

Balance Sheets

as at August 31, 1998

| | Note | GROUP | | COMPANY | |
|---|------|------------------|-----------------|------------------|-----------------|
| | | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| CAPITAL EMPLOYED | | | | | |
| Share capital | 3 | 406,879 | 341,988 | 406,879 | 341,988 |
| Share premium | 4 | 192,810 | 239,452 | 192,810 | 239,452 |
| Capital reserve | 5 | 1,915 | 1,915 | - | - |
| Retained profit | | 1,736,522 | 1,562,163 | 1,641,112 | 1,467,149 |
| | | 2,338,126 | 2,145,518 | 2,240,801 | 2,048,589 |
| Exchange translation difference | 6 | 3,162 | (8,951) | - | - |
| Shareholders' interests | | 2,341,288 | 2,136,567 | 2,240,801 | 2,048,589 |
| Minority interests | | 6,665 | 6,575 | - | - |
| | | 2,347,953 | 2,143,142 | 2,240,801 | 2,048,589 |
| Non-current liabilities | | | | | |
| Deferred taxation | 7a | 51,179 | 51,972 | 42,662 | 41,380 |
| Other non-current liabilities | 8 | 547,811 | 503,312 | - | - |
| | | 2,946,943 | 2,698,426 | 2,283,463 | 2,089,969 |
| EMPLOYMENT OF CAPITAL | | | | | |
| Fixed assets | 9 | 426,012 | 426,148 | 256,797 | 249,392 |
| Investment property | 10 | 771,642 | 721,689 | - | - |
| Interests in subsidiaries | 11 | - | - | 1,739,618 | 1,717,008 |
| Interests in associates | 12 | 138,117 | 94,990 | 38,163 | 30,927 |
| Long-term investments | 13 | 509,010 | 648,610 | 575 | 575 |
| Other non-current assets | 14 | 8,254 | 11,297 | 5,160 | 5,600 |
| Current assets | | | | | |
| Stocks | 15 | 35,750 | 35,961 | 35,680 | 35,933 |
| Trade debtors | 16 | 105,012 | 115,373 | 98,683 | 110,688 |
| Other debtors and prepayments | 17 | 34,967 | 61,308 | 6,137 | 7,234 |
| Short-term investments | 18 | 634,384 | 623,700 | 60,943 | 80,230 |
| Cash on deposit | | 634,453 | 311,578 | 369,728 | 196,640 |
| Cash and bank balances | | 25,224 | 51,703 | 14,625 | 12,059 |
| | | 1,469,790 | 1,199,623 | 585,796 | 442,784 |
| Current liabilities | | | | | |
| Trade creditors | | 59,430 | 63,019 | 38,846 | 45,746 |
| Other creditors and accrued liabilities | 19 | 110,739 | 143,628 | 115,048 | 128,264 |
| Current taxation | 7b | 121,709 | 126,424 | 104,748 | 111,447 |
| Proposed final dividend (net) | | 84,004 | 70,860 | 84,004 | 70,860 |
| | | 375,882 | 403,931 | 342,646 | 356,317 |
| Net current assets | | 1,093,908 | 795,692 | 243,150 | 86,467 |
| | | 2,946,943 | 2,698,426 | 2,283,463 | 2,089,969 |

The accompanying notes form part of these accounts.

Profit and Loss Accounts

for the Year ended August 31, 1998

| | Note | GROUP | | COMPANY | |
|---|------|------------------|-----------------|------------------|-----------------|
| | | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Turnover | 21 | 899,402 | 953,026 | 845,328 | 909,176 |
| Trading profit | 22 | 389,635 | 430,024 | 384,988 | 428,604 |
| Share of loss of associates | | (6,712) | (27,403) | - | - |
| Provision for diminution in value of an associate | | - | - | (2,748) | - |
| | | 382,923 | 402,621 | 382,240 | 428,604 |
| Net income/(loss) from investments | 23 | 10,432 | 71,351 | (4,142) | 13,911 |
| Dividends from unquoted subsidiaries, gross | | - | - | 20,000 | 20,000 |
| Profit before taxation | | 393,355 | 473,972 | 398,098 | 462,515 |
| Taxation | 24 | (115,873) | (132,653) | (103,960) | (120,141) |
| Profit after taxation | | 277,482 | 341,319 | 294,138 | 342,374 |
| Minority interests | | 301 | 843 | - | - |
| Profit before extraordinary items | | 277,783 | 342,162 | 294,138 | 342,374 |
| Extraordinary items | 25 | 16,751 | (1,821) | - | - |
| Profit attributable to shareholders | | 294,534 | 340,341 | 294,138 | 342,374 |
| Retained profit brought forward | | 1,562,163 | 1,323,053 | 1,467,149 | 1,226,006 |
| Profit available for appropriation | | 1,856,697 | 1,663,394 | 1,761,287 | 1,568,380 |
| Dividends | 26 | (120,175) | (101,231) | (120,175) | (101,231) |
| Retained profit carried forward | | 1,736,522 | 1,562,163 | 1,641,112 | 1,467,149 |
| Earnings per \$1 share (in cents) | 27 | 68 | 84 | | |

The accompanying notes form part of these accounts.

Consolidated Cash Flow Statement

for Financial Year ended August 31, 1998

| | GROUP | |
|---|------------------|----------|
| | 1998 | 1997 |
| | S\$'000 | S\$'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 393,355 | 473,972 |
| Adjustments for:- | | |
| Depreciation | 32,717 | 39,394 |
| Share of loss in associates | 6,712 | 27,403 |
| Interest on bank loans and bonds | 8,272 | 3,017 |
| Capital work-in-progress written-off | 2,327 | - |
| Loss/(profit) on disposal of fixed assets | 40 | (339) |
| Foreign exchange difference | 329 | 97 |
| Investment income | (10,432) | (71,351) |
| Operating profit before working capital changes | 433,320 | 472,193 |
| Decrease in stocks | 211 | 23,369 |
| Decrease/(increase) in debtors | 36,735 | (63,061) |
| (Decrease)/increase in creditors | (36,478) | 81,832 |
| | 433,788 | 514,333 |
| Income tax paid | (121,381) | (99,323) |
| Dividends paid | (107,031) | (80,960) |
| Dividends paid (net) by subsidiaries to minority shareholders | (836) | (661) |
| | 204,540 | 333,389 |
| Decrease/(increase) in non-current assets | 3,043 | (4,530) |
| Net cash from operating activities | 207,583 | 328,859 |

The accompanying notes form part of these accounts.

Consolidated Cash Flow Statement

for Financial Year ended August 31, 1998

| | GROUP | |
|--|------------------|-----------|
| | 1998 | 1997 |
| | S\$'000 | S\$'000 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of short-term investments | (725,860) | (880,457) |
| Additions/purchase of investment property | (38,169) | (721,221) |
| Purchase of fixed assets | (38,634) | (75,620) |
| Purchase of long-term investments | (3,987) | (52,407) |
| Loan to an associate | (39,550) | (49,366) |
| Acquisition of shares in associates | (10,107) | (40,642) |
| Amount owing by associates | (681) | 13 |
| Proceeds on disposal of short-term investments | 650,930 | 930,252 |
| Proceeds on redemption of bonds | 117,325 | 23,593 |
| Proceeds on disposal of fixed assets | 17,515 | 983 |
| Net decrease in funds under management | 17,915 | 81,391 |
| Investment income | 10,432 | 71,351 |
| Proceeds on disposal of long-term investments | 8,727 | 21,726 |
| Proceeds on disposal of an associate | 466 | 100 |
| Proceeds on completion of liquidation | - | 3,202 |
| | (33,678) | (687,102) |
| Add: Increase/(decrease) in items not involving movement of funds | | |
| Provision for diminution in value of investments | 57,802 | 16,722 |
| Loss/(profit) on sale of investments | 28,051 | (5,557) |
| Accretion of discount on bonds | (8,343) | (7,324) |
| Amortisation of premium on bonds | 1,061 | 585 |
| Bank overdraft arising from subsidiary under liquidation | - | 1,543 |
| Minority interests' share of loss of subsidiary under liquidation | - | 212 |
| Write-back of loss in an associate arising from subsidiary under liquidation | - | (492) |
| Net cash used in investing activities | 44,893 | (681,413) |

The accompanying notes form part of these accounts.

Consolidated Cash Flow Statement

for Financial Year ended August 31, 1998

| | GROUP | |
|---|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Bank loans | 44,500 | 275,500 |
| Proceeds on issue of shares | 18,249 | 1,497 |
| Interest on bank loans and bonds | (20,056) | (2,964) |
| Repayment of loans | - | (616) |
| Secured bond | - | 150,000 |
| Shareholders' loans | - | 77,812 |
| Additional capital received from minority shareholders | 1,227 | 3,636 |
| Net cash from financing activities | 43,920 | 504,865 |
| Net increase in cash and cash equivalents | 296,396 | 152,311 |
| Cash and cash equivalent at beginning of year | 363,281 | 210,970 |
| Cash and cash equivalent at end of year (a) | 659,677 | 363,281 |
| | | |
| (a) Cash and Cash Equivalents at the end of the year comprised:- | | |
| Cash on deposit | 634,453 | 311,578 |
| Cash and bank balances | 25,224 | 51,703 |
| | 659,677 | 363,281 |

The accompanying notes form part of these accounts.

Notes to the Accounts

August 31, 1998

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

1. General

The Company is incorporated in Singapore. The accounts of the Company and the consolidated accounts of the Group are expressed in Singapore dollars.

The principal activities of the Group consist of:-

- publishing, printing and distributing newspapers,
- publishing and distributing magazines,
- providing multimedia and telecommunications services,
- holding investments, and
- holding and managing properties.

The principal activities of the Company consist of:-

- publishing, printing and distributing newspapers,
- distributing magazines,
- holding shares in subsidiaries,
- holding investments, and
- providing management services to subsidiaries.

2. Significant Accounting Policies

(a) Basis of Accounting

The accounts are prepared in accordance with the historical cost convention.

(b) Basis of Consolidation

The consolidated accounts include the accounts 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 profit and loss account from the date of their acquisition or disposal. Inter-company balances and transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

(c) Exchange Translation Difference

On consolidation of foreign entities, the assets and liabilities are converted into Singapore dollars at the rates of exchange closely approximating to those ruling at the balance sheet date and the profit and loss accounts are converted into Singapore dollars at the rates of exchange ruling during the year. Exchange translation difference is reported as a separate component of shareholders' interests.

Exchange differences arising on monetary items that, in substance, form part of the Group's or the Company's net investment in foreign entities are taken to the exchange translation account until the disposal of the net investments, at which time they will be recognised as income or expenses in the profit and loss accounts.

(d) Goodwill on Consolidation

Goodwill on consolidation, representing the difference between the cost of acquisition of a subsidiary or an associate over the book value acquired, is amortised on a straight-line basis in the consolidated profit and loss account over its useful life.

(e) Deferred Taxation

Provision is made under the liability method on significant timing differences between the accounting and taxation treatment of relevant items at the current rate of tax. In accounting for timing differences, deferred tax debits are not recognised unless there is a reasonable expectation of their realisation.

(f) Fixed Assets and Depreciation

(i) Fixed assets are stated at cost.

(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 | 7-10 years |
| Motor vehicles | 3-5 years |

(iii) No depreciation is charged on freehold land and land held on a 999-year lease or in respect of major capital work-in-progress until commissioned.

(iv) It is not the Group's policy to revalue fixed assets at regular intervals.

(v) The carrying amount of fixed assets is written down when the recoverable amount of fixed assets has decreased below the carrying amount. The recoverable amount is the amount expected to be recovered from the future use of an asset, including its residual value on disposal.

(g) Subsidiaries

Interests in subsidiaries are included in the accounts at cost and provision is made for diminution in value which is other than temporary.

(h) Associates

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

The Group's share of the results of associates is included in the consolidated profit and loss account. The Group's share of the post-acquisition retained profit 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 and provision is made for diminution in value which is other than temporary.

(i) Investments

Long-term investments in equity are stated at cost. Long-term investments in bonds are stated at cost, adjusted for amortisation of premium and accretion of discount. Where cost of these investments exceeds market value, provision is made for diminution in value which is other than temporary on an individual basis.

Short-term investments are stated at the lower of cost and market 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 proposed.

(j) 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 and provision is made for diminution in value which is other than temporary.

Cost of investment properties includes capitalisation of interest on borrowings incurred while activities that are necessary to get the assets ready for their intended use are in progress.

(k) Stocks

Stocks are stated at cost and provision is made for obsolete, slow-moving and defective stocks.

Cost of raw materials and consumable stores includes transport and handling costs, and any other directly attributable costs.

Cost is determined on an actual basis or a weighted average basis.

(l) 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.

(m) Foreign Currencies

Monetary assets and liabilities expressed in foreign currencies are converted to Singapore dollars at the rates of exchange closely approximating to those ruling at the balance sheet date. Transactions during the year are converted to Singapore dollars at rates of exchange ruling on the transaction dates. Differences in exchange are included in the profit and loss accounts.

(n) Revenue Recognition

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

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

3. Share Capital

| | Authorised | | Issued and fully paid | |
|---|------------------|------------------|-----------------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| (a) Management shares of S\$1 each | 10,000 | 10,000 | 4,069 | 3,420 |
| Ordinary shares of S\$1 each | 990,000 | 990,000 | 402,810 | 338,568 |
| | 1,000,000 | 1,000,000 | 406,879 | 341,988 |
| (b) Movements during the financial year were:- | | | | |
| Opening balance | | | 341,988 | 341,815 |
| Bonus issue of 62,678,013 (1997: nil) ordinary shares of S\$1 each credited as fully paid | | | 62,678 | - |
| Bonus issue of 633,131 (1997: nil) management shares of S\$1 each credited as fully paid | | | 633 | - |
| Issue of 1,563,940 (1997: 170,920) ordinary shares of S\$1 each fully paid under the Singapore Press Holdings Group Executives' Share Option Scheme | | | 1,564 | 171 |
| Issue of 15,791 (1997: 1,725) management shares of S\$1 each fully paid in accordance with the Newspaper and Printing Presses Act | | | 16 | 2 |
| Closing balance | | | 406,879 | 341,988 |

4. Share Premium

| | GROUP AND COMPANY | |
|--|-------------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 |
| Opening balance | 239,452 | 238,128 |
| Premium on ordinary shares issued under the Singapore Press Holdings Group Executives' Share Option Scheme | 16,422 | 1,304 |
| Premium on management shares issued in accordance with the Newspaper and Printing Presses Act | 247 | 20 |
| Amount applied against bonus issue | (63,311) | - |
| Closing balance | 192,810 | 239,452 |

5. Capital Reserve

| | GROUP | |
|-----------------------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 |
| Opening balance | 1,915 | 3,457 |
| Liquidation of subsidiaries | - | (1,542) |
| Closing balance | 1,915 | 1,915 |
| Made up as follows:- | | |
| Distributable | 1,375 | 1,375 |
| Non-distributable | 540 | 540 |
| | 1,915 | 1,915 |

6. Exchange Translation Difference

| | GROUP | |
|-----------------------------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 |
| Opening balance | (8,951) | (451) |
| Liquidation of subsidiaries | - | 451 |
| Difference for the year | 12,113 | (8,951) |
| Closing balance | 3,162 | (8,951) |
| Arising from translation of:- | | |
| An investment in a foreign entity | 2,630 | (9,131) |
| Interests in foreign subsidiaries | 532 | 180 |
| | 3,162 | (8,951) |

7. Taxation

(a) Deferred Taxation

| | GROUP | | COMPANY | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Opening balance | 51,972 | 47,431 | 41,380 | 37,419 |
| Transfer (to)/from profit and loss accounts | (793) | 4,759 | 1,282 | 3,961 |
| Liquidation of subsidiaries | - | (218) | - | - |
| Closing balance | 51,179 | 51,972 | 42,662 | 41,380 |
| This represents tax on:- | | | | |
| Excess of capital allowances over depreciation | 58,421 | 57,616 | 52,624 | 49,773 |
| Revaluation surplus | 2,337 | 2,337 | - | - |
| Other timing differences | (9,579) | (7,981) | (9,962) | (8,393) |
| | 51,179 | 51,972 | 42,662 | 41,380 |

(b) Current Taxation

| | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|
| Opening balance | 126,424 | 97,853 | 111,447 | 93,940 |
| Income tax paid | (121,299) | (99,323) | (109,377) | (98,673) |
| Provision for the year | 116,661 | 127,770 | 102,678 | 116,180 |
| Under-provision in prior year | 5 | 124 | - | - |
| Income tax recoverable | (82) | - | - | - |
| Closing balance | 121,709 | 126,424 | 104,748 | 111,447 |

8. Other Non-Current Liabilities

| | GROUP | |
|--|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 |
| Transferable term loan with embedded bond call option [Note a(i)] | 270,000 | 270,000 |
| 4.6% secured bond due 2002 [Note a(ii)] | 150,000 | 150,000 |
| Floating rate notes due 2002 [Note a(iii)] | 40,000 | - |
| Loans from minority shareholders of subsidiaries - unsecured [Note (b)] | 77,811 | 77,812 |
| Bank loan - unsecured [Note (c)] | 10,000 | 5,500 |
| | 547,811 | 503,312 |

(a) These pertain to bank loan facilities of a subsidiary amounting to S\$520,000,000 (1997: S\$520,000,000). Of this amount, S\$460,000,000 (1997: S\$420,000,000) has been utilised. These are secured by way of a legal mortgage on the subsidiary's investment property (Note 10) and by an assignment of rental proceeds under various trust deeds. Details are set out in paragraphs (i) to (iii).

(i) The subsidiary entered into an agreement with a bank, whereby the bank granted the subsidiary a S\$270,000,000 transferable loan facility ("TLF") at a fixed interest rate of 4.6% per annum, maturing and repayable in one lump sum in 2002.

The TLF contains an embedded bond call option up to the value of S\$270,000,000 whereby the subsidiary would, at the request of the bank from time to time until maturity of the TLF, issue secured bonds at 4.6% interest per annum.

(ii) Interest on bond is payable on an annual basis.

(iii) Interest is payable on a quarterly basis and is determined prior to the commencement of each quarter. The rate of interest is either a rate agreed between the subsidiary and the agent bank or the rate per annum equivalent to Singapore Interbank Offered Rate (SIBOR), if no rate is agreed between the subsidiary and the bank. The applicable interest rates for the year were 6.125% and 6.938% per annum.

(b) These are interest free and have no fixed term of repayment.

(c) The interest rate is 5.125% per annum. The loan is repayable in one lump sum upon maturity in the year 2002.

9. Fixed Assets

| (a) | GROUP | | | | | |
|---|---------------------------------|-----------------------------------|-----------------------------------|---|------------------------------|------------------|
| | Land and Freehold S\$'000 | Buildings Leasehold S\$'000 | Plant and Equipment S\$'000 | Furniture and Fittings S\$'000 | Motor Vehicles S\$'000 | Total S\$'000 |
| Cost | | | | | | |
| Opening balance | 65,817 | 121,626 | 425,307 | 18,131 | 3,143 | 634,024 |
| Additions | 55 | 708 | 10,829 | 404 | 172 | 12,168 |
| Transfer in from capital work-in-progress | 99 | 1,729 | 11,550 | 756 | - | 14,134 |
| Disposals | - | (6,460) | (13,637) | (242) | (420) | (20,759) |
| Foreign currency adjustments | - | - | 4 | 3 | 6 | 13 |
| Closing balance | <u>65,971</u> | <u>117,603</u> | <u>434,053</u> | <u>19,052</u> | <u>2,901</u> | <u>639,580</u> |
| Accumulated Depreciation | | | | | | |
| Opening balance | 10,449 | 35,144 | 198,914 | 12,830 | 2,207 | 259,544 |
| Charge for the year | 2,128 | 4,617 | 24,840 | 507 | 625 | 32,717 |
| Disposals | - | (3,379) | (13,002) | (219) | (410) | (17,010) |
| Foreign currency adjustment | - | - | 1 | - | 1 | 2 |
| Closing balance | <u>12,577</u> | <u>36,382</u> | <u>210,753</u> | <u>13,118</u> | <u>2,423</u> | <u>275,253</u> |
| Net book value at August 31, 1998 | 53,394 | 81,221 | 223,300 | 5,934 | 478 | 364,327 |
| Capital work-in-progress | 4,293 | 3,901 | 52,793 | 698 | - | 61,685 |
| Closing balance | <u>57,687</u> | <u>85,122</u> | <u>276,093</u> | <u>6,632</u> | <u>478</u> | <u>426,012</u> |
| Capital work-in-progress | | | | | | |
| Opening balance | 2 | 7,696 | 43,703 | 267 | - | 51,668 |
| Additions | 4,390 | 186 | 20,635 | 1,255 | - | 26,466 |
| Transfer out | (99) | (1,729) | (11,550) | (756) | - | (14,134) |
| Amounts written off to profit & loss account | - | (2,252) | (7) | (68) | - | (2,327) |
| Foreign currency adjustment | - | - | 12 | - | - | 12 |
| Closing balance | <u>4,293</u> | <u>3,901</u> | <u>52,793</u> | <u>698</u> | <u>-</u> | <u>61,685</u> |
| 1997 Comparatives | | | | | | |
| Net book value at August 31, 1997 | 55,368 | 86,482 | 226,393 | 5,301 | 936 | 374,480 |
| Capital work-in-progress | 2 | 7,696 | 43,703 | 267 | - | 51,668 |
| | <u>55,370</u> | <u>94,178</u> | <u>270,096</u> | <u>5,568</u> | <u>936</u> | <u>426,148</u> |
| Depreciation for 1997 | <u>2,891</u> | <u>4,358</u> | <u>29,765</u> | <u>1,952</u> | <u>428</u> | <u>39,394</u> |

| (b) | COMPANY | | | |
|--|--------------------------------|-----------------------------------|---------------------------|------------------|
| | Plant and Equipment S\$'000 | Furniture and Fittings S\$'000 | Motor Vehicles S\$'000 | Total S\$'000 |
| Cost | | | | |
| Opening balance | 382,889 | 15,532 | 2,999 | 401,420 |
| Additions | 7,717 | 266 | 129 | 8,112 |
| Transfer in from capital work-in-progress | 11,550 | 756 | - | 12,306 |
| Transfer out | (436) | (213) | (240) | (889) |
| Disposals | (11,834) | (125) | (309) | (12,268) |
| Closing balance | 389,886 | 16,216 | 2,579 | 408,681 |
| Accumulated Depreciation | | | | |
| Opening balance | 182,523 | 11,290 | 2,114 | 195,927 |
| Charge for the year | 20,998 | 259 | 593 | 21,850 |
| Transfer out | (287) | (90) | (153) | (530) |
| Disposals | (11,534) | (113) | (309) | (11,956) |
| Closing balance | 191,700 | 11,346 | 2,245 | 205,291 |
| Net book value at August 31, 1998 | 198,186 | 4,870 | 334 | 203,390 |
| Capital work-in-progress | 52,709 | 698 | - | 53,407 |
| Closing balance | 250,895 | 5,568 | 334 | 256,797 |
| Capital work-in-progress | | | | |
| Opening balance | 43,632 | 267 | - | 43,899 |
| Additions | 20,634 | 1,255 | - | 21,889 |
| Transfer out | (11,550) | (756) | - | (12,306) |
| Amounts written off to profit and loss account | (7) | (68) | - | (75) |
| Closing balance | 52,709 | 698 | - | 53,407 |
| 1997 Comparatives | | | | |
| Net book value at August 31, 1997 | 200,366 | 4,242 | 885 | 205,493 |
| Capital work-in-progress | 43,632 | 267 | - | 43,899 |
| | 243,998 | 4,509 | 885 | 249,392 |
| Depreciation for 1997 | 24,038 | 1,471 | 412 | 25,921 |

10. Investment Property

Details of the investment property [Note 8(a)] are:

| | GROUP | |
|---------------------------------|---|-----------------|
| | Freehold Land & Building 1998 S\$'000 | 1997 S\$'000 |
| Cost | 721,221 | 721,221 |
| Development expenditure at cost | 38,637 | 468 |
| Loan interest capitalised | 11,784 | - |
| | 771,642 | 721,689 |
| Rental income | 12,080 | 3,364 |
| Fair value | 690,000 | 766,660 |

Fair value of the investment property, Paragon building at Orchard Road, is stated at directors' valuation based on independent professional valuation carried out by Jones Lang Wootton on July 31, 1998 on the basis of open market value for existing use.

11. Interests in Subsidiaries

| | COMPANY | |
|--|------------------|------------------|
| | 1998 S\$'000 | 1997 S\$'000 |
| Unquoted equities, at cost | 331,914 | 331,914 |
| Amount owing by subsidiaries (non-trade) | 1,626,532 | 1,584,781 |
| | 1,958,446 | 1,916,695 |
| Amount owing to subsidiaries (non-trade) | (218,828) | (199,687) |
| | 1,739,618 | 1,717,008 |

Details of subsidiaries are set out in Note 30.

12. Interests in Associates

| | GROUP | | COMPANY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Unquoted equities, at cost | 90,696 | 80,589 | 40,948 | 30,948 |
| Loans to associates | 88,916 | 49,366 | - | - |
| Amount owing by/(to) associates (non-trade) | 963 | 282 | (37) | (21) |
| | 180,575 | 130,237 | 40,911 | 30,927 |
| Share of losses less profits | (42,458) | (35,247) | - | - |
| Provision for diminution in value of an associate | - | - | (2,748) | - |
| | 138,117 | 94,990 | 38,163 | 30,927 |

Details of associates are set out in Note 31.

13. Long-Term Investments

| | GROUP | | COMPANY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Quoted, at cost | | | | |
| Equities | 145,407 | 145,267 | - | - |
| Bonds | 250,253 | 357,776 | - | - |
| Unquoted, at cost | | | | |
| Equities | 69,792 | 71,727 | - | - |
| Other investments | 77,665 | 65,903 | 575 | 575 |
| | 543,117 | 640,673 | 575 | 575 |
| Accretion of discount on bonds | 8,656 | 13,713 | - | - |
| Amortisation of premium on bonds | (99) | (147) | - | - |
| Provision for diminution in value of investments - Quoted | (35,490) | (5,083) | - | - |
| - Unquoted | (7,174) | (546) | - | - |
| | 509,010 | 648,610 | 575 | 575 |
| Movements in provision | | | | |
| Opening balance | 5,629 | 2,130 | - | - |
| Provision for the year | 37,035 | 3,499 | - | - |
| Closing balance | 42,664 | 5,629 | - | - |
| Market value of quoted investments | | | | |
| Equities | 80,445 | 167,899 | - | - |
| Bonds | 233,492 | 366,080 | - | - |
| | 313,937 | 533,979 | - | - |

14. Other Non-Current Assets

| | GROUP | | COMPANY | |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Long-term debtors | 7,800 | 10,906 | 4,706 | 5,209 |
| Loans to Directors of subsidiaries | 454 | 391 | 454 | 391 |
| | 8,254 | 11,297 | 5,160 | 5,600 |

15. Stocks

| | GROUP | | COMPANY | |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Raw materials and consumable stores | 36,366 | 36,577 | 36,296 | 36,549 |
| Provision for stocks | (616) | (616) | (616) | (616) |
| | 35,750 | 35,961 | 35,680 | 35,933 |
| Made up as follows:- | | | | |
| Weighted average | 30,792 | 28,740 | 30,792 | 28,741 |
| Actual cost | 4,958 | 7,221 | 4,888 | 7,192 |
| | 35,750 | 35,961 | 35,680 | 35,933 |

16. Trade Debtors

| | GROUP | | COMPANY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Amount owing | 118,009 | 125,748 | 110,294 | 120,488 |
| Provision for doubtful debts | (12,997) | (10,375) | (11,611) | (9,800) |
| | 105,012 | 115,373 | 98,683 | 110,688 |
| Movements in provision | | | | |
| Opening balance | 10,375 | 10,588 | 9,800 | 9,741 |
| Provision for the year | 5,148 | 2,557 | 4,228 | 2,149 |
| Bad debts written off | (2,526) | (2,151) | (2,417) | (2,090) |
| Adjustment on liquidation of subsidiaries | - | (619) | - | - |
| Closing balance | 12,997 | 10,375 | 11,611 | 9,800 |

17. Other Debtors and Prepayments

| | GROUP | | COMPANY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Accrued interest | 23,636 | 18,376 | 2,282 | 697 |
| Prepayments | 2,894 | 2,638 | 447 | 808 |
| Sundry debtors | 8,284 | 7,904 | 3,255 | 5,576 |
| Loans to Directors of subsidiaries | 153 | 153 | 153 | 153 |
| Tax recoverable (including GST) | - | 19,653 | - | - |
| Amounts due from custodians and brokers | - | 12,584 | - | - |
| | 34,967 | 61,308 | 6,137 | 7,234 |

18. Short-Term Investments

(a) Internally managed

| | GROUP | | COMPANY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Quoted | | | | |
| Equities, at cost | - | 141,686 | - | - |
| Bonds, at cost | 163,289 | 126,963 | - | - |
| Accretion of discount on bonds | 2,622 | 1,025 | - | - |
| Amortisation of premium on bonds | (109) | (61) | - | - |
| Other investments, at cost | - | 1,005 | - | - |
| Unquoted | | | | |
| Bonds, at cost | 450,023 | 296,050 | - | - |
| Accretion of discount on bonds | 1,170 | 261 | - | - |
| Amortisation of premium on bonds | (829) | (129) | - | - |
| | 616,166 | 566,800 | - | - |
| Provision for diminution in value of investments - Quoted | (16,136) | (20,637) | - | - |
| - Unquoted | (26,589) | (2,693) | - | - |
| | 573,441 | 543,470 | - | - |
| Movements in provision | | | | |
| Opening balance | 23,330 | 9,379 | - | - |
| (Write-back)/provision for the year - Quoted | (4,501) | 11,258 | - | - |
| - Unquoted | 23,896 | 2,693 | - | - |
| Closing balance | 42,725 | 23,330 | - | - |

18. Short-Term Investments (cont'd)

(b) Funds under management

| | GROUP | | COMPANY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Quoted investments, at cost | | | | |
| Equities | 17,405 | 48,050 | 17,405 | 48,050 |
| Bonds | 36,066 | 19,165 | 36,066 | 19,165 |
| Government loan stocks and bonds | - | 13,891 | - | 13,891 |
| | 53,471 | 81,106 | 53,471 | 81,106 |
| Provision for diminution in value of quoted investments | (10,512) | (9,140) | (10,512) | (9,140) |
| | 42,959 | 71,966 | 42,959 | 71,966 |
| Cash on deposit | 8,183 | 4,747 | 8,183 | 4,747 |
| Bank balances | 7,115 | 2,324 | 7,115 | 2,324 |
| Accrued interest | 596 | 676 | 596 | 676 |
| Due from brokers | 2,090 | 517 | 2,090 | 517 |
| | 60,943 | 80,230 | 60,943 | 80,230 |
| Movements in provision | | | | |
| Opening balance | 9,140 | 9,868 | 9,140 | 9,868 |
| Provision/(write-back) for the year | 1,372 | (728) | 1,372 | (728) |
| Closing balance | 10,512 | 9,140 | 10,512 | 9,140 |
| Total Short-Term Investments | 634,384 | 623,700 | 60,943 | 80,230 |
| Total market value of quoted investments | | | | |
| Equities | 12,923 | 181,726 | 12,923 | 47,106 |
| Bonds | 186,094 | 146,813 | 31,992 | 18,879 |
| Government loan stocks and bonds | - | 14,220 | - | 14,220 |
| Other Investments | - | 716 | - | - |
| | 199,017 | 343,475 | 44,915 | 80,205 |

19. Other Creditors and Accrued Liabilities

| | GROUP | | COMPANY | |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Accrued liabilities | 91,869 | 103,666 | 82,576 | 95,872 |
| Customers' deposits and credits | 6,036 | 5,810 | 5,972 | 5,754 |
| Amounts due to brokers | 136 | 26,065 | - | - |
| Sundry creditors | 12,698 | 8,087 | 26,500 | 26,638 |
| | 110,739 | 143,628 | 115,048 | 128,264 |

20. Capital and Other Commitments

| | GROUP | | COMPANY | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| (a) Outstanding capital expenditure:- | | | | |
| authorised and contracted for | 104,044 | 39,000 | 16,200 | 21,000 |
| authorised but not contracted for | 52,972 | 194,000 | 500 | 8,700 |
| (b) Commitments for operating leases due:- | | | | |
| Within 1 year | 8,063 | 8,806 | - | - |
| Between 1 - 5 years | 17,872 | 22,036 | - | - |
| After 5 years | 64,765 | 16,993 | - | - |
| (c) Commitments for forward contracts foreign currencies | 821,646 | 338,237 | - | 92,666 |

21. Turnover

- (a) In the Group, turnover represents revenue from advertisements, printing, circulation, rental and multimedia services.
- (b) In the Company, turnover represents revenue from advertisements, printing, circulation and management services provided to subsidiaries.
- (c) Turnover comprises the following significant categories:-

| | GROUP | | COMPANY | |
|---------------------|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Advertisement | 668,067 | 739,930 | 653,267 | 724,815 |
| Circulation | 179,980 | 173,729 | 172,632 | 166,273 |
| Rental and services | 19,860 | 12,373 | - | - |
| Others | 31,495 | 26,994 | 19,429 | 18,088 |
| | 899,402 | 953,026 | 845,328 | 909,176 |

22. Trading Profit

| | GROUP | | COMPANY | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Trading profit is arrived at:- | | | | |
| After charging | | | | |
| Audit fees:- | | | | |
| Company's auditors | 203 | 198 | 101 | 112 |
| Other auditors | 38 | 30 | - | - |
| Non-audit fees:- | | | | |
| Company's auditors | 67 | 7 | 67 | 7 |
| Depreciation of fixed assets (Note 9) | 32,717 | 39,394 | 21,850 | 25,921 |
| Directors' remuneration: | | | | |
| Company's Directors [Note 22 (a)] | 2,486 | 2,370 | 2,486 | 2,370 |
| Other Directors of subsidiaries | 283 | 281 | - | - |
| Loss on disposal of fixed assets | 258 | 318 | 18 | 301 |
| Provision for doubtful trade debts (Note 16) | 5,148 | 2,557 | 4,228 | 2,149 |
| Interest paid:- | | | | |
| Bank loans | 5,479 | 1,958 | - | - |
| Bonds | 2,793 | 1,059 | - | - |
| Exchange loss | 394 | 135 | 394 | 135 |
| and after crediting | | | | |
| Bad debts recovered | 281 | 314 | 280 | 313 |
| Exchange gain | 387 | 52 | 387 | 52 |
| Interest income:- | | | | |
| Associates | 628 | 399 | - | - |
| Others | 977 | 630 | 169 | 242 |
| Profit on disposal of fixed assets | 218 | 657 | 217 | 183 |

22(a). Directors' Remuneration

Details of Directors' remuneration in compliance with the requirements of the Stock Exchange of Singapore, are:-

| Remuneration Bands | No. of Directors | |
|-------------------------|------------------|------|
| | 1998 | 1997 |
| S\$0 - S\$249,999 | 5 | 5 |
| S\$250,000 - S\$499,999 | - | - |
| S\$500,000 and above | 2 | 2 |
| Total | 7 | 7 |

23. Net Income/(loss) from Investments

| | GROUP | | COMPANY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Deposit interest | 27,496 | 11,462 | 15,145 | 6,178 |
| Interest from:- | | | | |
| Quoted bonds | 12,774 | 21,826 | - | - |
| Unquoted bonds | 37,123 | 24,651 | - | - |
| Dividends from:- | | | | |
| Quoted equities | 5,911 | 8,486 | - | - |
| Unquoted equities | - | 1,918 | - | - |
| Foreign exchange gain | 23,614 | 5,244 | - | - |
| (Loss)/profit on sale of investments | (28,051) | 5,557 | - | - |
| | 78,867 | 79,144 | 15,145 | 6,178 |
| Accretion of discount on bonds | 8,343 | 7,324 | - | - |
| Amortisation of premium on bonds | (1,061) | (585) | - | - |
| Provision for diminution in value of investments - Quoted | (25,906) | (14,660) | - | - |
| - Unquoted | (30,524) | (2,790) | - | - |
| | 29,719 | 68,433 | 15,145 | 6,178 |
| (Loss)/income from funds under management [Note (a)] | (19,287) | 2,918 | (19,287) | 7,733 |
| | 10,432 | 71,351 | (4,142) | 13,911 |

(a) Income from funds under management, gross.

| | GROUP | | COMPANY | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| Interest on deposits, bonds and treasury bills | 2,079 | 1,970 | 2,079 | 1,970 |
| Dividends from quoted equities | 694 | 1,009 | 694 | 1,009 |
| (Loss)/profit on sale of investments | (19,887) | (86) | (19,887) | 4,729 |
| Foreign exchange (loss)/gain | (484) | 151 | (484) | 151 |
| Expenses and fees | (317) | (854) | (317) | (854) |
| | (17,915) | 2,190 | (17,915) | 7,005 |
| (Provision)/write-back for diminution in value of quoted investments | (1,372) | 728 | (1,372) | 728 |
| | (19,287) | 2,918 | (19,287) | 7,733 |

24. Taxation

| | GROUP | | COMPANY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 | 1998 S\$'000 | 1997 S\$'000 |
| The taxation charge is made up as follows:- | | | | |
| Current Year | | | | |
| Income tax | 116,661 | 127,770 | 102,678 | 116,180 |
| Deferred tax | (793) | 4,759 | 1,282 | 3,961 |
| Prior Years | | | | |
| Income tax | 5 | 124 | - | - |
| | 115,873 | 132,653 | 103,960 | 120,141 |

The income tax expense on the results of the Group for the year is higher than the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to certain expenses not being allowable for tax purposes.

As at August 31, 1998, certain subsidiaries have unutilised tax losses of S\$4.3 million (1997: S\$5.0 million) available for offsetting against future taxable income subject to there being no substantial change in shareholders in accordance with the relevant provisions of the Income Tax Act.

25. Extraordinary Items

| | GROUP | |
|---|-----------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 |
| Surplus from sale of Airco Building | 13,806 | - |
| Surplus from capital reorganisation of an equity held as a long-term investment | 2,945 | - |
| Surplus on liquidation of subsidiaries | - | 1,242 |
| Surplus on disposal of an associate | - | 81 |
| Write-down of investment in a subsidiary | - | (3,144) |
| | 16,751 | (1,821) |

26. Dividends

| | GROUP AND COMPANY | |
|--|-------------------|-----------------|
| | 1998 S\$'000 | 1997 S\$'000 |
| Payment of interim dividend of 12 cents per share less tax (1997: 12 cents less tax) | 36,081 | 30,362 |
| Payment of prior year's final dividend on new shares issued before book closure date | 90 | 9 |
| Proposed final dividend of 31 cents per share less tax (1997: 28 cents less tax) | 84,004 | 70,860 |
| | 120,175 | 101,231 |

27. Earnings per Share

- (a) Earnings per management and ordinary share of S\$1 each were based on Group profit after taxation and minority interests and before extraordinary items, of S\$277,783,000 (1997: S\$342,162,000) divided by the weighted average of 406,005,000 shares in issue during the financial year adjusted for bonus issue (1997: 405,076,000 shares).
- (b) No material dilution of earnings per share would arise if all outstanding share options were exercised.

28. Re-classification

Certain comparative figures have been re-classified to conform with the current year's presentation.

29. Subsequent Event

- (a) On August 6, 1998, the Directors of Singapore Press Holdings Limited ("SPH" or the "Company") announced a capital restructuring exercise (the "Exercise") involving, inter alia, a capital reduction under Section 73 of the Companies Act, Cap. 50 (the "Capital Reduction") and in conjunction with that, a return of capital to all shareholders of SPH ("Shareholders") on the basis of \$1.22 cash per share for every share held as at a books closure date to be determined. The Exercise involved the reduction of the issued share capital of the Company by approximately 10 per cent to 366,190,609 shares, comprising 362,528,698 ordinary shares and 3,661,911 management shares.
- (b) At the Extraordinary General Meeting held on September 18, 1998, Shareholders approved the Exercise. The Capital Reduction was confirmed by the Court on October 16, 1998 and became effective on October 31, 1998.
- (c) Arising from the Exercise, the impact to the financial ratios would be as follows:

| | GROUP | |
|--|-------------|--------|
| | 1998 | 1997 |
| (i) Earnings per share (\$) | | |
| On existing issued share capital | 0.76 | 0.94 @ |
| On fully diluted basis | 0.76 | 0.93 @ |
| (ii) Net tangible asset backing per share (\$) | 5.04 | 4.50 @ |

@ Adjusted for bonus shares issued during the financial year ended August 31, 1998.

- (d) In addition, the total number of outstanding options pursuant to the Singapore Press Holdings Group Executives' Share Option Scheme was adjusted from 7,274,714 to 6,547,070 ordinary shares.

30. Subsidiaries

| Name of Subsidiary | Principal Activities | Country of Incorporation /Operation# | Class of Shares | Cost of Investment | | Effective % of Equity held by the Group | |
|--|--|--------------------------------------|-----------------|-----------------------------|-----------------|---|-----------------|
| | | | | 1998 S\$'000 | 1997 S\$'000 | 1998 % | 1997 % |
| Hipro Printing Pte Ltd | Publishing newspapers | Singapore | Ord | 360 | 360 | 80.00 | 80.00 |
| + Lianhe Investments Pte Ltd | Holding investments for dealing purposes | Singapore | Ord | 6,335 | 6,335 | 100.00 | 100.00 |
| TelcomOne Corporation Pte Ltd | Holding investments | Singapore | Ord | ^^ | - | 100.00 | - |
| The Straits Times Press (1975) Limited | Holding investments | Singapore | Mgt Ord | 579 57,387 | 579 57,387 | 100.00 100.00 | 99.99 100.00 |
| Multimedia Investments Inc | Holding investments | United States of America | Common Stock | * | * | 100.00 | 100.00 |
| Focus Publishing Limited | Publishing newspapers | Singapore | Mgt Ord | * | * | 99.96 100.00 | 99.96 100.00 |
| Lianhe Publishing Pte Ltd | Publishing magazines | Singapore | Ord | * | * | 51.00 | 51.00 |
| Asia Century Publishing Pte Ltd | Publishing & distributing magazines | Singapore | Ord | * | * | 26.01 | 26.01 |
| Singapore Press Holdings (Overseas) Limited | Servicing and holding investments | Singapore | Mgt Ord | * | * | 99.96 100.00 | 99.96 100.00 |
| Times Periodicals Private Limited | Publishing magazines | Singapore | Ord | * | * | 75.00 | 75.00 |
| Times Properties Private Limited | Letting properties | Singapore | Ord | 77,827 | 77,827 | 100.00 | 100.00 |
| Orchard 290 Limited | Holding investments & managing of shopping centres & other commercial properties | Singapore | Ord | * | * | 75.00 | 75.00 |
| SPH Multimedia Private Limited | Holding investments | Singapore | Ord | 8,500 | 8,500 | 100.00 | 100.00 |
| CyberWay Pte Ltd | Providing public Internet access services | Singapore | Ord | * | * | 55.00 | 55.00 |
| ^++ Jiuding (Tianjin) Information Services Company Limited | Providing Audiotex services | People's Republic of China | Ord | * | * | 51.00 | 51.00 |
| 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 |

30. Subsidiaries (cont'd)

| Name of Subsidiary | Principal Activities | Country of Incorporation /Operation# | Class of Shares | Cost of Investment | | Effective % of Equity held by the Group | |
|---|------------------------------------|--------------------------------------|-----------------|--------------------|------------------|---|------------------|
| | | | | 1998 | 1997 | 1998 | 1997 |
| | | | | S\$'000 | S\$'000 | % | % |
| + Singapore News and Publications Limited | Holding investments and properties | Singapore | Mgt Ord | 1,309 129,617 | 1,309 129,617 | 100.00 100.00 | 99.99 100.00 |
| @ Low & High Ltd | Dormant | Singapore | Mgt Ord | * * | * * | 99.99 100.00 | 99.99 100.00 |
| + SPH Asset Management Limited | Holding investments | Singapore | Ord | * | * | 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 |
| @ Asia Pacific Post Inc | Dormant | British Virgin Islands | Ord | * | * | 93.10 | 93.10 |
| @ Corporate Video Limited | Dormant | Hongkong | Ord | * | * | 93.10 | 93.10 |
| ++ Digital Vision Limited | Dormant | Hongkong | Ord | * | * | 93.10 | 93.10 |
| @ Mantown Enterprises Limited | Dormant | Hongkong | Ord | * | * | 93.10 | 93.10 |
| @ Post Production Shop Limited | Dormant | Hongkong | Ord | * | * | 93.10 | 93.10 |
| ++ Post Production Sound Limited | Dormant | Hongkong | Ord | * | * | 93.10 | 93.10 |
| @ Solar River Investments Limited | Dormant | Hongkong | Ord | * | * | 93.10 | 93.10 |
| ++ Video Post Limited | Dormant | Hongkong | Ord | * | * | 93.10 | 93.10 |

Notes:-

- All the companies are audited by Coopers & Lybrand, Singapore, except as follows:-
 - Audited by Price Waterhouse, Singapore.
 - Audited by another firm of Certified Public Accountants.
 - Not required to be audited.
- # Singapore Press Holdings (Overseas) Limited operates in Japan, Hongkong, Australia, Philippines, China, Taiwan, Indonesia and United States of America.
Asia Century Publishing Pte Ltd operates in Taiwan.
- * The shareholdings of these companies are held by subsidiaries of the Company.
- ^ Financial year ends on December 31.
- ^^ Less than \$1,000.
- The following subsidiaries have been placed under voluntary liquidation:-
Asia Pacific Post Inc
Low & High Ltd

31. Associates

| Name of Associate | Principal Activities | Country of Incorporation /Operation | Class of Shares | Cost of Investment | | Effective % of Equity held by the Group | |
|--|--|-------------------------------------|-----------------|--------------------|---------|---|-------|
| | | | | 1998 | 1997 | 1998 | 1997 |
| | | | | S\$'000 | S\$'000 | % | % |
| Held by the Company | | | | | | | |
| Singapore CableVision Private Limited | Providing subscription television services | Singapore | Ord | 38,200 | 28,200 | 20.00 | 20.00 |
| Business Day Company Limited | Publishing newspapers | Thailand | Ord | 2,748 | 2,748 | 24.99 | 24.99 |
| Held by Subsidiaries | | | | | | | |
| The Straits Times Press (London) Limited | Servicing | United Kingdom | Ord | * | * | 50.00 | 50.00 |
| MobileOne (Asia) Private Limited | Providing telecommunication services | Singapore | Ord | 49,000 | 49,000 | 35.00 | 35.00 |
| Orchard 300 Ltd | Holding investments | Singapore | Ord | 500 | 500 | 50.00 | 50.00 |
| Citta Bella Sdn Bhd | Publishing and distributing magazines | Malaysia | Ord | 248 | 141 | 24.99 | 24.99 |
| Keppel-SPH Telecom Pte Ltd | Holding investments | Singapore | Ord | * | * | 50.00 | 50.00 |
| * Less than \$1,000 | | | | | | | |

32. Segmental Information

| | GROUP | | | | | |
|------------------------------------|------------------|-----------|-----------------|---------|------------------|-----------|
| | Singapore | | Other Countries | | Total | |
| | 1998 | 1997 | 1998 | 1997 | 1998 | 1997 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Turnover | | | | | | |
| Newspapers & Magazines | 859,023 | 925,361 | 1,563 | – | 860,586 | 925,361 |
| Multimedia & Telecommunications | 18,956 | 10,885 | – | 4,407 | 18,956 | 15,292 |
| Property | 19,860 | 12,373 | – | – | 19,860 | 12,373 |
| | 897,839 | 948,619 | 1,563 | 4,407 | 899,402 | 953,026 |
| Profit Before Taxation | | | | | | |
| Newspapers & Magazines | 395,182 | 436,479 | (502) | (1,186) | 394,680 | 435,293 |
| Multimedia & Telecommunications | (8,086) | (29,945) | (323) | (3,169) | (8,409) | (33,114) |
| Treasury & Investment | 2,758 | 69,036 | 4,900 | (9) | 7,658 | 69,027 |
| Property | (574) | 2,766 | – | – | (574) | 2,766 |
| | 389,280 | 478,336 | 4,075 | (4,364) | 393,355 | 473,972 |
| Total Assets | | | | | | |
| Newspapers & Magazines | 518,093 | 531,221 | 8,567 | 5,184 | 526,660 | 536,405 |
| Multimedia & Telecommunications | 98,800 | 54,140 | 1,143 | 1,421 | 99,943 | 55,561 |
| Treasury & Investment | 1,700,499 | 1,556,588 | 106,616 | 86,987 | 1,807,115 | 1,643,575 |
| Property | 889,107 | 866,816 | – | – | 889,107 | 866,816 |
| | 3,206,499 | 3,008,765 | 116,326 | 93,592 | 3,322,825 | 3,102,357 |

- (a) The above segmental information has been compiled in a consistent manner. The division of the Group's results and assets into activity and geographical segments has been ascertained by direct reference to direct identification of assets and revenue/cost centres.
- (b) In arriving at the above segmental information, the Group's share of associated companies' turnover is excluded while the operating profits of and the Group's investment in associated companies are included.