

# Directors' REPORT

for the financial year ended August 31, 2011

The Directors present their report to the members together with the audited financial statements of Singapore Press Holdings Limited and its subsidiaries (the "Group") for the financial year ended August 31, 2011 and the balance sheet of Singapore Press Holdings Limited (the "Company") as at August 31, 2011.

## DIRECTORS

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

Cham Tao Soon  
 Lee Boon Yang (appointed on October 1, 2011)  
 Chan Heng Loon Alan  
 Willie Cheng Jue Hiang  
 Chong Siak Ching (appointed on October 22, 2010)  
 Ng Ser Miang  
 Ngiam Tong Dow  
 Sum Soon Lim  
 Lucien Wong Yuen Kuai  
 Yeo Ning Hong  
 Yong Pung How

\* Dr Tony Tan Keng Yam stepped down as a Director with effect from July 1, 2011.

## ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

2. Neither during nor at the end of the current 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' and 'Performance Shares in the Company' in the Directors' Report.

## DIRECTORS' INTERESTS IN SHARES

3. The Directors holding office as at August 31, 2011 who had interests in shares and options in the Company and its subsidiaries as recorded in the register of Directors' shareholdings were as follows:

|                          | Direct Interests |                 |                  | Deemed Interests    |                     |                     |
|--------------------------|------------------|-----------------|------------------|---------------------|---------------------|---------------------|
|                          | Sept 1,<br>2010* | Aug 31,<br>2011 | Sept 21,<br>2011 | Sept 1,<br>2010*    | Aug 31,<br>2011     | Sept 21,<br>2011    |
| <b>The Company</b>       |                  |                 |                  |                     |                     |                     |
| <u>Management Shares</u> |                  |                 |                  |                     |                     |                     |
| Cham Tao Soon            | 4                | 4               | 4                | -                   | -                   | -                   |
| Chan Heng Loon Alan      | 12               | 12              | 12               | -                   | -                   | -                   |
| Willie Cheng Jue Hiang   | 4                | 4               | 4                | -                   | -                   | -                   |
| Chong Siak Ching         | 4                | 4               | 4                | -                   | -                   | -                   |
| Ng Ser Miang             | 4                | 4               | 4                | -                   | -                   | -                   |
| Ngiam Tong Dow           | 4                | 4               | 4                | -                   | -                   | -                   |
| Sum Soon Lim             | 4                | 4               | 4                | -                   | -                   | -                   |
| Lucien Wong Yuen Kuai    | 4                | 4               | 4                | -                   | -                   | -                   |
| Yeo Ning Hong            | 4                | 4               | 4                | -                   | -                   | -                   |
| Yong Pung How            | 4                | 4               | 4                | -                   | -                   | -                   |
| <u>Ordinary Shares</u>   |                  |                 |                  |                     |                     |                     |
| Cham Tao Soon            | 10,000           | 10,000          | 20,000           | 10,183              | 10,183              | 10,183              |
| Chan Heng Loon Alan      | 251,000          | 424,500         | 424,500          | -                   | -                   | -                   |
| Willie Cheng Jue Hiang   | 208,500          | 208,500         | 208,500          | 12,750              | 12,750              | 12,750              |
| Ngiam Tong Dow           | -                | -               | -                | 30,000              | 30,000              | 30,000              |
| Lucien Wong Yuen Kuai    | -                | -               | -                | 197,000             | 20,000              | 20,000              |
| Yeo Ning Hong            | 33,660           | 33,660          | 33,660           | 54,697 <sup>^</sup> | 54,697 <sup>^</sup> | 54,697 <sup>^</sup> |
| Yong Pung How            | 600,000          | 600,000         | 600,000          | 4,500,000           | 4,500,000           | 4,500,000           |

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

|  | Direct Interests |                        |                        | Deemed Interests |                 |                  |
|--|------------------|------------------------|------------------------|------------------|-----------------|------------------|
|  | Sept 1,<br>2010* | Aug 31,<br>2011        | Sept 21,<br>2011       | Sept 1,<br>2010* | Aug 31,<br>2011 | Sept 21,<br>2011 |
| <u>Options for Ordinary Shares</u>               |                  |                        |                        |                  |                 |                  |
| Chan Heng Loon Alan                              | 1,275,000        | <b>1,275,000</b>       | <b>1,275,000</b>       | -                | -               | -                |
| <u>Conditional Award of Performance Shares**</u> |                  |                        |                        |                  |                 |                  |
| Chan Heng Loon Alan                              |                  |                        |                        |                  |                 |                  |
| 49,166# shares to be vested in January 2011      | Up to 67,000##   | -^^                    | -^^                    | -                | -               | -                |
| 150,000# shares to be vested in January 2011     | Up to 225,000##  | -^^                    | -^^                    | -                | -               | -                |
| 49,166# shares to be vested in January 2012      | Up to 67,850##   | <b>Up to 61,850##</b>  | <b>Up to 61,850##</b>  | -                | -               | -                |
| 180,000# shares to be vested in January 2012     | Up to 270,000##  | <b>Up to 270,000##</b> | <b>Up to 270,000##</b> | -                | -               | -                |
| 58,334# shares to be vested in January 2013      | Up to 48,000##   | <b>Up to 78,000##</b>  | <b>Up to 78,000##</b>  | -                | -               | -                |
| 180,000# shares to be vested in January 2013     | Up to 270,000##  | <b>Up to 270,000##</b> | <b>Up to 270,000##</b> | -                | -               | -                |
| 41,667# shares to be vested in January 2014      | Up to 24,000##   | <b>Up to 60,000##</b>  | <b>Up to 60,000##</b>  | -                | -               | -                |
| 155,000# shares to be vested in January 2014     | -                | <b>Up to 232,500##</b> | <b>Up to 232,500##</b> | -                | -               | -                |
| 25,000# shares to be vested in January 2015      | -                | <b>Up to 36,000##</b>  | <b>Up to 36,000##</b>  | -                | -               | -                |

\* Or date of appointment, if later.

^ Held jointly by Dr Yeo Ning Hong and his spouse.

\*\* Represents performance shares granted from FY 2007 to FY 2011.

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

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

^^ During the financial year, 173,500 shares were vested and awarded to Mr Chan Heng Loon Alan.

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

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## DIRECTORS' CONTRACTUAL BENEFITS

4. Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the Directors' Report and financial statements.

## SHARE OPTIONS IN THE COMPANY

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

5.
  - (a) The 1999 Scheme was approved by shareholders at an Extraordinary General Meeting held on July 16, 1999 and is administered by the Remuneration Committee ("the Committee"). At another Extraordinary General Meeting held on December 5, 2006, the shareholders approved the adoption of the SPH Performance Share Plan and the 1999 Scheme was terminated with regard to the grant of further options. Options granted and outstanding prior to the termination will continue to be valid and be subject to the terms and conditions of the 1999 Scheme.
  - (b) Details of options granted previously have been disclosed in the Directors' Reports for the respective years.
  - (c) The aggregate number of options granted since the commencement of the 1999 Scheme on July 16, 1999 to December 5, 2006 is 103,090,950 options to subscribe for ordinary shares.
6. The unissued ordinary shares of the Company under option at the end of the current financial year pursuant to the 1999 Scheme are set out in Note 4 to the financial statements.

## PERFORMANCE SHARES IN THE COMPANY

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

7.
  - (a) The Plan of the Company was approved by shareholders at an Extraordinary General Meeting held on December 5, 2006 and is administered by the Committee.
  - (b) Persons eligible to participate in the Plan are selected Group Employees of such rank and service period as the Committee may determine, and other participants selected by the Committee.
  - (c) Awards initially granted under the Plan are conditional and will be principally performance-based with performance conditions to be set over a multi-year performance period. Performance conditions include both market and non-market conditions. Performance conditions set are intended to be based on medium- to longer-term corporate objectives covering market competitiveness, quality of returns, business growth, productivity growth and total shareholder return objectives.
  - (d) The Plan contemplates the award of fully-paid ordinary shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met and upon expiry of the prescribed vesting periods.

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## PERFORMANCE SHARES IN THE COMPANY (CONT'D)

### SPH Performance Share Plan ("the Plan") (cont'd)

8. During the financial year, 2,259,410 performance shares were granted subject to the terms and conditions of the Plan as follows:

| Category           | No. of Persons | No. of Performance Shares Granted |
|--------------------|----------------|-----------------------------------|
| Executive Director | 1              | 230,000 <sup>1</sup>              |
| Employee           | 235            | 2,029,410 <sup>2</sup>            |
|                    | 236            | 2,259,410                         |

<sup>1</sup> 155,000 granted with market conditions and 75,000 granted with non-market conditions.

<sup>2</sup> 676,500 granted with market conditions and 1,352,910 granted with non-market conditions.

The aggregate number of performance shares granted since the commencement of the Plan on December 5, 2006 to August 31, 2011 is 10,841,145 performance shares.

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

## AUDIT COMMITTEE

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

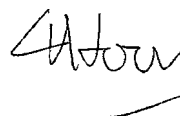
Its functions include reviewing the audit plans and audit reports of the internal and external auditors, the auditors' evaluation of the internal accounting controls, and the scope of the internal audit function; reviewing the balance sheet of the Company and financial statements of the Group before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

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

On behalf of the Directors



**Cham Tao Soon**  
Acting Chairman



**Chan Heng Loon Alan**  
Director

Singapore,  
October 12, 2011