5c	(53,914)	(59,769)
<b>Profit after taxation</b>		<b>546,277</b>	<b>379,135</b>
Minority interests		5	(399)
<b>Profit attributable to shareholders</b>		<b>546,282</b>	<b>378,736</b>
<b>Earnings per S\$0.20 share (S\$)</b>			
Before exceptional items	28	0.29	0.14
		0.29	0.14
After exceptional items		0.31	0.20
		0.31	0.20

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED AUGUST 31, 2004

	GROUP						
	Share Capital S\$'000	Share Premium S\$'000	Capital Redemption Reserve S\$'000	Capital Reserve S\$'000	Retained Profit S\$'000	Exchange Translation Difference S\$'000	Total S\$'000
Balance as at September 1, 2003	369,557	27,301	4,509	2,005	1,843,587	777	2,247,736
Exchange translation difference	-	-	-	-	-	(773)	(773)
Gains not recognised in the income statement	-	-	-	-	-	(773)	(773)
Profit for the financial year	-	-	-	-	546,282	-	546,282
Issue of shares (Note 3)	2,810	-	-	-	-	-	2,810
Premium on issue of shares	-	40,602	-	-	-	-	40,602
Capital reduction (Note 3)#	(55,840)	(5,584)	-	-	(1,005,122)	-	(1,066,546)
Dividends (Note 27)	-	-	-	-	(290,992)	-	(290,992)
<b>Balance as at August 31, 2004</b>	<b>316,527</b>	<b>62,319</b>	<b>4,509</b>	<b>2,005</b>	<b>1,093,755</b>	<b>4</b>	<b>1,479,119</b>
Balance as at September 1, 2002	369,697	15,374	3,459	2,005	1,857,878	(6,875)	2,241,538
Exchange translation difference	-	-	-	-	-	7,652	7,652
Gains not recognised in the income statement	-	-	-	-	-	7,652	7,652
Profit for the financial year	-	-	-	-	378,736	-	378,736
Issue of shares (Note 3)	910	-	-	-	-	-	910
Premium on issue of shares	-	11,927	-	-	-	-	11,927
Share buy back (Note 3)	(1,050)	-	1,050	-	(17,969)	-	(17,969)
Dividends (Note 27)	-	-	-	-	(375,058)	-	(375,058)
Balance as at August 31, 2003	369,557	27,301	4,509	2,005	1,843,587	777	2,247,736

# The Capital Reduction Exercise was completed on June 24, 2004 with 276.4 million ordinary shares of S\$0.20 each and 2.8 million management shares of S\$0.20 each cancelled. The shareholders received S\$3.82 for every ordinary/management share of S\$0.20 each cancelled. Arising from the Capital Reduction Exercise, a total of S\$1,066.5 million was distributed to the shareholders of the Company. The Exercise resulted in the reduction of the share capital, share premium and retained profit of the Company by S\$55.8 million, S\$5.6 million and S\$1,005.1 million respectively.

CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED AUGUST 31, 2004

	GROUP	
	2004 S\$'000	2003 S\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>600,191</b>	438,904
Adjustments for:		
Depreciation	<b>51,685</b>	53,652
Loss on disposal of property, plant and equipment	<b>305</b>	403
Finance costs	<b>24,203</b>	24,326
Investment income	<b>(258,017)</b>	(39,584)
Share of net losses/(profits) of associates	<b>249</b>	(10,990)
Exceptional items	<b>(28,677)</b>	(121,760)
<b>Operating cash flow before working capital changes</b>	<b>389,939</b>	344,951
Changes in working capital:		
Stocks	<b>7,750</b>	(7,718)
Prepaid content rights	<b>(2,927)</b>	(7,952)
Debtors	<b>1,258</b>	7,098
Creditors	<b>22,307</b>	(8,341)
	<b>418,327</b>	328,038
Income tax paid	<b>(54,587)</b>	(40,349)
Dividends paid	<b>(290,992)</b>	(375,058)
Dividends paid (net) by a subsidiary to a minority shareholder	<b>(108)</b>	-
	<b>72,640</b>	(87,369)
(Increase)/Decrease in non-current assets	<b>(135)</b>	94
<b>Net cash from/(used in) operating activities</b>	<b>72,505</b>	(87,275)

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)  
FOR THE YEAR ENDED AUGUST 31, 2004

	GROUP	
	2004 S\$'000	2003 S\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(33,109)	(26,984)
Proceeds on disposal of property, plant and equipment	118,705	184
Additions to investment property	(6,098)	(30,216)
Acquisition of interests in associates and subsidiaries	(4,794)	(1,540)
Amounts owing to associates	19	9
Loan to associate	-	(350)
Partial disposal of interests in an associate	-	277,079
Proceeds on completion of liquidation of subsidiaries and an associate	-	1,794
Purchase of long-term investments	(5,089)	(1,908)
Proceeds on disposal/redemption of long-term investments	105,205	21,954
Purchase of short-term investments	(532,310)	(705,564)
Proceeds on disposal of short-term investments	1,021,045	569,449
Net increase in funds under management	(32,806)	(100,103)
Investment income	258,017	49,534
	<b>888,785</b>	<b>53,338</b>
Add/(Less): Items not involving movement of funds		
Provision for diminution in value of internally-managed investments	4,090	18,552
Profit on sale of internally-managed investments	(25,025)	(13,625)
Exchange translation gain	(773)	-
Accretion of discount on bonds	(21)	(57)
Amortisation of premium on bonds	1,121	1,273
<b>Net cash from investing activities</b>	<b>868,177</b>	<b>59,481</b>

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)  
FOR THE YEAR ENDED AUGUST 31, 2004

	GROUP	
	2004 S\$'000	2003 S\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital reduction	(1,066,546)	-
Proceeds on issue of shares by Company	43,412	12,837
Share buy back	-	(17,969)
Repayment of bank loans	(65,400)	(6,500)
Proceeds from bank loans	36,500	4,400
Finance costs	(24,203)	(24,326)
<b>Net cash used in financing activities</b>	<b>(1,076,237)</b>	<b>(31,558)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(135,555)</b>	<b>(59,352)</b>
Cash and cash equivalents at beginning of year	328,176	387,528
<b>Cash and cash equivalents at end of year [Note (a)]</b>	<b>192,621</b>	<b>328,176</b>
<b>(a) Cash and Cash Equivalents at the end of the year comprised:</b>		
Cash on deposit*	166,093	297,020
Cash and bank balances	26,528	31,156
	<b>192,621</b>	<b>328,176</b>

\* The fixed deposits with financial institutions mature on varying dates within 6 months (2003: 6 months) from the financial year end. The interest rates of these deposits as at August 31, 2004 range between 0.57% to 1.63% (2003: 0.15% to 2.06%).

NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 2004

These notes form an integral part of and should be read in conjunction with the financial statements.

**1. General**

The Company is incorporated and domiciled in Singapore.

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.

**2. Significant Accounting Policies**

**(a) Effect of changes in Singapore Companies Legislation**

Pursuant to the Singapore Companies (Amendment) Act 2002, with effect from financial year commencing on or after January 1, 2003, Singapore-incorporated companies are required to prepare and present their statutory accounts in accordance with the Singapore Financial Reporting Standards ("FRS"). Hence, these financial statements, including the comparative figures, have been prepared in accordance with FRS.

Previously, the Company and the Group prepared their statutory accounts in accordance with Singapore Statements of Accounting Standard. The adoption of FRS does not have material impact on the accounting policies and figures presented in the statutory accounts for financial year ended August 31, 2003.

**(b) Basis of Preparation**

The financial statements are prepared in accordance with the historical cost convention.

**(c) Basis of Consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year. The results of subsidiaries acquired or disposed of during the year are included in or excluded from the consolidated income statement from the date of their acquisition or disposal. Inter-company balances and transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

**(d) Foreign currency translation**

**(i) Measurement currency**

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity ("the measurement currency"). The consolidated financial statements of the Group and balance sheet of the Company are presented in Singapore Dollars, which is the measurement currency of the Company.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange prevailing at the balance sheet date. Exchange differences arising are taken to the income statement.

**(iii) Group companies**

In respect of foreign entities whose operations are not an integral part of the Company's operations, the balance sheets are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date, and the results are translated using the average monthly exchange rates for the financial year. The exchange differences arising on translation are taken directly to the exchange translation difference account, which is reported as a separate component of shareholders' interests. On disposal, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

In respect of foreign entities whose operations are integral to those of the Company, all monetary assets and liabilities are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date. All non-monetary assets and liabilities are recorded at the exchange rates when the relevant transactions occurred, and the results are translated using the average monthly exchange rates for the financial year. The exchange differences arising are taken to the consolidated income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as non-monetary foreign currency assets and liabilities of the acquirer and recorded at the exchange rate at the date of the transaction.

**(e) Goodwill on Consolidation**

Goodwill on consolidation, representing the difference between the cost of acquisition of a subsidiary or an associate over the fair value of net identifiable assets acquired, is amortised on a straight-line basis in the consolidated income statement over its economic useful life up to a maximum of 20 financial years. Goodwill assessed as having no continuing economic value is written off to the consolidated income statement.

**(f) Deferred Taxation**

Deferred tax liabilities are provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred income tax.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(g) Property, Plant and Equipment and Depreciation

- (i) Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.
- (ii) Depreciation is calculated to write off the cost on a straight-line basis over the expected useful lives of the assets. The estimated useful lives for this purpose are:
- |                              |   |
|------------------------------|---|
| Freehold buildings           | 30 years  |
| Leasehold land and buildings | 30 years or life of lease if less than 30 years |
| Plant and equipment          | 3 – 20 years                                    |
| Furniture and fittings       | 5 – 10 years                                    |
| Motor vehicles               | 3 – 5 years                                     |
- (iii) No depreciation is charged on freehold land and land held on 999-year lease or in respect of major capital work-in-progress.
- (iv) It is not the Group's policy to revalue property, plant and equipment at regular intervals.
- (v) The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds its recoverable amount. The impairment loss is charged to the income statement.

(h) Subsidiaries

Interests in subsidiaries are included in the Company's balance sheet at cost less impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount if lower. The impairment loss is charged to the income statement.

(i) Associates

These are companies (not being subsidiaries) in which the Group has a substantial interest of not less than 20% of the equity and/or in whose financial and operating policy decisions the Group exercises significant influence.

The Group's share of the results of associates is included in its consolidated income statement. The Group's share of the post-acquisition retained profits and reserves or accumulated losses of associates is added to or deducted from the cost of these investments in the consolidated balance sheet.

In the Company's balance sheet, investments in associates are stated at cost less impairment losses.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount if lower. The impairment loss is charged to the income statement.

(j) Investments

Long-term investments in equity are stated at cost less diminution in value. Long-term investments in bonds are stated at cost,

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

adjusted for amortisation of premium and accretion of discount and diminution in value. Where cost of these investments exceeds realisable value, provision is made for diminution in value which is other than temporary, determined on an individual basis.

Short-term investments are stated at the lower of cost and realisable value on an individual basis.

Dividend income from investments other than subsidiaries is recognised on a cash basis and interest income on an accrual basis.

Dividend income from subsidiaries is recognised in the accounting period in which it is declared.

Profit or loss on sale of investments is recognised on completion of sale.

(k) Investment Properties

Investment properties are held for the primary purpose of producing rental income and are not held for resale in the ordinary course of business.

Investment properties are stated at cost less impairment losses. Where an indication of impairment exists, the carrying amount of the investment property is assessed and written down to its recoverable amount if lower. The impairment loss is charged to the income statement.

Cost of investment properties includes capitalisation of interest incurred on borrowings for the purchase, renovation and extension of the investment properties 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.

(l) Stocks

Stocks comprise raw materials and consumable stores, acquired content rights and production cost of programmes.

(i) Raw materials and consumable stores

These are stated at cost less provision for obsolete, slow moving and defective stocks.

Cost includes transport and handling costs, and any other directly attributable costs. Cost is determined on the weighted average or specific identification basis.

(ii) Acquired content rights

Prepaid content rights are reported as acquired content rights when the license period commences and materials have been received.

The cost of acquired content rights is the gross amount paid for such rights.

(iii) Production cost of programmes

Production cost includes costs incurred on own production, commissioned works and co-produced programmes.

Cost of own production comprises direct labour, material cost and allocated overheads capitalised based on the normal level of activity during the term of production.

Commissioned works are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

Co-produced programmes are stated at cost less billings to co-producers.

Acquired content rights and production cost of programmes are expensed to the income statement based on the estimated number of showings and the ratio that the current year's revenue bears to the anticipated total gross revenue from the exploitation of the films.

Acquired content rights and production cost of programmes are valued at the lower of unamortised cost and estimated net realisable value. The carrying amounts of each title in stock are reviewed at each balance sheet date. Provisions are made where the unamortised cost of each title exceeds the estimated realisable value. Such provisions are charged to the income statement.

(m) Prepaid Content Rights

Advanced payments made for content rights for which the license period has not commenced or the materials have not been received, are classified as prepaid content rights.

Prepaid content rights are valued at the lower of cost and estimated net realisable value. The carrying amounts are reviewed at each balance sheet date. Provisions are made where the carrying amount exceeds the estimated realisable value. Such provisions are charged to the income statement.

Provisions are also made where it is unlikely that content rights acquired under such payments would be used during its license period. Such provisions are charged to the income statement.

(n) Debtors

Bad debts are written off and specific provision is made for those debts considered to be doubtful. In addition, a general provision is made on the balance of trade debtors to cover any unexpected losses which have not been specifically identified.

(o) Dividends

Dividends on the Company's shares are recognised in equity in the period in which they are declared.

(p) Employee Benefits

(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 render their services to the Group.

(ii) Equity compensation benefits

The stock option programme allows selected employees of the Company and/or its subsidiaries including Executive Directors of the Company, and other selected participants, to subscribe for ordinary shares in the Company. No compensation cost or obligation is recognised. When the options are exercised, the proceeds received are credited to share capital (nominal value) and share premium.

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable 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 (CONT'D)  
AUGUST 31, 2004

(r) Revenue Recognition

Revenue from the sale of the Group's products and services after accounting for trade discounts, returns and goods and services tax is recognised on completion of delivery.

Revenue from advertisements is recognised when the advertisement is published or broadcast.

Revenue from rental and rental-related services is recognised on an accrual basis.

The policies relating to the recognition of revenue from investments are set out in Note 2(j) above.

(s) Leases

When the Group is the lessee:

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are taken to the income statement on a straight-line basis over the period of the lease.

When the Group is the lessor:

Assets leased out under operating leases are included in investment properties and are stated at cost less impairment losses and not depreciated. Rental income is recognised on a straight-line basis over the lease term.

(t) Financial Risk Management

The Group's activities expose it to a variety of financial risks, particularly interest rate, currency, market, liquidity and credit risks. The Group's risk management policies seek to, where appropriate, minimise potential adverse effects of these risks on the financial performance of the Group. The policies for managing these risks are summarised below.

(i) Interest rate risk

The Group has cash balances placed with reputable banks and financial institutions, and investments in bonds and government-related securities, which generate interest income for the Group. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

The Group's debt consists of bank borrowings taken up by certain subsidiaries to finance their respective operations. Where appropriate, the Group seeks to minimise its interest rate risk exposure by entering into interest rate swaps over the duration of its borrowings.

(ii) Currency risk

The currency risk of the Group arises mainly from its operational purchases of raw materials and consumable stores, capital expenditure and acquired content rights. The currency risk of the Group also arises from its foreign currency cash deposits, bonds and equity investments, and from costs incurred by its overseas news bureaus. In addition, the Group also has investments in foreign subsidiaries and associated companies, whose net assets are exposed to currency risk.

Where appropriate, the Group hedges against its currency risk resulting from anticipated sale and purchase transactions in foreign currencies, and foreign currency exposure of the net assets of its foreign subsidiaries and associated companies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

(iii) Market risk

The Group has investments in various financial instruments (including equities, fixed income and other derivative instruments) and funds under management. The market values of these investments are affected by, amongst others, changes in market prices as a result of changes in global economic conditions, macro and micro economic factors affecting the country where the investments are quoted, and factors specific to the investee corporations.

The fluctuations in market prices due to the above factors are unforeseen and the Group monitors these changes to respond to them as and when appropriate and necessary.

(iv) Liquidity risk

In the management of 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.

(v) Credit risk

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 bankers'/insurance guarantees from its customers, and imposes cash terms and/or advance payments from customers of lower credit standing.

As at the balance sheet date, the Group has no significant concentration of credit risks.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

3. Share Capital

	2004		2003	
	Number of Shares '000	S\$'000	Number of Shares '000	S\$'000
<b>Authorised</b>				
Management shares of S\$0.20 (2003: S\$1) each	50,000	10,000	10,000	10,000
Ordinary shares of S\$0.20 (2003: S\$1) each	4,950,000	990,000	990,000	990,000
	<b>5,000,000</b>	<b>1,000,000</b>	1,000,000	1,000,000
<b>Issued and fully paid</b>				
Management shares of S\$0.20 (2003: S\$1) each	16,018	3,204	3,740	3,740
Ordinary shares of S\$0.20 (2003: S\$1) each	1,566,617	313,323	365,817	365,817
	<b>1,582,635</b>	<b>316,527</b>	369,557	369,557
Movements during the financial year were:				
Opening balance	369,557	369,557	369,697	369,697
Issue of ordinary shares of S\$1 each fully paid under the Singapore Press Holdings Group Executives' Share Option Scheme and Singapore Press Holdings Group (1999) Share Option Scheme	2,683	2,683	901	901
Issue of management shares of S\$1 each fully paid in accordance with the Newspaper and Printing Presses Act	27	27	9	9
Cancellation of ordinary shares of S\$1 each under the share buy back mandate approved by shareholders	-	-	(1,050)	(1,050)
Balance before Share Split Exercise	<b>372,267</b>	<b>372,267</b>	369,557	369,557
Ordinary and management shares of S\$0.20 each (2003: S\$1) fully paid immediately after Share Split Exercise	1,861,335	372,267	369,557	369,557
Cancellation of ordinary shares of S\$0.20 each under the Capital Reduction Exercise	(276,376)	(55,275)	-	-
Cancellation of management shares of S\$0.20 each under the Capital Reduction Exercise	(2,826)	(565)	-	-
Issue of ordinary shares of S\$0.20 each fully paid under the Singapore Press Holdings Group (1999) Share Option Scheme	497	99	-	-
Issue of management shares of S\$0.20 each fully paid in accordance with the Newspaper and Printing Presses Act	5	1	-	-
Closing balance	<b>1,582,635</b>	<b>316,527</b>	369,557	369,557

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

3. Share Capital (cont'd)

Details of the unissued shares of the Company under option at the end of the financial year are as follows:

Singapore Press Holdings Group Executives' Share Option Scheme ("1990 Scheme")

Date of Grant	Expiry Date	Exercise Price(a)	Balance 1.9.03	Options Exercised	Options Cancelled	Balance 31.8.04
Nov 17, 1998	Nov 17, 2003	S\$14.51	655,179	(655,149)	(30)	-
			655,179	(655,149)	(30)	-

(a) Exercise price was adjusted as a result of bonus shares issued during the financial year 1998, and the capital reduction exercises during the financial years 1999 and 2002.

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

Date of Grant	Expiry Date	Exercise Price(a)	Balance 1.9.03(b)	Options Exercised	Options Cancelled	Balance 31.8.04 (c)
Oct 27, 1999	Oct 27, 2009	S\$5.60	11,254,425	-	(920,550)	10,333,875
Oct 30, 2000	Oct 30, 2010	S\$4.78	12,968,025	-	(1,742,500)	11,225,525
Nov 6, 2001	Nov 6, 2011	S\$3.03	13,506,075	(9,112,050)	(11,050)	4,382,975
Oct 28, 2002	Oct 28, 2012	S\$3.91	13,696,475	-	(251,175)	13,445,300
Dec 16, 2003	Dec 16, 2013	S\$3.69	15,028,000	-	(168,725)	14,859,275
Feb 1, 2004	Feb 1, 2014	S\$3.83	85,000	-	-	85,000
			66,538,000	(9,112,050)	(3,094,000)	54,331,950

(a) Exercise prices were adjusted as a result of the Share Split and Capital Reduction Exercises during financial year 2004. For share options granted between 1999 to 2002, the exercise prices were also adjusted as a result of the Capital Reduction Exercise during the financial year 2002.

(b) Or later date of grant.

(c) The balance of share options as at August 31, 2004 was adjusted for the effects of the Share Split and Capital Reduction Exercises during financial year 2004.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

4. Capital Reserve

	GROUP	
	2004	2003
	S\$'000	S\$'000
Capital reserve is made up as follows:		
Distributable	1,375	1,375
Non-Distributable	630	630
	<b>2,005</b>	<b>2,005</b>

5. Taxation

(a) Deferred Taxation

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

2004  
GROUP

(i) Deferred Tax Liabilities

	Accelerated Tax Depreciation	Others	Total
	S\$'000	S\$'000	S\$'000
Opening balance	92,368	2,876	95,244
Credited to income statement	(14,082)	(207)	(14,289)
Closing balance	<b>78,286</b>	<b>2,669</b>	<b>80,955</b>

(ii) Deferred Tax Assets

	Provisions
	S\$'000
Opening balance	(10,045)
Charged to income statement	1,216
Closing balance	<b>(8,829)</b>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

5. Taxation (cont'd)

2003  
GROUP  
(i) Deferred Tax Liabilities

	Accelerated Tax Depreciation S\$'000	Others S\$'000	Total S\$'000
Opening balance	93,545	2,943	96,488
Credited to income statement	(1,177)	(67)	(1,244)
Closing balance	<u>92,368</u>	<u>2,876</u>	<u>95,244</u>

(ii) Deferred Tax Assets

	Provisions S\$'000
Opening balance	(13,201)
Charged to income statement	3,156
Closing balance	<u>(10,045)</u>

2004  
COMPANY

(i) Deferred Tax Liabilities

	Accelerated Tax Depreciation S\$'000
Opening balance	79,303
Credited to income statement	(11,286)
Closing balance	<u>68,017</u>

(ii) Deferred Tax Assets

	Provisions S\$'000
Opening balance	(9,764)
Charged to income statement	957
Closing balance	<u>(8,807)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

5. Taxation (cont'd)

2003  
COMPANY  
(i) Deferred Tax Liabilities

	Accelerated Tax Depreciation S\$'000
Opening balance	80,713
Credited to income statement	(1,410)
Closing balance	<u>79,303</u>

(ii) Deferred Tax Assets

	Provisions S\$'000
Opening balance	(13,138)
Charged to income statement	3,374
Closing balance	<u>(9,764)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

5. Taxation (cont'd)

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

	GROUP		COMPANY	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Deferred tax liabilities	<b>72,126</b>	85,199	<b>59,210</b>	69,539

As at August 31, 2004, certain subsidiary had unutilised tax losses of S\$39.2 million (2003: S\$48.3 million) available for offsetting against future taxable income subject to the relevant provisions of the Income Tax Act, Chapter 134 ("Income Tax Act").

(b) Current Taxation

	GROUP		COMPANY	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Opening balance	<b>68,712</b>	51,204	<b>53,883</b>	42,201
Income tax paid	<b>(54,587)</b>	(40,349)	<b>(45,278)</b>	(36,605)
Tax deducted at source on dividends received from subsidiaries	-	-	-	(3,000)
Provision for the year	<b>69,655</b>	56,538	<b>61,712</b>	58,065
Group relief in accordance with Section 37C of the Income Tax Act	-	-	<b>(8,095)</b>	(6,778)
(Over)/Under provision in prior years	<b>(2,668)</b>	1,319	<b>(2,814)</b>	-
Closing balance	<b>81,112</b>	68,712	<b>59,408</b>	53,883

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

5. Taxation (cont'd)

(c) Tax Expense

	GROUP	
	2004 S\$'000	2003 S\$'000
Tax expense attributable to profit is made up of:		
Current year		
Current tax	<b>69,655</b>	56,538
Deferred tax	<b>(3,746)</b>	2,617
	<b>65,909</b>	59,155
Prior years		
Current tax	<b>(2,668)</b>	1,319
Deferred tax	<b>(9,327)*</b>	(705)
	<b>53,914</b>	59,769

\* Included an adjustment of S\$7.7 million arising from the change in corporate taxation rate from 22% to 20%.

The income tax expense on the results 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	
	2004 S\$'000	2003 S\$'000
Profit before taxation	<b>600,191</b>	438,904
Add/(Less): Share of net losses/(profits) of associate	<b>249</b>	(10,990)
Adjusted profit before taxation	<b>600,440</b>	427,914
Tax calculated at corporate tax rate of 20% (2003: 22%)	<b>120,088</b>	94,141
Singapore statutory stepped income exemption	<b>(125)</b>	(134)
Income taxed at concessionary rate	<b>(1,593)</b>	(1,963)
Utilisation of deferred tax assets not previously recognised	<b>(4,010)</b>	(4,675)
Income not subject to tax	<b>(66,025)</b>	(43,729)
Expenses not deductible for tax purposes	<b>16,180</b>	17,584
Losses of subsidiaries not offset against taxable income of other entities	-	777
Deferred tax benefit not recognised	<b>1,823</b>	1,711
Double tax relief for contributions made to Institutes of Public Character	<b>(456)</b>	(4,478)
Effect of different tax rates in other countries	<b>27</b>	105
Others	-	(184)
	<b>65,909</b>	59,155

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

6. Borrowings

	GROUP	
	2004 S\$'000	2003 S\$'000
Transferable term loans [Note a]	683,000	700,000
Revolving credit facility [Note a]	-	4,400
Term advances - unsecured [Note b]	40,000	70,000
Revolving credit facilities - unsecured [Note b]	41,000	18,500
	<b>764,000</b>	<b>792,900</b>
Borrowings are repayable:		
Within 1 year	81,000	52,900
Between 1 – 5 years	683,000	740,000
	<b>764,000</b>	<b>792,900</b>

(a) A subsidiary has a bank loan facility in the form of a S\$700 million (2003: S\$700 million) transferable loan facility ("TLF"). During the year, the subsidiary has made partial repayment of S\$17 million for the TLF loan on July 9, 2004.

During the financial year, the subsidiary also had a S\$14 million (2003: S\$14 million) revolving credit facility ("RCF") under which S\$4.4 million was drawn. The RCF loan was subsequently repaid on January 9, 2004 and the RCF terminated on February 16, 2004.

The TLF facility is, and the RCF facility was secured by way of a legal mortgage on the Group's investment property [Note 8], an assignment of rental proceeds from the investment property and the insurances on the investment property, and an undertaking by the Company to pay all interests payable in respect of the facilities if the subsidiary fails to pay the same.

After taking into account interest rate swap arrangements totalling S\$645 million (2003: S\$645 million) entered into by the subsidiary, the effective interest rate as at the balance sheet date on the outstanding TLF loan of S\$683 million was 3.19% per annum (2003: S\$700 million, 3.18% per annum). The loans granted under the TLF are repayable no later than January 31, 2007.

(b) During the financial year, another subsidiary obtained new loan facilities amounting to S\$90 million, comprising S\$40 million term advances and S\$50 million revolving credit facility ("RCF") to refinance its existing bank loan facilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

6. Borrowings (cont'd)

The Company has provided a guarantee and indemnity for the new loan facilities obtained by the subsidiary pertaining to its indebtedness under the loan refinancing arrangement, the maximum liability being limited to the principal sum outstanding, interests outstanding and legal costs incurred.

The effective interest rate as at the balance sheet date on the term advances of S\$40 million was 1.76% per annum (2003: S\$70 million, 2.04% per annum). The term advances are planned for repayment by August 31, 2005.

The effective interest rate as at the balance sheet date on the loans granted under the RCF was 1.3% (2003: 1.26%) per annum.

(c) In respect of bank borrowings, the Group's policy is to, where appropriate, minimise its interest rate risk exposure by entering into interest rate swaps over the duration of its borrowings. Accordingly, the subsidiaries entered into interest rate swap contracts as part of their interest rate risk management. Under these interest rate swaps, the subsidiaries agree 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, 2004, the fixed interest rates vary from 2.55% to 3.44% (2003: 2.55% to 3.44%) per annum and floating rates are referenced to Singapore dollar swap offer rate, where applicable.

The notional principal amounts of the outstanding interest rate swap contract and its corresponding fair value as at August 31, are:

	GROUP	
	2004 S\$'000	2003 S\$'000
Notional due:		
Within 1 year	-	22,500
Between 1 - 5 years	645,000	645,000
Fair values *	(17,611)	(19,869)

\* The fair value of interest rate swap contract has been calculated (using rates quoted by the Group's bankers) assuming the contract is terminated at the balance sheet date. The fair value is not recognised in the consolidated financial statements as at the balance sheet date.

(d) The fair values of the TLF, term advances and RCF as at the balance sheet date approximate their carrying values as these loans carry floating interest rates, which are repriced frequently.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

7. Property, Plant and Equipment

(a)

	GROUP					Total S\$'000
	Land and Buildings Freehold S\$'000	Leasehold S\$'000	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	
<b>Cost</b>						
Opening balance	46,694	233,113	616,743	18,273	2,423	917,246
Reclassification	-	(22)	(5)	27	-	-
Additions	-	-	3,244	346	53	3,643
Adjustments*	-	(4,461)	(1,423)	(8)	-	(5,892)
Transfer in from capital work-in-progress	-	-	180,831	-	-	180,831
Disposals	(17,852)	-	(10,957)	(269)	(113)	(29,191)
Closing balance	28,842	228,630	788,433	18,369	2,363	1,066,637
<b>Accumulated Depreciation and Impairment Losses</b>						
Opening balance	17,450	73,412	346,569	7,432	1,598	446,461
Reclassification	-	(1)	(5)	6	-	-
Charge for the year	212	7,614	44,266	1,597	260	53,949
Adjustments*	-	(1,408)	(854)	(2)	-	(2,264)
Impairment losses^ (Note 26)	-	2,883	30,693	1,274	103	34,953
Disposals	(9,390)	-	(10,572)	(227)	(98)	(20,287)
Closing balance	8,272	82,500	410,097	10,080	1,863	512,812
<b>Net book value at August 31, 2004</b>	20,570	146,130	378,336	8,289	500	553,825
Capital work-in-progress	-	-	11,706	-	-	11,706
Closing balance	<b>20,570</b>	<b>146,130</b>	<b>390,042</b>	<b>8,289</b>	<b>500</b>	<b>565,531</b>
Capital work-in-progress						
Opening balance	-	-	163,071	-	-	163,071
Additions	-	-	29,466	-	-	29,466
Transfer out to fixed assets	-	-	(180,831)	-	-	(180,831)
Closing balance	-	-	11,706	-	-	11,706
2003 Comparatives						
Net book value at August 31, 2003	29,244	159,701	270,174	10,841	825	470,785
Capital work-in-progress	-	-	163,071	-	-	163,071
Closing balance	29,244	159,701	433,245	10,841	825	633,856
Depreciation for 2003	212	8,373	43,325	1,488	254	53,652

\* During the year, the cost of leasehold land and building, and plant and equipment and furniture and fittings attached to the building previously capitalised were adjusted, as such capitalised amounts had been based on estimates made pending finalisation of billings by suppliers.

^ Impairment charges arose from the lower-than-expected financial performance of the Group's broadcasting segment (S\$19.4 million), technological obsolescence for certain plant and equipment of the Group's newspaper and magazine segment (S\$12.8 million) and decline in market value of a leasehold building of the Group's newspaper and magazine segment (S\$2.8 million). The recoverable amounts of the broadcasting assets and the newspaper and magazine segment's plant and equipment (which have no ready market) are their current market values which are expected to be minimal. The recoverable amount of the leasehold building is its market value determined by an independent valuer.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

7. Property, Plant and Equipment (cont'd)

(b)

	COMPANY			
	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
<b>Cost</b>				
Opening balance	499,008	12,885	2,250	514,143
Reclassification	(5)	5	-	-
Additions	1,709	128	-	1,837
Transfer in from capital work-in-progress	180,773	-	-	180,773
Transfer in	64	8	-	72
Transfer out	(47)	-	-	(47)
Disposals	(8,349)	(81)	(74)	(8,504)
Closing balance	673,153	12,945	2,176	688,274
<b>Accumulated Depreciation and Impairment Losses</b>				
Opening balance	305,570	4,425	1,523	311,518
Reclassification	(5)	5	-	-
Charge for the year	34,339	1,105	227	35,671
Transfer in	55	1	-	56
Transfer out	(45)	-	-	(45)
Impairment losses	18,298	-	-	18,298
Disposals	(8,046)	(66)	(74)	(8,186)
Closing balance	350,166	5,470	1,676	357,312
<b>Net book value at August 31, 2004</b>	322,987	7,475	500	330,962
Capital work-in-progress	11,706	-	-	11,706
Closing balance	<b>334,693</b>	<b>7,475</b>	<b>500</b>	<b>342,668</b>
Capital work-in-progress				
Opening balance	163,046	-	-	163,046
Additions	29,433	-	-	29,433
Transfer out to fixed assets	(180,773)	-	-	(180,773)
Closing balance	11,706	-	-	11,706
2003 Comparatives				
Net book value at August 31, 2003	193,438	8,460	727	202,625
Capital work-in-progress	163,046	-	-	163,046
Closing balance	356,484	8,460	727	365,671
Depreciation for 2003	32,960	1,014	216	34,190

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

**8. Investment Property**

Details of the investment property are as follows:

	GROUP	
	Freehold Land and Building	
	2004	2003
	S\$'000	S\$'000
Cost	923,827	923,827
Development expenditure at cost	173,624	167,526
Loan interest capitalised	18,935	18,935
	<b>1,116,386</b>	1,110,288
Impairment losses	(70,534)	(70,534)
	<b>1,045,852</b>	1,039,754
Gross rental income	78,475	49,421
Fair value	<b>1,200,000</b>	1,050,000

Fair value of the investment property, the amalgamated Paragon on Orchard Road was stated based on an independent professional valuation, determined on an open market value basis and carried out on June 24, 2004 (2003: February 28, 2003). The valuation carried out in the previous financial year was done on the basis that the construction work for the amalgamated Paragon would be satisfactorily completed and the Temporary Occupation Permit and Certificate of Statutory Completion would be obtained. The investment property is mortgaged to a bank as security for loan facilities granted to a subsidiary.

**9. Interests in Subsidiaries**

(a) Unquoted equities

	COMPANY	
	2004	2003
	S\$'000	S\$'000
Unquoted equities, at cost	476,812	476,083
Amounts owing by subsidiaries (non-trade) [Note (c)]	796,146	1,378,626
Loan to a subsidiary	88,500	40,000
	<b>1,361,458</b>	1,894,709
Amounts owing to subsidiaries (non-trade) [Note (c)]	(173,209)	(67,155)
	<b>1,188,249</b>	1,827,554
Impairment losses	(178,500)	-
	<b>1,009,749</b>	1,827,554

Details of subsidiaries are set out in Note 29.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

**9. Interests in Subsidiaries (cont'd)**

(b) Goodwill arising on acquisition of subsidiaries

	GROUP	
	2004	2003
	S\$'000	S\$'000
Opening balance	-	-
Goodwill on acquisition during the year	18	1,240
Amounts written off during the year	(18)	(1,240)
Closing balance	-	-

(c) The amounts owing by/to subsidiaries are unsecured, interest free and have no fixed repayment terms. Repayments are not expected within the next twelve months. Accordingly, it is not practicable to determine the fair value of these balances. However, the Company does not anticipate the carrying amounts at the balance sheet date to be significantly different from the values that would eventually be settled.

**10. Interests in Associates**

(a) Unquoted equities

	GROUP		COMPANY	
	2004	2003	2004	2003
	S\$'000	S\$'000	S\$'000	S\$'000
Unquoted equities, at cost	12,513	44,837	2,980	2,980
Amounts owing by associates (non-trade) [Note (b)]	4	4	-	-
Loan to an associate [Note (b)]	350	650	-	-
	<b>12,867</b>	45,491	<b>2,980</b>	2,980
Amount owing to associates (non-trade) [Note (b)]	(19)	-	-	-
Goodwill on consolidation written off	(5,559)	(23,357)	-	-
Share of net losses	(5,801)	(14,509)	-	-
Impairment losses	(560)	(7,439)	(2,980)	(2,980)
	<b>928</b>	186	-	-

During the year, an associate was disposed of and accordingly adjustments were made to balances relating to goodwill on consolidation written off, share of net losses and impairment losses. Details of associates are set out in Note 30.

(b) The amounts owing by/to associates, and loan to an associate are unsecured, interest free and have no fixed repayment terms. Repayments are not expected within the next twelve months. Accordingly, it is not practicable to determine the fair value of these balances. However, the Group does not anticipate the carrying amounts at the balance sheet date to be significantly different from the values that would eventually be settled.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

11. Long-Term Investments

	GROUP		COMPANY	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Quoted, at cost				
Equities	79,610	92,855	-	-
Bonds	48,000	48,000	-	-
Unquoted, at cost				
Equities	61,327	78,363	35,577	35,577
Other investments	425	60,318	425	425
	189,362	279,536	36,002	36,002
Provision for diminution in value of investments – Unquoted	(14,947)	(10,312)	-	-
	174,415	269,224	36,002	36,002
Movements in provision				
Opening balance	10,312	15,075	-	-
Provision for the year – Unquoted	4,635	208	-	-
Utilisation of provision	-	(2,921)	-	-
Transfer to short-term investments	-	(2,050)	-	-
Closing balance	14,947	10,312	-	-
Market value of quoted investments				
Equities	288,648	268,930	-	-
Bonds	52,086	51,432	-	-
	340,734	320,362	-	-

12. Other Non-Current Assets

	GROUP		COMPANY	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Staff loans	5,051	4,916	4,900	4,781

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

13. Stocks

	GROUP		COMPANY	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Raw materials and consumable stores	24,489	38,895	23,908	38,278
Acquired content rights, at unamortised cost	20,502	16,519	-	-
Production cost of programmes, at unamortised cost	11,299	7,925	-	-
Provision for stocks	(24,012)	(8,576)	(700)	(1,010)
	32,278	54,763	23,208	37,268
Made up as follows:				
At cost	5,643	20,636	5,419	7,670
At net realisable value	26,635	34,127	17,789	29,598
	32,278	54,763	23,208	37,268
Movements in provision				
Opening balance	8,576	3,437	1,010	1,010
Provision/(Write-back) for the year	17,514	5,139	(310)	-
Stocks written off	(2,078)	-	-	-
Closing balance	24,012	8,576	700	1,010

14. Prepaid Content Rights

	GROUP	
	2004 S\$'000	2003 S\$'000
Prepaid content rights – at cost	25,617	23,694
Provision for prepaid content rights	(25,617)	(1,467)
	-	22,227
Movements in provision		
Opening balance	1,467	86
Provision for the year	26,091	1,381
Stocks written off	(1,941)	-
Closing balance	25,617	1,467

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

15. Trade Debtors

	GROUP		COMPANY	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Amount owing	104,334	104,942	92,828	95,120
Provision for doubtful debts	(17,899)	(19,590)	(16,194)	(18,190)
	<b>86,435</b>	<b>85,352</b>	<b>76,634</b>	<b>76,930</b>
Movements in provision				
Opening balance	19,590	21,023	18,190	19,700
Provision for the year	1,644	2,118	640	1,531
Bad debts written off	(3,335)	(3,551)	(2,636)	(3,041)
Closing balance	<b>17,899</b>	<b>19,590</b>	<b>16,194</b>	<b>18,190</b>

16. Other Debtors and Prepayments

	GROUP		COMPANY	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Accrued interest	2,892	6,180	1	23
Sundry debtors	6,958	3,781	2,117	1,596
Prepayments	3,546	2,426	2,112	1,212
Staff loans	1,734	1,794	1,674	1,715
	<b>15,130</b>	<b>14,181</b>	<b>5,904</b>	<b>4,546</b>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

17. Short-Term Investments

(a) Internally managed

	GROUP	
	2004 S\$'000	2003 S\$'000
Quoted		
Equities, at cost	53,421	102,198
Bonds, at cost	150,923	613,734
Accretion of discount on bonds	2,358	3,090
Amortisation of premium on bonds	(109)	(1,363)
Unquoted		
Equities, at cost	-	3,480
	<b>206,593</b>	<b>721,139</b>
Provision for diminution in value of investments – Quoted	(17,554)	(57,323)
	<b>189,039</b>	<b>663,816</b>
Movements in provision		
Opening balance	57,323	42,424
(Write-back)/provision for the year	(545)	18,344
Utilisation of provision	(39,224)	(5,495)
Transfer from long-term investments	-	2,050
Closing balance	<b>17,554</b>	<b>57,323</b>
(b) Funds under management		
Quoted investments, at cost		
Equities	95,877	85,580
Bonds	162,471	148,870
	<b>258,348</b>	<b>234,450</b>
Provision for diminution in value of quoted investments	(2,644)	(1,746)
	<b>255,704</b>	<b>232,704</b>
Bank balances	31,915	18,520
Accrued income	2,864	970
Due to brokers	(5,883)	(400)
	<b>284,600</b>	<b>251,794</b>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

17. Short-Term Investments (cont'd)

	GROUP	
	2004 S\$'000	2003 S\$'000
Movements in provision		
Opening balance	1,746	1,723
Provision for the year	4,258	1,823
Utilisation of provision	(3,360)	(1,800)
Closing balance	2,644	1,746
Total Short-Term Investments	473,639	915,610
(c) Total market/fair value of investments		
Quoted – Equities	200,257	194,894
Bonds	306,710	737,510
	506,967	932,404
Unquoted – Equities	–	3,564

18. Other Creditors and Accrued Liabilities

	GROUP		COMPANY	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Accrued operating expenses	109,058	91,213	92,981	69,160
Sundry creditors	16,855	18,355	9,642	7,844
Customers' deposits and credits	4,232	4,024	4,047	3,897
Amounts due to brokers	–	949	–	–
	130,145	114,541	106,670	80,901

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

19. Capital and Other Commitments

	GROUP		COMPANY	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Commitments for:				
(a) Capital expenditure:				
Authorised and contracted for	6,906	29,271	5,801	22,212
Authorised but not contracted for	32,509	26,206	20,459	26,152
(b) Equity investments	53,666	14,101	–	–
(c) Non-cancellable operating leases payable:				
Within 1 year	4,112	3,067	165	–
Between 1 – 5 years	19,899	5,864	7	–
After 5 years	200,463	44,559	–	–
(d) Non-cancellable operating leases receivable:				
Within 1 year	80,177	73,995	–	–
Between 1 – 5 years	119,299	95,409	–	–
After 5 years	–	978	–	–
(e) Foreign currency forward contracts				
Notional due:				
Within 1 year	112,651	18,560	1,551	4,577
Positive fair value	507	68	11	40
Negative fair value	430	–	–	–
(f) Cross currency swap contracts				
Notional due:				
After 5 years	14,104	18,400	–	–
Positive/(negative) fair value	793	(157)	–	–

The fair values of foreign currency forward and cross currency swap contracts have been calculated (using rates quoted by the Group's bankers) assuming these contracts are terminated at the balance sheet date.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

20. Contingent Liability (Unsecured)

As at August 31, 2004, the Company provided an indemnity to a financial institution for performance guarantees issued on behalf of a subsidiary to enable the subsidiary to meet its obligations in the ordinary course of business. The performance guarantees comprised US\$4 million (S\$6.8 million) maturing on March 31, 2005 (2003: US\$4 million), US\$4 million (S\$6.8 million) for period commencing April 1, 2005 to March 31, 2006 (2003: US\$4 million) and US\$4 million (S\$6.8 million) for period commencing April 1, 2006 to March 31, 2007 (2003: US\$4 million).

21. Operating Revenue

	GROUP	
	2004 S\$'000	2003 S\$'000
Newspaper and Magazine		
Advertisements	624,448	595,370
Circulation	192,033	180,336
Others	16,721	13,676
	<b>833,202</b>	<b>789,382</b>
Broadcasting and Multimedia		
Advertisements	40,030	43,131
Broadcasting and multimedia services	14,271	12,603
	<b>54,301</b>	<b>55,734</b>
Property		
Rental and rental-related services	82,572	52,700
	<b>970,075</b>	<b>897,816</b>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

22. Staff Costs

	GROUP	
	2004 S\$'000	2003 S\$'000
(a) Staff costs (including Executive Director):		
Salaries, bonuses and other costs	237,091	214,517
Employers' contribution to defined contribution plans	25,278	26,241
	<b>262,369</b>	<b>240,758</b>
(b) Average number of employees	3,564	3,715

23. Profit from Operations

	GROUP	
	2004 S\$'000	2003 S\$'000
Profit from operations is arrived at:		
After charging		
Audit fees:		
Company's auditors:		
Current year	299	299
Other auditors:		
Current year	24	23
Prior year	-	(1)
Non-audit fees#:		
Company's auditors		
Current year	101	36
Prior year	1	(22)
Less: Amount capitalised as capital work-in-progress	(26)	-
	76	14
Directors' remuneration:		
Company's Directors	1,660	2,216
Directors of subsidiaries	148	1,590
Provision for stocks	3,089	5,139
Rental expense – Operating lease	2,260	2,657
and after crediting		
Write-back of provision for stocks (Note 13)	310	-
Net exchange gain	602	639

# Non-audit fees are mainly for services of an audit and/or review nature relating to non-statutory audit assignments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

24. Finance Costs

	GROUP	
	2004	2003
	S\$'000	S\$'000
Interest on bank loans	<b>24,203</b>	24,326

25. Net Income from Investments

	GROUP	
	2004	2003
	S\$'000	S\$'000
Deposits interest	<b>3,403</b>	3,636
Interest from bonds	<b>23,084</b>	22,809
Dividend from equities*	<b>190,624</b>	10,126
Foreign exchange gain/(loss)	<b>10,629</b>	(776)
Profit on sale of investments:		
Short-term investments	<b>15,083</b>	13,493
Long-term investments	<b>9,942</b>	132
Other investment income	<b>1,005</b>	1,643
	<b>253,770</b>	51,063
Accretion of discount on bonds	<b>21</b>	57
Amortisation of premium on bonds	<b>(1,121)</b>	(1,273)
Write-back/(Provision) for diminution in value of investments:		
Quoted	<b>545</b>	(18,344)
Unquoted	<b>(4,635)</b>	(208)
	<b>248,580</b>	31,295
Income from funds under management [Note 25(a)]	<b>9,437</b>	8,289
	<b>258,017</b>	39,584

\* Dividend from equities received during the year included S\$168.1 million from the divestment of the Group's indirect stake in Belgacom.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

25. Net Income from Investments (cont'd)

(a) Income from funds under management

	GROUP	
	2004	2003
	S\$'000	S\$'000
Interest on deposits and bonds	<b>6,418</b>	5,882
Profit on sale of investments	<b>10,058</b>	4,529
Dividend from quoted equities	<b>2,131</b>	879
Foreign exchange loss	<b>(3,019)</b>	(414)
Expenses and fees	<b>(1,893)</b>	(764)
	<b>13,695</b>	10,112
Provision for diminution in value of quoted investments	<b>(4,258)</b>	(1,823)
	<b>9,437</b>	8,289

26. Exceptional Items

	GROUP	
	2004	2003
	S\$'000	S\$'000
Gain on sale of property	<b>110,106</b>	-
Write-down of current assets and provision for obligations arising from a review of broadcasting assets	<b>(45,889)</b>	-
Impairment loss on property, plant and equipment (Note 7)	<b>(34,953)</b>	(8,006)
Surplus on partial disposal of interests in an associate	-	187,720
Surplus on completion of liquidation of:		
- Subsidiaries	-	1,748
- An associate	-	46
Impairment loss on investment property	-	(50,000)
Impairment loss on associates	-	(7,439)
Capital work-in-progress written off	-	(1,069)
Others	<b>(587)</b>	(1,240)
	<b>28,677</b>	121,760

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

27. Dividends

	GROUP AND COMPANY	
	2004 S\$'000	2003 S\$'000
Dividends paid:		
- Final dividend of 50 cents per S\$1 share less tax at 22% in respect of previous financial year (2003: 50 cents per S\$1 share less tax at 22%)	144,691	144,327
- Special dividend of 30 cents per S\$1 share less tax at 22% in respect of previous financial year (2003: 30 cents per S\$1 share less tax at 22%)	86,814	86,596
- Interim dividend of 20 cents per S\$1 share less tax at 20% (2003: 20 cents per S\$1 share less tax at 22%)	59,487	57,654
- Special interim dividend of nil cents per S\$1 share less tax at 20% (2003: 30 cents per S\$1 share less tax at 22%)	-	86,481
	<b>290,992</b>	<b>375,058</b>

(a) The Directors have proposed a final dividend for 2004 of 10 cents per S\$0.20 share, less tax at 20%, amounting to a total of S\$126,611,000 (2003: 50 cents per S\$1 share, less tax at 22%, amounting to S\$144,691,000).

(b) In addition, the Directors have proposed a special final dividend of 11.25 cents per S\$0.20 share, less tax at 20%, amounting to a total of S\$142,437,000 (2003: 30 cents per S\$1 share, less tax at 22%, amounting to S\$86,814,000).

(c) These financial statements do not reflect these proposed dividends, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending August 31, 2005 (2003: August 31, 2004) when they are approved at the next annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

28. Earnings per Share

	GROUP			
	2004 S\$'000		2003 S\$'000	
	Basic	Diluted	Basic	Diluted
Profit attributable to shareholders	546,282	546,282	378,736	378,736
	<b>Number of Shares '000</b>		<b>Number of Shares* '000</b>	
Weighted average number of shares	1,786,830	1,786,830	1,848,570	1,848,570
Adjustment for assumed conversion of share options	-	1,987	-	3,170
Weighted average number of shares used to compute earnings per share	<b>1,786,830</b>	<b>1,788,817</b>	1,848,570	1,851,740
Earnings per S\$0.20 share (S\$)				
- before exceptional items	0.29	0.29	0.14	0.14
- after exceptional items	0.31	0.31	0.20	0.20

\* Adjusted for effect of Share Split Exercise completed in financial year 2004.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

29. Subsidiaries

Name of Subsidiary	Principal Activities	Country of Incorporation	Class of Shares	Cost of Investment		Effective % of Equity held by the Group	
				2004	2003	2004	2003
				S\$'000	S\$'000	%	%
Hipro Printing Pte Ltd	Publishing newspapers	Singapore	Ord	855	360	100.00	80.00
The Straits Times Press (1975) Limited	Holding investments	Singapore	Mgt Ord	334 33,072	334 33,072	100.00 100.00	100.00 100.00
Focus Publishing Ltd	Publishing magazines	Singapore	Mgt Ord	* *	* *	99.96 100.00	99.96 100.00
Singapore Press Holdings (Overseas) Limited	Provision of news reporting & marketing services and holding investments	Singapore	Mgt Ord	* *	* *	99.98 100.00	99.98 100.00
SPH (Americas) Pte Ltd	Provision of news reporting services	Singapore	Ord	*	*	100.00	100.00
SPH Magazines Pte Ltd	Publishing magazines	Singapore	Ord	*	*	100.00	100.00
TP Ventures Pte Ltd	Holding investments	Singapore	Ord	*	*	100.00	100.00
Lianhe Publishing Pte Ltd	Publishing magazines	Singapore	Ord	*	*	51.00	51.00
SPH Data Services Pte Ltd	Licensing of copyrights & trademarks	Singapore	Ord	*	*	100.00	100.00
@ SPH AsiaOne Ltd	Provision of Internet – related services and holding investments	Singapore	Ord	94,400	94,400	100.00	100.00
@ Zaobao.com Ltd	Provision of Internet – related services	Singapore	Ord	*	*	100.00	100.00
@ Evol Media Pte Ltd	Provision of Internet – related services	Singapore	Ord	*	*	100.00	100.00
SPH MediaWorks Ltd	Provision of broadcasting and broadband services	Singapore	Ord	90,000	90,000	100.00	100.00
		Balance c/f		218,661	218,166		

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

29. Subsidiaries (cont'd)

Name of Subsidiary	Principal Activities	Country of Incorporation	Class of Shares	Cost of Investment		Effective % of Equity held by the Group	
				2004	2003	2004	2003
				S\$'000	S\$'000	%	%
			Balance b/f	218,661	218,166		
SPH MultiMedia Private Limited	Holding investments	Singapore	Ord	8,500	8,500	100.00	100.00
Lianhe Investments Pte. Ltd.	Holding investments for dealing purposes	Singapore	Ord	6,335	6,335	100.00	100.00
Singapore Newspaper Services Private Limited	Holding investments and properties	Singapore	Ord	50,000	50,000	100.00	100.00
Vinora Holdings Limited	Holding investments	British Virgin Islands	Ord	*	*	100.00	100.00
Futura Management Limited	Holding investments	Cook Islands	Ord	*	*	100.00	100.00
Crestville Investments Limited	Holding investments	British Virgin Islands	Ord	*	*	100.00	100.00
Singapore News and Publications Limited	Holding investments and properties	Singapore	Mgt Ord	1,153 114,102	1,153 114,102	100.00 100.00	100.00 100.00
Sin Chew Jit Poh (Singapore) Limited	Holding investments and properties	Singapore	Mgt Ord	* *	* *	100.00 100.00	100.00 100.00
Times Properties Private Limited	Letting properties and provision of property management services	Singapore	Ord	77,827	77,827	100.00	100.00
Orchard 290 Ltd	Holding investments and managing of shopping centres & other commercial properties	Singapore	Ord	*	*	100.00	100.00
		Balance c/f		476,578	476,083		

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

29. Subsidiaries (cont'd)

Name of Subsidiary	Principal Activities	Country of Incorporation	Class of Shares	Cost of Investment		Effective % of Equity held by the Group	
				2004 S\$'000	2003 S\$'000	2004 %	2003 %
		Balance b/f		<b>476,578</b>	476,083		
New Beginnings Management Consulting (Shanghai) Company Limited	Business management and consultancy services	The People's Republic of China	Ord	<b>234</b>	–	<b>100.00</b>	–
SPH Stop Press Pte Ltd	Dormant	Singapore	Ord	*	*	<b>100.00</b>	100.00
Morningvista Investments Limited	Dormant	British Virgin Islands	Ord	*	*	<b>100.00</b>	100.00
Asia Century Publishing Pte Ltd	Dormant	Singapore	Ord	*	*	<b>51.00</b>	51.00
The Straits Times Press (London) Limited	Dormant	United Kingdom	Ord	*	*	<b>100.00</b>	100.00
				<b>476,812</b>	476,083		

Notes:

1. @ Companies audited by Ernst & Young, Singapore.

2. \* The shareholdings of these companies are held by subsidiaries of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

30. Associates

Name of Associate	Principal Activities	Country of Incorporation	Class of Shares	Cost of Investment		Effective % of Equity held by the Group	
				2004 S\$'000	2003 S\$'000	2004 %	2003 %
<b>Held by the Company</b>							
Business Day Company Limited	Publishing newspapers	Thailand	Ord	<b>2,980</b>	2,980	<b>24.97</b>	24.97
<b>Held by Subsidiaries</b>							
American Bourses Corporation Pte Ltd	Development & maintenance of software and multimedia works; Business management and consultancy services	Singapore	Ord	<b>6,375</b>	6,375	<b>20.00</b>	20.00
Citta Bella Sdn Bhd	Publishing and distributing magazines	Malaysia	Ord	<b>248</b>	248	<b>24.99</b>	24.99
GMM Times Co Ltd	Publishing and distributing magazines	Thailand	Ord	<b>395</b>	–	<b>30.00</b>	–
Magazine World Sdn Bhd	Publishing and distributing magazines	Malaysia	Ord	<b>42</b>	–	<b>30.00</b>	–
Shanghai YouHer Consultancy Limited	Consultancy services	The People's Republic of China	Ord	<b>573</b>	–	<b>50.00</b>	–
UnionWorks Pte Ltd	Radio broadcaster	Singapore	Ord	<b>1,900</b>	1,600	<b>50.00</b>	50.00
StarEastWorks Limited	Content production	Hongkong	Ord	–	33,634	–	50.00
				<b>12,513</b>	44,837		

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

31. Segmental Information  
2004

	Newspaper and Magazine S\$'000	Broadcasting and Multimedia S\$'000	Treasury and Investment S\$'000	Property S\$'000	Eliminations S\$'000	Consolidated S\$'000
<b>Operating revenue</b>						
External sales	833,202	54,301	-	82,572	-	970,075
Inter-segmental sales	2,352	72	-	2,377	(4,801)	-
Total operating revenue	835,554	54,373	-	84,949	(4,801)	970,075
<b>Result</b>						
Segment result	337,774	(55,955)	252,716	61,169	-	595,704
Finance costs	(15)	(1,847)	-	(22,341)	-	(24,203)
Finance income	131	15	-	116	-	262
Share of net losses of associates	(249)	-	-	-	-	(249)
Exceptional items	(16,129)	(65,300)	-	110,106	-	28,677
Profit/(loss) before taxation	321,512	(123,087)	252,716	149,050	-	600,191
Taxation						(53,914)
Profit after taxation						546,277
Minority interests						5
Profit attributable to shareholders						546,282
<b>Other Information</b>						
Segment assets	696,695	22,130	780,291	1,091,836	-	2,590,952
Interests in associates	928	-	-	-	-	928
Consolidated total assets						2,591,880
Segment liabilities	148,076	100,906	36	709,987	-	959,005
Current taxation						81,112
Deferred taxation						72,126
Minority interests						518
Consolidated total liabilities						1,112,761
Capital expenditure	31,628	1,183	-	6,396	-	39,207
Depreciation	45,360	5,798	-	527	-	51,685

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
AUGUST 31, 2004

31. Segmental Information (cont'd)  
2003

	Newspaper and Magazine S\$'000	Broadcasting, Multimedia and Telecommunications S\$'000	Treasury and Investment S\$'000	Property S\$'000	Eliminations S\$'000	Consolidated S\$'000
<b>Operating revenue</b>						
External sales	789,382	55,734	-	52,700	-	897,816
Inter-segmental sales	2,914	21	-	2,544	(5,479)	-
Total operating revenue	792,296	55,755	-	55,244	(5,479)	897,816
<b>Result</b>						
Segment result	305,065	(53,057)	39,028	39,203	-	330,239
Finance costs	-	(1,916)	-	(22,410)	-	(24,326)
Finance income	102	39	-	100	-	241
Share of profits less losses of associates	86	10,904	-	-	-	10,990
Exceptional items	(7,000)	180,821	14	(52,075)	-	121,760
Profit/(loss) before taxation	298,253	136,791	39,042	(35,182)	-	438,904
Taxation						(59,769)
Profit after taxation						379,135
Minority interests						(399)
Profit attributable to shareholders						378,736
<b>Other Information</b>						
Segment assets	737,067	86,974	1,462,487	1,081,531	-	3,368,059
Interests in associates	186	-	-	-	-	186
Consolidated total assets						3,368,245
Segment liabilities	126,740	108,191	986	729,573	-	965,490
Current taxation						68,712
Deferred taxation						85,199
Minority interests						1,108
Consolidated total liabilities						1,120,509
Capital expenditure	26,367	437	-	30,396	-	57,200
Depreciation	44,841	8,158	-	653	-	53,652

**31. Segmental Information (cont'd)**

**Notes:**

(a) **Business segments:**

The Group is organised into four major operating segments, namely Newspaper and Magazine, Broadcasting and Multimedia, Treasury and Investment, and Property, and reports its primary segment information through direct identification. The Newspaper and Magazine segment is involved in the publishing, printing and distributing of newspapers and magazines. The Broadcasting and Multimedia segment provides services which include provision of broadcasting, portal sites and other related services. The Treasury and Investment segment manages the investment activities of the Group. The Property segment holds and manages properties owned by the Group.

Telecommunication business ceases to be part of the Broadcasting and Multimedia operating segment from financial year 2004, following the partial disposal of interests in an associate in December 2002.

(b) **Geographical segments:**

The principal geographical area in which the Group operates is Singapore. The Group's overseas operations comprise mainly holding overseas investments and the provision of marketing, editorial, art and graphical services overseas.

	Operating Revenue		Segment Assets		Capital Expenditure	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Singapore	970,075	897,816	2,583,798	3,234,167	39,145	57,181
Other Countries	-	-	8,082	134,078	62	19
	<b>970,075</b>	<b>897,816</b>	<b>2,591,880</b>	<b>3,368,245</b>	<b>39,207</b>	<b>57,200</b>

(c) Under equity accounting, the Group's operating revenue does not include its share of associates' operating revenue.

**32. Fair Value of Financial Instruments**

The financial assets and financial liabilities of the Group and the Company for which fair values are required to be disclosed in accordance with Singapore Financial Reporting Standard comprise the following:

- long-term investments in investees other than subsidiaries and associates,
- non-current loans payable,
- non-current receivables from and payables to subsidiaries and associates,
- other non-current receivables,
- current assets other than stocks, prepaid content rights and prepayments,
- current liabilities other than provision for taxation.

The fair values of these financial assets and financial liabilities as at the balance sheet date approximate their carrying values as shown in the balance sheets, with the exception of long-term and short-term investments, and non-current receivables from and payables to subsidiaries and associates.

The fair values of quoted long-term investments and quoted and unquoted short-term investments as at the balance sheet date are as detailed in the respective notes to the financial statements. For unquoted long-term investments, it is not practicable to determine the fair value because the assumptions used in the valuation models to value these investments cannot be reasonably determined. The unquoted long-term investments comprised investments in venture capital companies and companies whose principal activities include the provision of telecommunication-related services. Information on the fair values of non-current receivables from and payables to subsidiaries and associates are set out in the respective notes to the financial statements.

**33. Subsequent events**

(a) Acquisition of Vantage Corporation Limited's media assets

On September 1, 2004, a wholly-owned subsidiary, SPH Magazines Pte Ltd acquired from Vantage Corporation Limited (formerly known as "Blu Inc Group Limited") ("VCL") the following for a cash consideration of S\$32.9 million:

- All magazine titles, trade names and marks owned by VCL;
- 100% interest in the following companies:
  - Blu Inc Holdings (S) Pte Ltd;
  - Blu Inc Media Pte Ltd;
  - Blu Inc Publishing (S) Pte Ltd;
  - Blu Inc Ventures Pte Ltd; and
  - Magazines Incorporated Pte Ltd.

These companies are incorporated in Singapore and are mainly engaged in the publishing and distribution of magazines.

**33. Subsequent events (cont'd)**

Blu Inc Holdings (S) Pte Ltd, Blu Inc Ventures Pte Ltd and Magazines Incorporated Pte Ltd have subsidiaries and associates that are incorporated in Singapore, Malaysia, Indonesia, Hongkong and The People's Republic of China. These companies are mainly engaged in the publishing and distribution of magazines.

The fair value of the net identifiable assets at the date of acquisition was estimated at S\$10.4 million. Goodwill arising on this acquisition of about S\$22.5 million will be recorded in the balance sheet and tested for impairment in accordance with FRS 103 - Business combinations which is applicable for the Group in financial year 2005.

(b) Rationalisation of free-to-air television broadcasting and free newspaper business

On September 17, 2004, the Group entered into agreements with MediaCorp Pte Ltd and certain of its subsidiaries with the objective of rationalising the Group's free-to-air television broadcasting and free newspaper businesses.

The proposed transactions comprise:

(i) The subscription by the Company of 20% of the issued share capital in a new company, MediaCorp TV Holdings Pte Ltd ("MCTV Holdings") for a sum of S\$10 million in cash; and

(ii) The acquisition by the Company of 40% of the issued share capital of MediaCorp Press Ltd ("MPR") for a sum of S\$19.16 million in cash.

These companies are incorporated in Singapore. MCTV Holdings is engaged in the business of free-to-air television broadcasting and content production for television broadcasting. MPR is engaged in the publishing and distribution of free newspaper.

Upon completion of the proposed transactions (expected by December 31, 2004), the Group's free-to-air television broadcasting business will be operated together with those currently operated by MediaCorp TV Pte Ltd by MCTV, and the Company's free newspaper business will be merged with that of MPR.

Upon completion of the proposed transactions, the Company's interests in MCTV Holdings and MPR will be equity accounted for, in accordance with FRS 28 - Accounting for Investments in Associates. The Company also plans to repay the bank loan facilities of S\$81 million, undertaken by a subsidiary, pertaining to the Group's television broadcasting business by August 31, 2005.

The proposed transactions are not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending August 31, 2005.

**33. Subsequent events (cont'd)**

(c) Initial Public Offer ("IPO") of StarHub Pte Ltd ("StarHub")

On September 17, 2004, StarHub officially launched its IPO involving the sale of up to 553.9 million vendor shares. On October 6, 2004, StarHub announced that the IPO will be priced at S\$0.95 per share.

The Company holds a pre-IPO shareholding of 8.95% in StarHub which is accounted for as a long-term investment at a cost of S\$35.6 million. Based on the IPO price of S\$0.95 per share, the Company is expected to receive gross proceeds of between S\$161.9 million and S\$180.0 million, depending on the extent whereby the over-allotment option associated to the IPO is exercised.

Upon completion of this transaction, an investment income, before deducting the Company's share of IPO expenses, ranging between S\$126.3 million and S\$144.4 million will be reported in the first quarter of the Company's financial year, depending on the extent whereby the over-allotment option is exercised. Accordingly, the Company's shareholding in StarHub may be reduced to between 0% and 0.9% depending on the extent whereby the over-allotment option is exercised.

**34. Re-classification**

Where necessary, comparative figures have been adjusted to conform with the current presentation where there are changes in presentation in these financial statements.

**35. Authorisation of Financial Statements**

On October 11, 2004, the Board of Directors of Singapore Press Holdings Limited authorised these financial statements for issue.