

Directors' Report

for the Year ended August 31, 1999

The Directors have pleasure in presenting their report together with the audited accounts of the Group and of the Company for the year ended August 31, 1999.

Directors

1. The Directors in office at the date of this report are:-

Lim Kim San
Cheong Choong Kong
Michael Fam Yue Onn
Lee Hee Seng
Tang I-Fang
Tjong Yik Min
Wee Cho Yaw

Principal Activities

2. The principal activities of the Group consist of:-

- (a) publishing, printing and distributing newspapers,
- (b) publishing and distributing magazines,
- (c) providing multimedia and telecommunications 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 services,
- (d) holding shares in subsidiaries,
- (e) holding investments, and
- (f) providing management services to subsidiaries.

There have been no significant changes in the nature of these activities during the financial year.

Acquisition and Disposal of Subsidiaries

3. During the financial year, the Group had the following acquisition and disposal of subsidiaries:-

(a) Subsidiaries acquired:

	Consideration	Net Tangible Assets	Effective Equity acquired by the Group
	S\$	S\$	%
Alisbond Limited	5	5	100
SPH Data Services Pte Ltd	2	2	100

(b) Subsidiary disposed:

	Consideration	Group's Share of Net Tangible Assets	Effective Equity disposed by the Group
	S\$'000	S\$'000	%
CyberWay Pte Ltd	16,433	1,187	55

Results

4.	GROUP	COMPANY
	S\$'000	S\$'000
Profit after taxation	326,380	286,926
Minority interests	(53)	-
Profit before extraordinary items	326,327	286,926
Extraordinary items	15,180	-
Profit attributable to shareholders	341,507	286,926
Retained profit brought forward	1,736,522	1,641,112
Capital reduction	(284,815)	(284,815)
Profit available for appropriation	1,793,214	1,643,223

Reserves and Provisions

5. Material movements in reserves and provisions are disclosed in the notes to the accounts.

Share Capital and Debentures

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

Class of Shares	Shares Issued	Purpose
The Company		
Management	27,188 shares of S\$1 each for cash, at market prices prevailing on allotment dates.	Issue of shares in accordance with the Newspaper and Printing Presses Act.
Ordinary	2,691,641 shares of S\$1 each for cash, at exercise prices.	Issue of shares under the Singapore Press Holdings Group Executives' Share Option Scheme.
Subsidiaries		
SPH Data Services Pte Ltd	2 ordinary shares of S\$1 each at par for cash.	Issue of shares on incorporation.
Asia Century Publishing Pte Ltd	77,207 ordinary shares of S\$1 each at par for cash.	To provide additional working capital.

(b) During the financial year, the following shares were cancelled:-

Class of Shares	Shares Cancelled	Purpose
The Company		
Management	406,879 shares of S\$1 each.	Cancellation of shares under the capital reduction exercise in October 1998.
Ordinary	40,280,966 shares of S\$1 each.	Cancellation of shares under the capital reduction exercise in October 1998.

(c) At the Extraordinary General Meeting held on July 16, 1999, Shareholders gave a mandate to permit the Company to purchase or acquire issued ordinary shares of S\$1.00 each fully paid in the capital of the Company not exceeding in aggregate 10 percent of the issued ordinary share capital of the Company as at July 16, 1999. As at August 31, 1999, no shares were repurchased under this mandate.

Arrangements to enable Directors to acquire Benefits

7. Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate, except as disclosed under 'Share Options' in paragraph 18.

Directors' Interests in Shares

8. The Directors holding office at August 31, 1999 who had interests in shares and options in the Company and its subsidiaries as recorded in the register of Directors' shareholdings were as follows:-

	Shares of S\$1 each					
	Direct Interests			Deemed Interests		
	Sept 1, 1998	Aug 31, 1999	Sept 21, 1999	Sept 1, 1998	Aug 31, 1999	Sept 21, 1999
The Company						
Management Shares						
Lim Kim San	3	3	3	-	-	-
Cheong Choong Kong	2	1	1	-	-	-
Michael Fam Yue Onn	2	1	1	-	-	-
Lee Hee Seng	2	1	1	-	-	-
Tang I-Fang	2	1	1	-	-	-
Tjong Yik Min	2	2	2	-	-	-
Wee Cho Yaw	2	1	1	163,701	*	*
Ordinary Shares						
Lim Kim San	624,677	589,145	589,145	78,320	*	*
Michael Fam Yue Onn	221,333	50,000	50,000	-	-	-
Lee Hee Seng	70,092	63,082	63,082	-	-	-
Tjong Yik Min	-	27,000	27,000	-	-	-
Wee Cho Yaw	154,493	139,043	139,043	1,249,600	*	*
Options for Ordinary Shares						
Lim Kim San	938,356	963,713	963,713	-	-	-
Tjong Yik Min	312,786	312,259	312,259	-	-	-

* As a result of the Companies (Amendment) Act which became effective in November 1998, the threshold of 15% for a person deemed to have an interest via a body corporate has been raised to 20%. Accordingly, the above-named directors no longer have a deemed interest in the Company's shares.

Dividends

9. (a) The Directors recommend that a final dividend of 43 cents per share less income tax at 26% amounting to approximately S\$117,387,000 be paid. The amount of dividend payable may be increased in the event that share options set out in paragraph 20 are exercised before the share transfer register is closed for dividend entitlement.
- (b) During the financial year, the following dividends were paid by the Company:-
- (i) a final dividend of 31 cents per share less income tax at 26% which amounted to S\$84,358,000 in respect of the previous financial year as proposed in the Directors' Report of that year; and
 - (ii) an interim dividend of 12 cents per share less income tax at 26% which amounted to S\$32,713,000 in respect of the financial year under review.

Bad and Doubtful Debts

10. (a) Before the accounts of the Company were made out, the Directors took reasonable steps to ascertain the action taken in relation to the writing off of bad debts and providing for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render the amounts written off for bad debts or provided for doubtful debts in the accounts of the Group inadequate to any substantial extent.

Current Assets

11. (a) Before the accounts of the Company were made out, the Directors took reasonable steps to ascertain that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values, or that adequate provision has been made for the diminution in values of such current assets.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to current assets in the accounts of the Group misleading.

Charge on Assets and Contingent Liabilities

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

Ability to meet Obligations

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

Other Statutory Information

14. As at the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in their report or the accounts of the Group and of the Company which would render any amount stated in the accounts misleading.
15. In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended August 31, 1999 have not been substantially affected by any item, transaction or event of a material and unusual nature other than the extraordinary items set out in Note 25 to the accounts.
16. In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Group and of the Company for the current financial year.

Directors' Benefits

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

Share Options

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

18. (a) The SPH Group ESOS was approved in December 1990, modified by certain changes approved by Shareholders at the Extraordinary General Meeting held on July 16, 1999.
- (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 2,117,032 ordinary shares of S\$1 each, details of which are as follows:-
 - (i) Categories of persons to whom options were granted:-

Category	No. of Employees	Total No. of Ordinary Shares of S\$1 each under Options granted
Executive Directors	2	351,883
Executives	113	1,765,149
	115	2,117,032

- (ii) The exercise period of these options is as disclosed in paragraph 20 below 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 to employees since the commencement of the SPH Group ESOS on December 28, 1990 to August 31, 1999 were 14,347,975.
19. No shares of the Company have been issued during the financial year by virtue of the exercise of options to take up unissued shares, except as disclosed in paragraph 6(a).

20. At the end of the financial year, unissued ordinary shares of the Company under option pursuant to the SPH Group ESOS were as follows:-

Date of Grant	Exercise Period	Exercise Price (a)	Balance 1.9.1998 (b)	Options Exercised	Options Cancelled	Adjustment (c)	Balance 31.8.1999
Dec 20, 1993	Dec 21, 1995 to Dec 20, 1998	\$10.52	232,073	(208,857)	-	(23,216)	-
Dec 22, 1994	Dec 23, 1996 to Dec 22, 1999	\$11.46	1,200,390	(853,248)	(16)	(120,069)	227,057
May 17, 1995	May 18, 1997 to May 17, 2000	\$11.02	60,561	(34,281)	-	(6,064)	20,216
Dec 18, 1995	Dec 19, 1997 to Dec 18, 2000	\$10.66	1,437,943	(742,572)	(4,499)	(143,822)	547,050
Nov 20, 1996	Nov 21, 1998 to Nov 20, 2001	\$10.48	2,072,477	(852,683)	(4,499)	(207,293)	1,008,002
Nov 19, 1997	Nov 20, 1999 to Nov 19, 2002	\$13.01	2,271,270	-	(66,992)	(227,180)	1,977,098
Nov 17, 1998	Nov 18, 2000 to Nov 17, 2003	\$14.76	2,117,032	-	(61,265)	-	2,055,767
			9,391,746	(2,691,641)	(137,271)	(727,644)	5,835,190

(a) Exercise prices were adjusted as a result of bonus shares issued during the financial years 1993, 1995 and 1998 and the capital reduction exercise during the financial year.

(b) Or later date of grant.

(c) Adjusted for capital reduction exercise during the financial year.

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

21. At the Extraordinary General Meeting held on July 16, 1999, Shareholders approved the adoption of the 1999 Scheme to replace the existing SPH Group ESOS. Under the 1999 Scheme, options will be granted to selected employees of the Company and/or its subsidiaries, including Directors of the Company and other selected participants, to subscribe for ordinary shares in the Company. The aggregate number of ordinary shares to be issued pursuant to the 1999 Scheme shall not exceed 12 percent of the total issued ordinary share capital of the Company from time to time.
22. No options have been granted during the financial year under the 1999 Scheme.

Subsidiaries

23. No option to take up unissued shares of subsidiaries has been granted during the financial year.
24. No shares of subsidiaries have been issued during the financial year by virtue of the exercise of options to take up unissued shares.
25. At the end of the financial year, there were no unissued shares of subsidiaries under option.

Audit Committee

26. The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act, including a review of the financial statements of the Group and of the Company for the financial year and the auditors' report thereon.

Auditors

27. Our auditors, Coopers and Lybrand, have merged their practice with Price Waterhouse and now practise in the name of PricewaterhouseCoopers. PricewaterhouseCoopers have expressed their willingness to accept re-appointment.

On behalf of the Directors



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Lim Kim San
Executive Chairman



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Michael Fam Yue Onn
Director

*Singapore,
October 6, 1999*