Notes to the Financial Statements

August 31, 2005

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 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) Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention.

The financial statements have been prepared in compliance with the same accounting policies and methods of computation adopted in the previous financial year, except where new or revised accounting standards became effective from this financial year, which includes:

• FRS 103	Business Combinations
• Revised FRS 36	Impairment of Assets
• Revised FRS 38	Intangible Assets

In particular, the adoption of FRS 103 and Revised FRS 36 resulted in a change in the accounting policy for goodwill. The adoption of these standards is applied prospectively from September 1, 2004. Until August 31, 2004, goodwill was amortised on a straight-line basis over its useful life up to a maximum of 20 years. Goodwill which was assessed as having no continuing economic value was written off to the consolidated income statement. In accordance with the provisions of FRS 103 and Revised FRS 36, for the financial year ended August 31, 2005 onwards, goodwill is no longer amortised but is tested annually for impairment, as well as when there are indications of impairment.

There is no material impact arising from the adoption of FRS 103, Revised FRS 36 and Revised FRS 38.

(b) 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.

(c) 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 the 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.

Foreign currency monetary assets and liabilities are translated into the measurement currency at the rates of exchange prevailing at the balance sheet date or at contracted rates where they are covered by foreign exchange contracts. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are taken to the income statement.

Notes to the Financial Statements

August 31, 2005

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign Currency Translation (Cont'd)

(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.

(d) Impairment of Assets

Assets including subsidiary companies, associated companies, jointly controlled entities, investment property, property, plant and equipment, goodwill and other intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use.

(e) Intangible Assets

(i) Goodwill on Consolidation

Goodwill on consolidation represents the difference between the cost of acquisition of a subsidiary or an associate/jointly controlled entity over the fair value of the Group's share of net identifiable assets acquired at the date of acquisition. Goodwill arising from the acquisition of a subsidiary is shown in the face of the consolidated balance sheet, while goodwill arising from the acquisition of an associate or jointly controlled entity is recorded as part of the carrying value of the investment.

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.

The gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Trademark and Licenses

Acquired trademarks and licenses are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives of up to 20 years.

(f) Deferred Taxation

Deferred tax is 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.

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	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.

Notes to the Financial Statements

August 31, 2005

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Subsidiaries

Subsidiaries are entities over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

Interests in subsidiaries are included in the Company's balance sheet at cost less impairment losses.

(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 interest in associates is equity accounted for in the consolidated financial statements. 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.

(j) Jointly Controlled Entities

Jointly controlled entities are entities over which the Group has contractual arrangements to jointly share the control with one or more parties.

The Group's interest in jointly controlled entities is equity accounted for in the consolidated financial statements. The Group's share of the results of jointly controlled entities is included in its consolidated income statement. The Group's share of the post-acquisition retained profits and reserves or accumulated losses of jointly controlled entities is added to or deducted from the cost of these investments in the consolidated balance sheet.

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

(k) Investments

Long-term investments in equity securities are stated at cost less diminution in value. Long-term investments in bonds are stated at cost, adjusted for amortisation of premium and accretion of discount and diminution in value. Where cost of these investments exceeds realisable value, allowance 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 is recognised on a time-apportioned basis.

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

(l) 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. The 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.

(m) Stocks

Stocks comprise raw materials and consumable stores, which are stated at cost less allowance 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, and is determined on the weighted average or specific identification basis.

(n) Debtors

Debtors are stated at cost less allowance for doubtful receivables based on a review of outstanding amounts at the balance sheet date. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect amounts due. Bad debts are written off when identified.

(o) Dividends Payable

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

Notes to the Financial Statements

August 31, 2005

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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) Defined contribution plans
Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the state pension scheme, the Central Provident Fund. The Group's contribution to defined contribution plans are recognised in the financial year to which they relate.

(iii) 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 in the income statement. 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.

(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 as and when these services are rendered.

The policies relating to the recognition of revenue from investments are set out in Note 2(k) 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 recognised as an expense in 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 property, plant and equipment. 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. Where appropriate, the Group's risk management policies seek to 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 a subsidiary to finance its 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 and capital expenditure denominated in currencies other than the measurement currency. In addition, currency risk also arises from the Group's foreign currency cash deposits, investments, and from costs incurred by its overseas news bureaus. 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, its foreign currency denominated investments and net assets of its foreign subsidiaries and associated companies.

Notes to the Financial Statements

August 31, 2005

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Financial Risk Management (Cont'd)

(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

August 31, 2005

3. SHARE CAPITAL

	2005 Number of Shares '000	2005 S$'000	2004 Number of Shares '000	2004 S$'000
Authorised				
Management shares of S$0.20 each (i)	**50,000**	**10,000**	50,000	10,000
Ordinary shares of S$0.20 each (i)	**4,950,000**	**990,000**	4,950,000	990,000
	5,000,000	**1,000,000**	5,000,000	1,000,000
Issued and fully paid				
Management shares of S$0.20 each	**16,096**	**3,219**	16,018	3,204
Ordinary shares of S$0.20 each	**1,574,312**	**314,863**	1,566,617	313,323
	1,590,408	**318,082**	1,582,635	316,527
Movements during the financial year were:				
Opening balance	**1,582,635**	**316,527**	369,557	369,557
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
Issue of management shares of S$1 each fully paid in accordance with the Newspaper and Printing Presses Act	**–**	**–**	27	27
	1,582,635	**316,527**	372,267	372,267
Adjusted ordinary and management shares of S$0.20 each fully paid immediately after Share Split Exercise	**–**	**–**	1,861,335	372,267
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	**7,695**	**1,539**	497	99
Issue of management shares of S$0.20 each fully paid in accordance with the Newspaper and Printing Presses Act	**78**	**16**	5	1
Closing balance	**1,590,408**	**318,082**	1,582,635	316,527

(i) The holders of both management and ordinary shares rank pari passu in respect of all dividends declared by the Company and in respect of all bonus and rights issues made by the Company, as well as in the right to return of capital and to participation in all surplus assets of the Company in liquidation.

In terms of voting rights, both classes of shareholders are entitled either on a poll or by a show of hands to one vote for each share, except that on any resolution relating to the appointment or dismissal of a director or any member of the staff of the Company, the holders of management shares are entitled either on a poll or by a show of hands to two hundred votes for each management share held.

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

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

Date of Grant	Expiry Date	Exercise Price	Balance 1.9.04(a)	Options Exercised	Options Cancelled	Balance 31.8.05
Oct 27, 1999	Oct 27, 2009	S$5.60	10,333,875	–	(705,500)	9,628,375
Oct 30, 2000	Oct 30, 2010	S$4.78	11,225,525	(1,700)	(619,650)	10,604,175
Nov 6, 2001	Nov 6, 2011	S$3.03	4,385,100	(2,277,925)	(34,850)	2,072,325
Oct 28, 2002	Oct 28, 2012	S$3.91	13,445,300	(5,414,875)	(84,150)	7,946,275
Dec 16, 2003	Dec 16, 2013	S$3.69	14,859,275	–	(427,975)	14,431,300
Feb 1, 2004	Feb 1, 2014	S$3.83	85,000	–	–	85,000
Dec 21, 2004	Dec 21, 2014	S$4.54	16,514,625	–	(367,625)	16,147,000
			70,848,700	(7,694,500)	(2,239,750)	60,914,450

(a) Or later date of grant.

Notes to the Financial Statements

August 31, 2005

4. CAPITAL RESERVE

	GROUP **2005** **S$'000**	GROUP 2004 S$'000
Capital reserve is made up as follows:		
Distributable	**1,375**	1,375
Non-Distributable	**630**	630
	2,005	2,005

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:

2005

GROUP

(i) Deferred Tax Liabilities

	Accelerated Tax Depreciation S$'000	**Others S$'000**	**Total S$'000**
Opening balance	**78,286**	**2,669**	**80,955**
Credited to income statement	**(5,426)**	**(110)**	**(5,536)**
Closing balance	**72,860**	**2,559**	**75,419**

(ii) Deferred Tax Assets

	Provisions S$'000
Opening balance	**(8,829)**
Charged to income statement	**1,359**
Acquisition of subsidiaries	**(48)**
Other adjustments	**(124)**
Closing balance	**(7,642)**

2004

GROUP

(i) Deferred Tax Liabilities

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

(ii) Deferred Tax Assets

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

Notes to the Financial Statements

August 31, 2005

5. TAXATION (CONT'D)

(a) Deferred Taxation (Cont'd)

2005

COMPANY

(i) Deferred Tax Liabilities

	Accelerated Tax Depreciation S$'000
Opening balance	**68,017**
Credited to income statement	**(4,688)**
Closing balance	**63,329**

(ii) Deferred Tax Assets

	Provisions S$'000
Opening balance	**(8,807)**
Charged to income statement	**1,373**
Closing balance	**(7,434)**

2004

COMPANY

(i) Deferred Tax Liabilities

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

(ii) Deferred Tax Assets

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

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**	
	2005 S$'000	2004 S$'000	**2005 S$'000**	2004 S$'000
Deferred tax liabilities	**67,777**	72,126	**55,895**	59,210

Notes to the Financial Statements

August 31, 2005

5. TAXATION (CONT'D)

(b) Tax Expense

	GROUP	
	2005 S$'000	2004 S$'000
Tax expense attributable to profit is made up of:		
Current year		
Current tax	**78,794**	69,655
Deferred tax	**(4,174)**	(3,746)
	74,620	65,909
Prior years		
Current tax	**(4,642)**	(2,668)
Deferred tax	**(3)**	(9,327)
	69,975	53,914

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	
	2005 S$'000	2004 S$'000
Profit before taxation	**564,738**	600,191
Add: Share of net losses of associates and jointly controlled entity	**3,590**	249
Adjusted profit before taxation	**568,328**	600,440
Tax calculated at corporate tax rate of 20%	**113,666**	120,088
Singapore statutory stepped income exemption	**(179)**	(125)
Income taxed at concessionary rate	**(655)**	(1,593)
Utilisation of previously unrecognised capital allowance/tax losses	**(11,034)**	(4,010)
Income not subject to tax	**(35,797)**	(66,025)
Expenses not deductible for tax purposes	**9,388**	16,180
Deferred tax benefit not recognised	**391**	1,823
Double tax relief for contributions made to Institutes of Public Character	**(987)**	(456)
Effect of different tax rates in other countries	**150**	27
Others	**(323)**	–
	74,620	65,909

Notes to the Financial Statements

August 31, 2005

6. BORROWINGS

	GROUP	
	2005	2004
	S$'000	S$'000
Transferable term loans [Note a]	**650,000**	683,000
Term advances - unsecured [Note b]	**–**	40,000
Revolving credit facilities – unsecured [Note b]	**–**	41,000
	650,000	764,000
Borrowings are repayable:		
Within 1 year	**–**	81,000
Between 1 – 5 years	**650,000**	683,000
	650,000	764,000

(a) At beginning of the financial year, Times Properties Private Limited, a subsidiary of the Group, had a transferable loan facility ("TLF") available for drawdown up to the amount of S$700 million (2004: S$700 million). During the year, the subsidiary has made partial repayment of S$33 million (2004: S$17 million) for the TLF loan. On June 6, 2005, the subsidiary obtained a term loan facility of S$650 million to redeem and refinance the existing TLF at a lower interest rate margin. The term loan facility, which commenced on July 11, 2005, has a tenure of one year.

The term loan facility was classified as a non-current liability, repayable after one year, on the basis that Times Properties expects and has the discretion to refinance the term loan facility for at least another twelve months when the facility matures.

The term loan 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. The requirement for the Company to provide interest deficiency support was removed under the new term loan facility.

After taking into account interest rate swap arrangements totalling S$645 million (2004: S$645 million) entered into by the subsidiary, the effective interest rate as at the balance sheet date on the outstanding term loan facility of S$650 million was 3.23% per annum (2004: S$683 million, 3.25% per annum).

(b) During the preceding financial year, another subsidiary had unsecured loan facilities available for drawdown up to S$90 million, comprising S$40 million term advances and S$50 million revolving credit facility.

The amounts due under the unsecured bank loan facilities were fully repaid by the Company during the financial year.

(c) In respect of bank borrowings, where appropriate, the Group's policy is to 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, 2005, the fixed interest rates vary from 2.55% to 3.44% (2004: 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	
	2005	2004
	S$'000	S$'000
Notional due:		
Within 1 year	**645,000**	–
Between 1 – 5 years	**–**	645,000
Negative fair values*	**(5,094)**	(17,611)

* *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 value of the term loan facility of S$650 million as at the balance sheet date approximates its carrying value as the loan carries a floating interest rate, which is repriced every six months.

Notes to the Financial Statements

August 31, 2005

7. PROPERTY, PLANT AND EQUIPMENT

(a)

	GROUP					
	Land and Buildings		Plant and Equipment	Furniture and Fittings	Motor Vehicles	Total
	Freehold S$'000	Leasehold S$'000	S$'000	S$'000	S$'000	S$'000
Cost						
Opening balance	28,842	228,630	788,433	18,369	2,363	1,066,637
Reclassification	–	–	(884)	884	–	–
Acquisition of subsidiaries	–	–	592	269	32	893
Foreign exchange difference	–	–	(5)	(3)	2	(6)
Additions	–	241	3,657	1,159	362	5,419
Transfer in from capital work-in-progress	–	–	4,884	–	–	4,884
Disposals	–	–	(37,289)	(4,558)	(829)	(42,676)
Closing balance	28,842	228,871	759,388	16,120	1,930	1,035,151
Accumulated Depreciation and Impairment Losses						
Opening balance	8,272	82,500	410,097	10,080	1,863	512,812
Reclassification	–	–	(375)	375	–	–
Foreign exchange difference	–	–	9	1	–	10
Depreciation charge for the year[#]	212	6,572	41,694	1,560	262	50,300
Impairment charge for the year	–	–	298	390	–	688
Disposals	–	–	(37,271)	(3,903)	(763)	(41,937)
Closing balance	8,484	89,072	414,452	8,503	1,362	521,873
Net book value at August 31, 2005	20,358	139,799	344,936	7,617	568	513,278
Capital work-in-progress	–	–	17,080	–	–	17,080
Closing balance	**20,358**	**139,799**	**362,016**	**7,617**	**568**	**530,358**
Capital work-in-progress						
Opening balance	–	–	11,706	–	–	11,706
Additions	–	–	10,258	–	–	10,258
Transfer out to Property, Plant and Equipment	–	–	(4,884)	–	–	(4,884)
Closing balance	–	–	17,080	–	–	17,080
2004 Comparatives						
Net book value at August 31, 2004	20,570	146,130	378,336	8,289	500	553,825
Capital work-in-progress	–	–	11,706	–	–	11,706
Closing balance	20,570	146,130	390,042	8,289	500	565,531
Depreciation for 2004	212	6,206	43,412	1,595	260	51,685

[#] *Charge for the year included accelerated depreciation of S$5.3 million on certain components of printing equipment following a review of their economic useful lives.*

Notes to the Financial Statements

August 31, 2005

7. PROPERTY, PLANT AND EQUIPMENT

(b)

	COMPANY			
	Plant and Equipment S$'000	**Furniture and Fittings S$'000**	**Motor Vehicles S$'000**	**Total S$'000**
Cost				
Opening balance	673,153	12,945	2,176	688,274
Reclassification	(884)	884	–	–
Additions	3,047	30	297	3,374
Transfer in from capital work-in-progress	4,847	–	–	4,847
Transfer in	14	–	–	14
Transfer out	(20)	–	–	(20)
Disposals	(11,609)	(1,226)	(581)	(13,416)
Closing balance	668,548	12,633	1,892	683,073
Accumulated Depreciation and Impairment Losses				
Opening balance	350,166	5,470	1,676	357,312
Reclassification	(375)	375	–	–
Depreciation charge for the year#	34,996	1,187	248	36,431
Impairment charge for the year	298	390	–	688
Transfer in	12	–	–	12
Transfer out	(9)	–	–	(9)
Disposals	(11,631)	(612)	(581)	(12,824)
Closing balance	373,457	6,810	1,343	381,610
Net book value at August 31, 2005	295,091	5,823	549	301,463
Capital work-in-progress	17,080	–	–	17,080
Closing balance	**312,171**	**5,823**	**549**	**318,543**
Capital work-in-progress				
Opening balance	11,706	–	–	11,706
Additions	10,258	–	–	10,258
Transfer out to Property, Plant and Equipment	(4,847)	–	–	(4,847)
Transfer out to a subsidiary	(37)	–	–	(37)
Closing balance	17,080	–	–	17,080
2004 Comparatives				
Net book value at August 31, 2004	322,987	7,475	500	330,962
Capital work-in-progress	11,706	–	–	11,706
Closing balance	334,693	7,475	500	342,668
Depreciation for 2004	34,339	1,105	227	35,671

Charge for the year included accelerated depreciation of S$5.3 million on certain components of printing equipment following a review of their economic useful lives.

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8. INVESTMENT PROPERTY
Details of the investment property are as follows:

	GROUP Freehold Land and Building	
	2005	2004
	S$'000	S$'000
Cost	**923,827**	923,827
Development expenditure at cost	**186,772**	173,624
Loan interest capitalised	**18,935**	18,935
	1,129,534	1,116,386
Impairment losses	**(70,534)**	(70,534)
	1,059,000	1,045,852
Gross rental income	**84,293**	78,475
Fair value	**1,380,000**	1,200,000

Fair value of the investment property, the Paragon on Orchard Road was stated based on an independent professional valuation, determined on an open market value basis and carried out on June 27, 2005 (2004: June 24, 2004). The investment property is mortgaged to a bank as security for loan facilities granted to Times Properties Private Limited (Note 6).

9. INTERESTS IN SUBSIDIARIES AND AMOUNT OWING BY/TO SUBSIDIARIES
(a) Unquoted equities

	COMPANY	
	2005	2004
	S$'000	S$'000
Unquoted equities, at cost	**476,812**	476,812
Impairment losses*	**(90,000)**	(90,000)
	386,812	386,812

Details of subsidiaries are set out in Note 29.

(b) Amount owing by subsidiaries

	COMPANY	
	2005	2004
	S$'000	S$'000
Amounts owing by subsidiaries (non-trade) [Note (c)]	**797,999**	796,146
Loan to subsidiaries	**197,056**	88,500
	995,055	884,646
Allowance for doubtful debt*	**(190,676)**	(88,500)
	804,379	796,146

** Mainly attributable to the cost of investment in and loan extended to SPH MediaWorks Ltd (under liquidation). The provisions were made solely at entity's level and had no impact on the Group financial statements.*

(c) The amounts owing by/to subsidiaries are non-trade, unsecured, interest free and have no fixed repayment terms. Repayments are not expected within the next twelve months.

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10. INTERESTS IN ASSOCIATES

(a) Unquoted equities

	GROUP		COMPANY	
	2005	2004	**2005**	2004
	S$'000	S$'000	**S$'000**	S$'000
Unquoted equities, at cost	**43,183**	12,513	**29,160**	2,980
Amounts owing by associates (non-trade) [Note (b)]	**33**	4	**12**	–
Loan to an associate [Note (c)]	**6,000**	350	**6,000**	–
	49,216	12,867	**35,172**	2,980
Amounts owing to associates (non-trade) [Note (b)]	**(1)**	(19)	**–**	–
Goodwill impaired	**(8,078)**	(5,559)	**–**	–
Share of net losses	**(6,369)**	(5,801)	**–**	–
Impairment losses	**(665)**	(560)	**–**	(2,980)
	34,103	928	**35,172**	–

Details of associates are set out in Note 30.

(b) The amounts owing by/to associates are unsecured, interest free and have no fixed repayment terms. Repayments are not expected within the next twelve months.

(c) The loan to an associate is unsecured and has a tenure of 3 years. The effective interest rate as at the balance sheet date was 2.38% per annum. The fair value of the loan as at the balance sheet date approximates its carrying value as the loan carries a floating interest rate referenced to the Singapore dollar swap offer rate, which is repriced every six months.

(d) Impairment for goodwill

The carrying values of the Group's goodwill on acquisition of associated companies as at August 31, 2005 were assessed for impairment during the financial year:

	Goodwill on acquisition of associates			
	Cost S$'000	**Impairment Loss S$'000**	**Net Carrying Amount S$'000**	**Basis on which recoverable values are determined**
Associated company				
Traffic Corner Publishing Company Limited	2,519	2,519	–	Fair value less cost to sell by reference to net asset value

Note:

i) For impairment testing purposes, goodwill is identified specifically to the respective associate which is also the cash generating unit.

ii) The recoverable values of the cash-generating units are determined based on fair value less cost to sell.

iii) As the above unquoted cash generating unit is in a loss position, its net asset value is used to approximate fair value. Cost to sell is expected to be immaterial in the computation.

11. INTERESTS IN JOINTLY CONTROLLED ENTITY

At the beginning of the financial year, the Group acquired an interest in a jointly controlled entity, which provides consultancy services in the People's Republic of China. Joint venture accounting is adopted for this investment as all business decisions require the unanimous approval of its venturers.

(a) Unquoted equities

	GROUP	
	2005	2004
	S$'000	S$'000
Unquoted equities, at cost	**–**	**–**
Amount owing from jointly controlled entity	**33**	–
	33	–

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11. INTERESTS IN JOINTLY CONTROLLED ENTITY (CONT'D)

The Group's interests in the jointly controlled entity are equity accounted for in the consolidated balance sheet and income statement. The following amounts represent the Group's effective share of 47.5% of the assets and liabilities and income and expenses of the jointly controlled entity as at August 31, 2005 should proportionate consolidation be adopted.

	GROUP	
	2005	2004
	S$'000	S$'000
Assets		
Current assets	**112**	–
Non–current assets	**31**	–
	143	–
Liabilities		
Current liabilities	**581**	–
	581	–
Net liabilities	**(438)**	–
Sales	**191**	–
Expenses	**(461)**	–
Net loss	**(270)**	–
Capital commitments in relation to interest in jointly controlled entity	**337**	–

Details of the jointly controlled entity are included in Note 31.

12. LONG-TERM INVESTMENTS

	GROUP		COMPANY	
	2005	2004	**2005**	2004
	S$'000	S$'000	**S$'000**	S$'000
Quoted, at cost				
Equities	**59,043**	79,610	**3,086**	–
Bonds	**48,000**	48,000	**–**	–
Unquoted, at cost				
Equities	**27,462**	61,327	**2,980**	35,577
Other investments	**453**	425	**425**	425
	134,958	189,362	**6,491**	36,002
Allowance for diminution in value of investments – Unquoted	**(13,953)**	(14,947)	**(3,129)**	–
	121,005	174,415	**3,362**	36,002
Market value of quoted investments				
Equities	**337,514**	288,648	**32,372**	–
Bonds	**51,552**	52,086	**–**	–
	389,066	340,734	**32,372**	–

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13. INTANGIBLE ASSETS

	GROUP 2005 S$'000	GROUP 2004 S$'000
Goodwill arising on consolidation [Note (a)]	**10,075**	–
Trademark and licences [Note (b)]	**954**	–
	11,029	–

(a) Goodwill arising on consolidation

	GROUP 2005 S$'000	GROUP 2004 S$'000
Opening balance	**–**	–
Acquisition of interests in subsidiaries	**23,844**	18
Divestment of interests in subsidiaries	**(3,348)**	–
Impairment of goodwill [Note (c)]	**(10,421)**	–
Goodwill written off during the year	**–**	(18)
Closing balance	**10,075**	–

(b) Trademark and licences

	GROUP 2005 S$'000	GROUP 2004 S$'000
Opening balance	**–**	–
Acquired during the year	**1,506**	–
Amortisation charge	**(552)**	–
Closing balance	**954**	–
Cost	**1,506**	–
Accumulated amortisation	**(552)**	–
	954	–

(c) Impairment for goodwill

The carrying values of the Group's goodwill on acquisition of subsidiaries as at August 31, 2005 were assessed for impairment during the financial year:

	Goodwill on acquisition of subsidiaries			
	Cost S$'000	**Impairment Loss S$'000**	**Net Carrying Amount S$'000**	**Basis on which recoverable values are determined**
Carrying value of capitalised goodwill based on cash generating units (CGU)				
Subsidiary companies				
Blu Inc Media Pte Ltd	13,494	6,888	6,606	Fair value less cost to sell by applying price earnings ratio at acquisition
Other magazine companies/subsidiaries	7,002	3,533	3,469	Fair value less cost to sell by reference to net asset value
	20,496	10,421	10,075	

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13. INTANGIBLE ASSETS (CONT'D)

(c) Impairment for goodwill (Cont'd)

Note:

i) Goodwill is allocated to the Group's CGU identified to the respective subsidiaries.

ii) The recoverable values of the CGU are determined based on fair value less cost to sell.

iii) For the above unquoted CGU, fair values are computed by applying the respective price earnings ratio determined at acquisition to the latest available financial forecasts. Where the CGU is in a loss position, its net asset values are used to approximate fair values. Costs to sell are expected to be immaterial in the computations.

14. OTHER NON-CURRENT ASSETS

	GROUP		COMPANY	
	2005	2004	**2005**	2004
	S$'000	S$'000	**S$'000**	S$'000
Staff loans	**4,691**	5,051	**4,616**	4,900

15. STOCKS

	GROUP		COMPANY	
	2005	2004	**2005**	2004
	S$'000	S$'000	**S$'000**	S$'000
Raw materials and consumable stores	**31,881**	24,489	**31,602**	23,908
Acquired content rights, at unamortised cost	**–**	20,502	**–**	–
Production cost of programmes, at unamortised cost	**–**	11,299	**–**	–
Allowance for stocks	**(1,011)**	(24,012)	**(1,011)**	(700)
	30,870	32,278	**30,591**	23,208
Made up as follows:				
At cost	**4,999**	5,643	**4,720**	5,419
At net realisable value	**25,871**	26,635	**25,871**	17,789
	30,870	32,278	**30,591**	23,208

16. TRADE DEBTORS

	GROUP		COMPANY	
	2005	2004	**2005**	2004
	S$'000	S$'000	**S$'000**	S$'000
Amount owing	**103,349**	104,334	**89,695**	92,828
Allowance for doubtful debts	**(10,689)**	(17,899)	**(9,334)**	(16,194)
	92,660	86,435	**80,361**	76,634

17. OTHER DEBTORS AND PREPAYMENTS

	GROUP		COMPANY	
	2005	2004	**2005**	2004
	S$'000	S$'000	**S$'000**	S$'000
Accrued interest	**1,775**	2,892	**11**	1
Sundry debtors (non-trade)	**2,595**	6,958	**681**	2,117
Amount due from liquidator of a subsidiary	**12,444**	–	**2,841**	–
Prepayments	**3,119**	3,546	**1,935**	2,112
Staff loans	**1,595**	1,734	**1,546**	1,674
	21,528	15,130	**7,014**	5,904

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18. SHORT-TERM INVESTMENTS

(a) Internally managed

	GROUP	
	2005 S$'000	2004 S$'000
Quoted		
Equities, at cost	**70,033**	53,421
Bonds, at cost	**225,637**	150,923
Accretion of discount on bonds	**1,386**	2,358
Amortisation of premium on bonds	**(114)**	(109)
Unquoted		
Equities, at cost	**18,744**	–
	315,686	206,593
Allowance for diminution in value of investments – Quoted	**(14,230)**	(17,554)
– Unquoted	**(2,388)**	–
	299,068	189,039

(b) Funds under management

	GROUP	
	2005 S$'000	2004 S$'000
Quoted investments, at cost		
Equities	**117,210**	95,877
Bonds	**242,766**	162,471
	359,976	258,348
Allowance for diminution in value of quoted investments	**(4,142)**	(2,644)
	355,834	255,704
Bank balances	**13,217**	31,915
Accrued income	**2,388**	2,864
Due to brokers	**(16,917)**	(5,883)
	354,522	284,600

The funds under management are denominated in the following currencies:

United States Dollar	**281,363**	194,051
Euro	**31,824**	34,964
Japanese Yen	**14,908**	16,485
United Kingdom Pound	**11,982**	18,563
Others	**14,445**	20,537
	354,522	284,600
Total Short-Term Investments	**653,590**	473,639

(c) Total market/fair value of investments

	GROUP	
	2005 S$'000	2004 S$'000
Quoted – Equities	**237,229**	200,257
– Bonds	**465,694**	306,710
	702,923	506,967
Unquoted – Equities	**17,132**	–

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19. OTHER CREDITORS AND ACCRUED LIABILITIES

	GROUP		COMPANY	
	2005 **S$'000**	2004 S$'000	**2005** **S$'000**	2004 S$'000
Accrued operating expenses	**105,271**	109,058	**93,521**	92,981
Sundry creditors (non-trade)	**10,489**	16,855	**9,776**	9,642
Customers' deposits and credits	**4,550**	4,232	**4,237**	4,047
Amounts due to brokers	**8,994**	–	**–**	–
	129,304	130,145	107,534	106,670

20. CAPITAL AND OTHER COMMITMENTS

	GROUP		COMPANY	
	2005 **S$'000**	2004 S$'000	**2005** **S$'000**	2004 S$'000
Commitments for:				
(a) Capital expenditure:				
Authorised and contracted for	**18,193**	6,906	**17,878**	5,801
Authorised but not contracted for	**13,734**	32,509	**12,983**	20,459
(b) Equity investments	**21,374**	53,666	**–**	–
(c) Intangible asset – magazine title	**550**	–	**–**	–
(d) Non–cancellable operating leases payable:				
Within 1 year	**4,020**	4,112	**220**	165
Between 1 – 5 years	**14,051**	19,899	**76**	7
After 5 years	**151,467**	200,463	**–**	–
(e) Non–cancellable operating leases receivable:				
Within 1 year	**89,696**	80,177	**–**	–
Between 1 – 5 years	**97,796**	119,299	**–**	–
After 5 years	**314**	–	**–**	–
(f) Foreign currency forward contracts				
Notional due:				
Within 1 year	**210,813**	112,651	**15,962**	1,551
Positive fair value	**153**	507	**–**	11
Negative fair value	**2,895**	430	**48**	–
(g) Cross currency swap contracts				
Notional due:				
After 5 years	**7,052**	14,104	**–**	–
Positive fair value	**448**	793	**–**	–

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.

21. OPERATING REVENUE

	GROUP	
	2005 **S$'000**	2004 S$'000
Newspaper and Magazine		
Advertisements	**664,235**	624,448
Circulation	**204,810**	192,033
Others	**22,738**	16,721
	891,783	833,202
Broadcasting and Multimedia		
Advertisements	**15,365**	40,030
Broadcasting and multimedia services	**10,919**	14,271
	26,284	54,301
Property		
Rental and rental-related services	**89,445**	82,572
	1,007,512	970,075

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22. STAFF COSTS

	GROUP 2005 S$'000	GROUP 2004 S$'000
(a) Staff costs:		
Salaries, bonuses and other costs	**237,793**	237,091
Employers' contribution to defined contribution plans	**24,033**	25,278
	261,826	262,369
(b) Average number of employees	**3,563**	3,564

23. PROFIT FROM OPERATIONS

	GROUP 2005 S$'000	GROUP 2004 S$'000
Profit from operations is arrived at:		
After charging		
Audit fees:		
Company's auditors:		
Current year	**299**	299
Other auditors:		
Current year	**70**	24
Prior year	**(7)**	–
Non-audit fees[#]:		
Company's auditors:		
Current year	**198**	101
Prior year	**–**	1
Less: Amount capitalised as capital work-in-progress	**–**	(26)
	198	76
Key management's remuneration:		
Company's Directors	**1,824**	1,660
Director of a subsidiary	**147**	148
Other key management	**11,966**	10,321
Allowance for stocks	**311**	3,089
Rental expense – Operating lease	**4,737**	4,959
Net foreign exchange loss from operations	**2,231**	–
and after crediting		
Write-back of allowance for stocks	**–**	310
Net foreign exchange gain from operations	**–**	602

[#] *Non-audit fees are mainly for services relating to non-statutory audit/review assignments.*

24. FINANCE COSTS

	GROUP 2005 S$'000	GROUP 2004 S$'000
Interest on bank loans	**22,526**	24,203

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25. NET INCOME FROM INVESTMENTS

	GROUP	
	2005	2004
	S$'000	S$'000
Deposits interest	**1,820**	3,403
Interest from bonds	**10,140**	23,084
Dividend from equities *	**22,160**	190,624
Foreign exchange (loss)/gain	**(715)**	10,629
Profit on sale of investments:		
Short-term investments	**30,775**	15,083
Long-term investments ^	**145,094**	9,942
Other investment income #	**13,417**	1,005
	222,691	253,770
Accretion of discount on bonds	**2**	21
Amortisation of premium on bonds	**(89)**	(1,121)
Write-back/(Allowance) for diminution in value of investments:		
Quoted	**333**	545
Unquoted	**(1,890)**	(4,635)
	221,047	248,580
Income from funds under management [Note 25(a)]	**27,562**	9,437
	248,609	258,017

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

^ *Profit on sale of long-term investments during the financial year included gain of S$128.5 million on disposal of a substantial portion of the Group's interest in StarHub Limited.*

\# *Includes income of S$12.8 million arising from capital reduction exercise undertaken by an investee company.*

(a) Income from funds under management

	GROUP	
	2005	2004
	S$'000	S$'000
Interest on deposits and bonds	**10,719**	6,418
Profit on sale of investments	**23,334**	10,058
Dividend from quoted equities	**2,155**	2,131
Foreign exchange gain/(loss)	**1,979**	(3,019)
Expenses and fees	**(2,458)**	(1,893)
	35,729	13,695
Allowance for diminution in value of quoted investments	**(8,167)**	(4,258)
	27,562	9,437

26. EXCEPTIONAL ITEMS

	GROUP	
	2005	2004
	S$'000	S$'000
Charges arising from the merger of the Group's free-to-air television broadcasting and free newspaper business with MediaCorp Pte Ltd	**(25,857)**	–
Impairment loss on goodwill on acquisition of subsidiaries [Note 13(c)]	**(10,421)**	–
Impairment loss on goodwill on acquisition of an associate [Note 10(d)]	**(2,519)**	–
Impairment loss on interest in an associate	**(105)**	–
Gain on divestment of interests in certain subsidiaries and an associate following the restructuring of Blu Inc group of companies	**1,048**	–
Impairment loss on property, plant and equipment (Note 7)	**(688)**	(34,953)
Gain on sale of property	**–**	110,106
Write-down of current assets and provision for obligations arising from a review of broadcasting assets	**–**	(45,889)
Others	**–**	(587)
	(38,542)	28,677

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27. DIVIDENDS

	GROUP AND COMPANY	
	2005	2004
	S$'000	S$'000
Dividends paid:		
– Final dividend of 10 cents per S$0.20 share less tax at 20% in respect of previous financial year (2004: 50 cents per S$1 share less tax at 22%)	**127,059**	144,691
– Special final dividend of 11.25 cents per S$0.20 share less tax at 20% in respect of previous financial year (2004: 30 cents per S$1 share less tax at 22%)	**142,941**	86,814
– Interim dividend of 3.75 cents per S$0.20 share less tax at 20% (2004: 20 cents per S$1 share less tax at 20%)	**47,687**	59,487
– Special interim dividend of 5 cents per S$0.20 share less tax at 20% (2004: Nil)	**63,583**	–
	381,270	290,992

(a) The Directors have proposed a final net dividend for 2005 of 8.0 cents per S$0.20 share, and a special final net dividend of 7.8 cents per S$0.20 share, amounting to a total of S$251,285,000.

(b) 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, 2006 when they are approved at the next annual general meeting.

28. EARNINGS PER SHARE

	GROUP			
	2005		2004	
	S$'000		S$'000	
	Basic	**Diluted**	Basic	Diluted
Profit attributable to shareholders	**494,694**	**494,694**	546,282	546,282
	Number of Shares '000		Number of Shares '000	
Weighted average number of shares	**1,587,971**	**1,587,971**	1,786,830	1,786,830
Adjustment for assumed conversion of share options	**–**	**4,463**	–	1,987
Weighted average number of shares used to compute earnings per share	**1,587,971**	**1,592,434**	1,786,830	1,788,817
Earnings per S$0.20 share (S$)				
– before exceptional items	**0.34**	**0.33**	0.29	0.29
– after exceptional items	**0.31**	**0.31**	0.31	0.31

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29. SUBSIDIARIES

	Name of Subsidiary	Principal Activities	Country of Incorporation	Class of Shares	Cost of Investment 2005 S$'000	Cost of Investment 2004 S$'000	Effective % of Equity held by the Group 2005 %	Effective % of Equity held by the Group 2004 %
^	The Straits Times Press (1975) Limited	Holding investments	Singapore	Mgt	**334**	334	**100.00**	100.00
				Ord	**33,072**	33,072	**100.00**	100.00
^	SPH Magazines Pte Ltd	Publishing magazines	Singapore	Ord	*	*	**100.00**	100.00
^	Focus Publishing Ltd	Publishing magazines	Singapore	Mgt	*	*	**99.96**	99.96
				Ord	*	*	**100.00**	100.00
^	Singapore Press Holdings (Overseas) Limited	Servicing and holding investments	Singapore	Mgt	*	*	**99.98**	99.98
				Ord	*	*	**100.00**	100.00
	The Straits Times Press (London) Limited	Dormant	United Kingdom	Ord	*	*	**100.00**	100.00
^	Lianhe Publishing Pte Ltd	Publishing magazines	Singapore	Ord	*	*	**100.00**	51.00
^	Asia Century Publishing Pte Ltd	Publishing and distributing magazines	Singapore	Ord	*	*	**100.00**	51.00
^	SPH Data Services Pte Ltd	Licensing of copyrights & trademarks	Singapore	Ord	*	*	**100.00**	100.00
^	SPH (Americas) Pte Ltd	Provision of news reporting services	Singapore	Ord	*	*	**100.00**	100.00
	SPH Magazines (HK) Ltd	Publishing & distribution, provision of editorial services and holding investments	Hong Kong	Ord	*	–	**100.00**	–
^	TP Ventures Pte Ltd	Holding investments	Singapore	Ord	*	*	**100.00**	100.00
^	Blu Inc Publishing (S) Pte Ltd	Publishing & marketing of magazines & books	Singapore	Ord	*	–	**50.00**	–
^	Blu Inc Ventures Pte Ltd	Holding investments	Singapore	Ord	*	–	**95.00**	–
^	Blu Inc Media Pte Ltd	Publishing & marketing of magazines & books	Singapore	Ord	*	–	**95.00**	–
**	Blu Inc Holdings (S) Pte Ltd	Holding investments	Singapore	Ord	*	–	**100.00**	–
^^	Blu Inc Media Sdn Bhd	Publishing & distribution of magazines & books	Malaysia	Ord	*	–	**46.00**	–
x^^	Magazines World Sdn Bhd	Publishing of magazines, books and periodicals	Malaysia	Ord	*	*	**35.00**	–
^	Magazines Incorporated Pte Ltd	Publishing magazines & holding investments	Singapore	Ord	*	–	**95.00**	–
^^	MI Publishing Sdn Bhd	Media representative	Malaysia	Ord	*	–	**95.00**	–
^^	PT MI Magazines	Media representative	Indonesia	Ord	*	–	**95.00**	–
^^	MI Publishing (HK) Co Limited	Publishing magazines	Hong Kong	Ord	*	–	**95.00**	–
	Balance c/f				**33,406**	33,406		

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29. SUBSIDIARIES (CONT'D)

	Name of Subsidiary	Principal Activities	Country of Incorporation	Class of Shares	Cost of Investment 2005 S$'000	Cost of Investment 2004 S$'000	Effective % of Equity held by the Group 2005 %	Effective % of Equity held by the Group 2004 %
	Balance b/f				**33,406**	33,406		
	The Peak Magazines Pte Ltd	Dormant	Singapore	Ord	*****	–	**95.00**	–
	Media Incorporated Pte Ltd	Dormant	Singapore	Ord	*****	–	**95.00**	–
^	Media Investments Pte Ltd	Holding investments	Singapore	Ord	*****	–	**95.00**	–
^	MI Productions Pte Ltd	Production services	Singapore	Ord	*****	–	**95.00**	–
^^	Blu Inc Holdings (Malaysia) Sdn Bhd	Holding investments	Malaysia	Ord	*****	–	**50.00**	–
^	Blu Inc Singapore Pte Ltd	Publishing magazines & editorial services & holding investments	Singapore	Ord	*****	–	**95.00**	–
^	Blu Inc Overseas Pte Ltd	Publishing magazines, editorial services and holding investments	Singapore	Ord	*****	–	**50.00**	–
^ #	Tamil Murasu Pte Ltd	Publishing newspapers	Singapore	Ord	**855**	855	**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
^	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
^	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
	Crestville Investments Limited	Holding investments	British Virgin Islands	Ord	*****	*	**100.00**	100.00
	Futura Management Limited	Holding investments	Cook Islands	Ord	*****	*	**100.00**	100.00
	Morningvista Investments Limited	Dormant	British Virgin Islands	Ord	*****	*	**100.00**	100.00
^	Lianhe Investments Pte. Ltd.	Holding investments for dealing purposes	Singapore	Ord	**6,335**	6,335	**100.00**	100.00
^	SPH MultiMedia Private Limited	Holding investments	Singapore	Ord	**8,500**	8,500	**100.00**	100.00
	Balance c/f				**292,178**	292,178		

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August 31, 2005

29. SUBSIDIARIES (CONT'D)

	Name of Subsidiary	Principal Activities	Country of Incorporation	Class of Shares	Cost of Investment 2005 S$'000	Cost of Investment 2004 S$'000	Effective % of Equity held by the Group 2005 %	Effective % of Equity held by the Group 2004 %
	Balance b/f				**292,178**	292,178		
@	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
^^	New Beginnings Management Consulting (Shanghai) Company Limited	Business management and consultancy services	The People's Republic of China	Ord	**234**	234	**100.00**	100.00
^ ##	SPH AlphaOne Pte Ltd	Dormant	Singapore	Ord	*	*	**100.00**	100.00
	SPH MediaBoxOffice Pte Ltd	Provision of advertising services	Singapore	Ord	*	–	**100.00**	–
					476,812	476,812		

Notes:

1. ^ *Companies audited by PricewaterhouseCoopers, Singapore.*
2. @ *Companies audited by Ernst & Young, Singapore.*
3. ^^ *Companies audited by auditors other than PricewaterhouseCoopers, Singapore and Ernst & Young, Singapore.*
4. # *Previously known as Hipro Printing Pte Ltd.*
5. x *Following the restructuring of Blu Inc Group's media & publishing business during the year, Magazine World Sdn Bhd became a subsidiary of the Group.*
6. ## *Previously known as SPH Stop Press Pte Ltd.*
7. ** *Under liquidation.*
8. * *The shareholdings of these companies are held by subsidiaries of the Company.*

Notes to the Financial Statements

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30. ASSOCIATES

	Name of Associate	Principal Activities	Country of Incorporation	Class of Shares	Cost of Investment 2005 S$'000	Cost of Investment 2004 S$'000	Effective % of Equity held by the Group 2005 %	Effective % of Equity held by the Group 2004 %
	Held by the Company							
	MediaCorp TV Holdings Pte Ltd	Holding investment in subsidiaries which provide television broadcasting and content production services	Singapore	Ord	**10,000**	–	**20.00**	–
	MediaCorp Press Ltd	Publishing and distributing free newspaper	Singapore	Ord	**19,160**	–	**40.00**	–
@	Business Day Company Limited	Publishing newspapers	Thailand	Ord	**–**	2,980	**–**	24.97
	Held by Subsidiaries							
	American Bourses Corporation Pte Ltd	Development & maintenance of software and multimedia works; Business management and consultancy services	Singapore	Ord	**6,375**	6,375	**20.00**	20.00
	Citta Bella Sdn Bhd	Publishing and distributing magazines	Malaysia	Ord	**248**	248	**49.00**	24.99
	GMM Times Co Ltd	Publishing and distributing magazines	Thailand	Ord	**395**	395	**30.00**	30.00
*	Magazine World Sdn Bhd	Publishing and distributing magazines	Malaysia	Ord	**–**	42	**–**	30.00
	Shanghai YouHer Consultancy Limited	Consultancy services	The People's Republic of China	Ord	**573**	573	**50.00**	50.00
	UnionWorks Pte Ltd	Radio broadcaster	Singapore	Ord	**2,400**	1,900	**50.00**	50.00
	Traffic Corner Publishing Company Limited	Publishing and distributing magazines	Thailand	Ord	**4,032**	–	**49.00**	–
					43,183	12,513		

Notes:

1. @ *Business Day Company Limited ceased to be an associate following a series of capital restructuring exercises carried out by the company in the past and made known to the Group only during the financial year.*

2. * *Following the restructuring of Blu Inc Group's media & publishing business during the year, Magazine World Sdn Bhd became a subsidiary of the Group.*

Notes to the Financial Statements

August 31, 2005

31. JOINTLY CONTROLLED ENTITY

Name of Jointly Controlled Entity	Principal Activities	Country of Incorporation	Class of Shares	Cost of Investment 2005 S$'000	Cost of Investment 2004 S$'000	Effective % of Equity held by the Group 2005 %	Effective % of Equity held by the Group 2004 %
Held by Subsidiary							
Shanghai Blu Inc Ventures Consultancy Co Ltd	Consultancy services	The People's Republic of China	Ord	**–**	–	**47.50**	–

32. SEGMENTAL INFORMATION

2005	Newspaper and Magazine S$'000	Broadcasting and Multimedia S$'000	Treasury and Investment S$'000	Property S$'000	Eliminations S$'000	Consolidated S$'000
Operating revenue						
External sales	**891,783**	**26,284**	**–**	**89,445**	**–**	**1,007,512**
Inter–segmental sales	**1,985**	**95**	**–**	**2,141**	**(4,221)**	**–**
Total operating revenue	**893,768**	**26,379**	**–**	**91,586**	**(4,221)**	**1,007,512**
Result						
Segment result	**328,862**	**(14,843)**	**248,024**	**66,874**	**–**	**628,917**
Finance costs	**(51)**	**(440)**	**–**	**(22,035)**	**–**	**(22,526)**
Finance income	**169**	**–***	**–**	**310**	**–**	**479**
Share of profit less losses of associates/jointly controlled entity	**236**	**(3,826)**	**–**	**–**	**–**	**(3,590)**
Exceptional items	**(12,786)**	**(25,756)**	**–**	**–**	**–**	**(38,542)**
Profit/(loss) before taxation	**316,430**	**(44,865)**	**248,024**	**45,149**	**–**	**564,738**
Taxation						**(69,975)**
Profit after taxation						**494,763**
Minority interests						**(69)**
Profit attributable to shareholders						**494,694**
Other Information						
Segment assets	**678,902**	**13,844**	**803,274**	**1,098,903**	**–**	**2,594,923**
Interests in associates	**21,767**	**12,336**	**–**	**–**	**–**	**34,103**
Interests in jointly controlled entity	**33**	**–**	**–**	**–**	**–**	**33**
Consolidated total assets						**2,629,059**
Segment liabilities	**161,733**	**465**	**9,056**	**678,256**	**–**	**849,510**
Current taxation						**88,298**
Deferred taxation						**67,777**
Consolidated total liabilities						**1,005,585**
Capital expenditure	**15,093**	**487**	**–**	**13,245**	**–**	**28,825**
Depreciation	**49,497**	**336**	**–**	**467**	**–**	**50,300**
Amortisation	**552**	**–**	**–**	**–**	**–**	**552**
Impairment losses:						
– Goodwill on acquisition of subsidiaries (Note 13 & 26)	**10,421**	**–**	**–**	**–**	**–**	**10,421**
– Goodwill on acquisition of an associate (Note 10 & 26)	**2,519**	**–**	**–**	**–**	**–**	**2,519**
– Interest in an associate (Note 26)	**105**	**–**	**–**	**–**	**–**	**105**
– Property, plant and equipment (Note 7 & 26)	**688**	**–**	**–**	**–**	**–**	**688**

** Less than $500*

Notes to the Financial Statements

August 31, 2005

32. SEGMENTAL INFORMATION (CONT'D)

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
Operating revenue						
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
Result						
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
Other Information						
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
Consolidated total liabilities						1,112,243
Capital expenditure	31,628	1,183	–	6,396	–	39,207
Depreciation	45,360	5,798	–	527	–	51,685
Impairment loss:						
– Property, plant and equipment	15,542	19,411	–	–	–	34,953

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.

With the rationalisation of the Group's broadcasting business completed on December 31, 2004, the broadcasting segment would henceforth comprise mainly the Group's share of interest in MediaCorp TV Holdings Pte Ltd. The Treasury and Investment segment manages the investment activities of the Group. The Property segment holds and manages properties owned by the Group.

(b) ***Geographical segments***: The principal geographical area in which the Group operates is Singapore. The Group's overseas operations comprise mainly publishing and distributing magazines, holding overseas investments and the provision of marketing, editorial, art and graphical services overseas.

	Operating Revenue		Segment Assets		Capital Expenditure	
	2005 S$'000	2004 S$'000	**2005 S$'000**	2004 S$'000	**2005 S$'000**	2004 S$'000
Singapore	**993,896**	970,075	**2,613,322**	2,583,798	**28,029**	39,145
Other Countries	**13,616**	–	**15,737**	8,082	**796**	62
	1,007,512	970,075	**2,629,059**	2,591,880	**28,825**	39,207

Notes to the Financial Statements

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33. 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:

(a) long-term investments in investees other than subsidiaries and associates,

(b) non-current loans payable,

(c) non-current receivables from and payables to subsidiaries and associates,

(d) other non-current receivables,

(e) current assets other than stocks and prepayments,

(f) current liabilities other than provision for taxation,

(g) amounts owing by/to subsidiaries and associates.

The financial assets and liabilities of the Group are predominantly denominated in Singapore Dollars, except for the investment funds under management. The fair values of the 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.

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 mainly investments in venture capital companies.

34. RECLASSIFICATION

The comparative figures of the amounts owing by/to subsidiaries and loans to subsidiaries, which were previously included in interests in subsidiaries, have been reclassified and shown separately on the balance sheet. The reclassification was made to conform with current year's presentation. The comparative amounts reclassified out of interest in subsidiaries are as follows:

	COMPANY 2004 S$'000
Interests in subsidiaries as reported on August 31, 2004	1,009,749
Reclassified to "Amount owing by subsidiaries"	(796,146)
Reclassified to "Amount owing to subsidiaries"	173,209
Adjusted balance	386,812

35. AUTHORISATION OF FINANCIAL STATEMENTS

On October 11, 2005, the Board of Directors of Singapore Press Holdings Limited authorised these financial statements for issue.