

**DIRECTORS' REPORT**  
FOR THE YEAR ENDED AUGUST 31, 2004

The Directors present their report together with the audited financial statements of the Group and balance sheet of the Company for the year ended August 31, 2004.

**Directors**

- The Directors in office at the date of this report are:  
Lim Chin Beng  
Cham Tao Soon\*  
Chan Heng Loon Alan  
Willie Cheng Jue Hiang\*  
Cheong Choong Kong  
Michael Fam Yue Onn  
Lee Ek Tieng  
Ngiam Tong Dow  
Philip N Pillai #  
Sum Soon Lim #  
Tang I-Fang  
Yeo Ning Hong

\* Appointed on March 1, 2004

# Appointed on December 5, 2003

**Arrangements to enable Directors to acquire Benefits**

- 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 the Company' in paragraphs 7 and 8.

**Directors' Interests in Shares**

- The Directors holding office as at August 31, 2004 who had interests in shares and options in the Company and its subsidiaries as recorded in the register of Directors' shareholdings were as follows:

**DIRECTORS' REPORT**  
FOR THE YEAR ENDED AUGUST 31, 2004

	Direct Interests			Deemed Interests		
	Sept 1, 2003#	Aug 31, 2004^	Sept 21, 2004^	Sept 1, 2003#	Aug 31, 2004^	Sept 21, 2004^
<b>The Company</b>						
Management Shares						
Lim Chin Beng	1	4	4	-	-	-
Cham Tao Soon	1	4	4	-	-	-
Chan Heng Loon Alan	2	4	4	-	-	-
Willie Cheng Jue Hiang	1	4	4	-	-	-
Cheong Choong Kong	1	4	4	-	-	-
Michael Fam Yue Onn	1	4	4	-	-	-
Lee Ek Tieng	1	4	4	-	-	-
Ngiam Tong Dow	1	4	4	-	-	-
Philip N Pillai	1	4	4	-	-	-
Sum Soon Lim	1	4	4	-	-	-
Tang I-Fang	1	4	4	-	-	-
Yeo Ning Hong	1	4	4	-	-	-
Ordinary Shares						
Cham Tao Soon	-	-	-	2,396	10,183	10,183
Willie Cheng Jue Hiang	2,000	8,500	8,500	3,000	12,750	12,750
Cheong Choong Kong	8,000	34,000	34,000	1,000	8,500	8,500
Michael Fam Yue Onn	50,000	212,500	212,500	-	-	-
Philip N Pillai	4,000	17,000	17,000	-	-	-
Yeo Ning Hong	7,920	33,660	33,660	12,870	54,697	54,697
Options for Ordinary Shares						
Chan Heng Loon Alan	50,000	850,000	850,000	-	-	-

# Or later date of appointment. Relates to Ordinary and Management Shares of S\$1 each and Options to subscribe for Ordinary Shares of S\$1 each.

^ Relates to subdivided Ordinary and Management Shares of S\$0.20 each and Options to subscribe for Ordinary Shares of S\$0.20 each, arising from the Share Split and Capital Reduction Exercises completed on June 24, 2004. Details of the Share Split and Capital Reduction Exercises are disclosed under 'Share Split and Capital Reduction' in paragraph 6.

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

DIRECTORS' REPORT  
FOR THE YEAR ENDED AUGUST 31, 2004

**Directors' Contractual Benefits**

4. 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**

5. 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 Split and Capital Reduction**

6. (a) At the extraordinary general meeting of the Company held on May 7, 2004, shareholders approved the Share Split and Capital Reduction Exercises of the issued share capital of the Company in the following sequence:
- (i) Subdivision of each share of S\$1 in the capital of the Company into five shares of S\$0.20 each, and
- (ii) A capital reduction of approximately 15% of the issued share capital of the Company held by shareholders in proportion to their shareholding in the Company, and making a cash distribution to the shareholders of S\$3.82 for each subdivided share cancelled.
- (b) The Share Split and Capital Reduction Exercises were completed on June 24, 2004. Immediately after the Share Split Exercise, the number of subdivided ordinary and management shares in issue was 1,842,496,340 and 18,838,830 respectively.
- (c) Arising from the Capital Reduction Exercise, the number of subdivided ordinary and management shares in issue was reduced by 276,375,844 and 2,825,831 respectively. The issued share capital of the Company, immediately after the Capital Reduction Exercise, comprised 1,566,120,496 subdivided ordinary shares and 16,012,999 subdivided management shares.

DIRECTORS' REPORT  
FOR THE YEAR ENDED AUGUST 31, 2004

**Share Options in the Company**

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

7. (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) Under the 1990 Scheme, no more options remain outstanding as at August 31, 2004.

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

8. (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 3,556,000 ordinary shares of S\$1 each, details of which are as follows:
- (i) Categories of persons to whom options were granted:

Category	No. of Persons	Total No. of Ordinary Shares of S\$1 each under Options granted
Executive Director	1	150,000
Employee	1,512	3,391,500
Associate	1	14,500
	1,514	3,556,000

**DIRECTORS' REPORT**  
FOR THE YEAR ENDED AUGUST 31, 2004

**DIRECTORS' REPORT**  
FOR THE YEAR ENDED AUGUST 31, 2004

(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, 2004 is 16,273,400 options to subscribe for ordinary shares of S\$1 each, equivalent to 69,161,950 options to subscribe for subdivided ordinary shares of S\$0.20 each.

9. 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")**

10. (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, 2004 is 65,026,000.

11. 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.

12. 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:

<b>Date of Grant</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Balance 1.9.03</b>	<b>Options Exercised</b>	<b>Options Cancelled</b>	<b>Balance 31.8.04</b>
Feb 23, 2001	*	S\$0.10	29,050,000	-	(3,610,000)	25,440,000

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

**Other Subsidiaries**

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

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

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

**Audit Committee**

16. 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 of the Company and financial statements of 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 communications between the Board and the auditors, and performs such other functions as may be agreed by the Audit Committee and the Board.

On behalf of the Directors



Lim Chin Beng  
Chairman



Michael Fam Yue Onn  
Director

Singapore,  
October 11, 2004