Singapore Press Holdings Limited (SPH) is the leading media group in Singapore, offering up-to-the-minute news and infotainment across multiple delivery platforms to a growing regional and international audience.

It publishes 13 newspapers in the four official languages and more than 80 magazine titles. Everyday, 2.8 million individuals, or 88% of the population above 15 years old, read at least one SPH publication, while online editions of its six main dailies enjoy an estimated 300 million pageviews a month.

With some 1,000 journalists and 16 overseas bureaus in major cities around the world, especially Asia, SPH provides comprehensive, in-depth and insightful coverage of local, regional and world news.

The English daily, The Straits Times, and Chinese daily Lianhe Zaobao, are the flagship newspapers of SPH. The other two dailies, Berita Harian and Tamil Murasu, are staples for the Malay-speaking and Tamil-speaking communities respectively. The four major newspapers, together with The New Paper, an afternoon tabloid, and The Business Times, the leading financial daily in Singapore, also provide fully integrated online news on the portal AsiaOne.

SPH Magazines, a wholly-owned subsidiary of SPH, publishes best-selling and award-winning magazines such as Her World, Home & Décor and Young Parents.

SPH owns a 20% stake in a unit of a terrestrial TV station that operates three free-to-air channels, and a 40% stake in a free newspaper. In addition, the Group runs two radio stations in a joint venture with NTUC Media. The Company also holds an 80% stake in subsidiary SPH MediaBoxOffice, its new outdoor advertising entity.

Listed on the mainboard of the Singapore Exchange, SPH is an active corporate citizen and supports a wide range of community and charitable causes, ranging from education, arts and culture, to wildlife conservation and sports.
2.8
million Readers

SPH publishes 13 newspapers, with 2.8 million readers or 88 per cent of the Singapore population above 15 years old reading at least one SPH publication.
SPH provides news, lifestyle and service portals which command up to 300 million pageviews per month, supported by a 5 million-strong unique audience.

More than 80 Magazines

SPH Magazines has more than 80 titles in its stable, including popular titles Female, Nuyou, Seventeen, Men’s Health, Peak, and Eat!, on top of its established best-selling magazines such as Her World, Shape, Young Parents, and Home & Decor.
AsiaOne.com
SPH’s major newspapers also come in online editions, leveraging on electronic technology to deliver the latest news and information through AsiaOne, which is managed by SPH’s Internet Business Unit.
16 Overseas Bureaus

With some 1,000 journalists and 16 overseas bureaus in major cities in the world, especially in Asia, SPH’s newspapers provide comprehensive, in-depth and insightful coverage of local, regional and world news.

Women’s Titles

SPH Magazines boast some of the biggest women’s titles in the magazine market including Her World, Citta Bella, Female and Nuyou.
Top Corporate Donor

SPH was honoured as the top corporate giver in Singapore by the National Volunteer and Philanthropy Centre (NVPC) with a record $4.3 million in donations and sponsorships to the community in 2004.

Top Arts Patron

Contributing significantly to the local arts scene through key sponsorship events such as Singapore Writers Festival and Chinese Cultural Festival, SPH has been the recipient of the Distinguished Patron of the Arts Award every year since 1993.
SPH spearheaded a nine-day donation drive during the tsunami crisis and collected $8 million in funds for the Singapore Red Cross, including a cash donation of $200,000 from SPH, and another donation of over $55,000 from its staff.
There was much to celebrate in the financial year ended August 31, 2005.

The Straits Times turned 160 years old, and we celebrated this remarkable milestone with our readers, customers and business associates, for whom our English flagship daily has become a part of their lives. While the paper’s long and rich heritage was in itself reason to celebrate, we did so while dedicating ourselves to tackling the challenges that lie ahead of us.

As a media group, we stayed focused and strengthened our core newspaper and magazine business. At the same time, the Group extended its footprint in the region, which now includes Malaysia, Indonesia, Thailand and China.

Our newspapers and magazines pressed on with efforts to provide quality content to an increasingly demanding and discerning audience. The emphasis was on creating or adding value for readers and business partners – both local and overseas.

Amid the more challenging media landscape, we ventured into a new advertising platform – outdoor advertising.

By leveraging on our brand name, marketing strength and experience, advertisers will be offered more integrated options to choose from, across strong multiple platforms.

Taking into account the operating environment, we performed credibly for the year ended August 31, 2005. Profit from operations was up 12.7 per cent, boosted by cost savings from the merger of our broadcasting operations, and improvement from the property sector.

And we achieved this with enhanced support to the community. For this, SPH was recognized as the top corporate giver in Singapore.

These have been good reasons to celebrate FY2005. With our resolve to continue to grow as a media group, we believe we are well-positioned for the new fiscal year.

CORPORATE HIGHLIGHTS FOR FY2005

BUSINESS PERFORMANCE

Group operating revenue grew 3.9 per cent to $1,007.5 million. This came mainly from the core newspaper and magazine operations which rose 7.0 per cent to $891.8 million, and the property segment which brought in $89.4 million, an increase of 8.3 per cent.

Profit from operations was up 12.7 per cent to $380.8 million compared to $337.9 million in the previous year. Including gains from the disposal of a substantial portion of the Group’s interest in StarHub ($128.5 million) this year, net profit was $494.7 million compared to $546.3 million a year ago. The latter included exceptional gains from the disposal of stakes in Belgacom ($170.5 million) and the sale of Times House ($110.1 million).

NEWSPAPER AND MAGAZINE

Print advertising rose 6.4 per cent to $664.2 million on the back of improved business sentiment and contribution from the Blu Inc media and publishing business that was acquired by SPH Magazines in September 2004. Display advertising was 0.4 per cent up while classified and recruitment advertising grew 5.3 per cent bolstered by a pick-up in the job market.

Excluding the effect of the cessation of our free newspaper Streats which took place after the completion of the merger with Today on December 31, 2004, display advertising rose 4.4 per cent while classified and recruitment advertising was 5.4 per cent up.

Circulation revenue of $204.8 million after absorption of

“We stayed focused and strengthened our core newspaper and magazine business. At the same time, the Group extended its footprint in the region, which now includes Malaysia, Indonesia, Thailand and China.”
$9.8 million in GST, was 6.7 per cent higher than last year. Average daily circulation of our newspapers for the year dropped by 1.3 per cent in aggregate but five titles registered increases.

To stay relevant and create more value for readers, we continued to invest in our newspapers and magazines, several of which underwent major revamps to beef up their content and design. Our journalists and photographers continued to provide outstanding news and features, giving our publications a sharp competitive edge. Our newspapers also introduced various initiatives to attract young readers, with new weeklies such as IN for secondary school students, and Little Red Dot for primary school pupils by The Straits Times, and Popcorn by Lianhe Zaobao targeted at teenagers.

For our attention to quality journalism, the Group’s newspapers and magazines won more than 30 prestigious awards for editorial excellence, outstanding design, effective marketing and quality printing from our peers in the international media community.

INVESTMENT INCOME
Group investment income at $248.6 million, included $128.5 million from the disposal of a substantial portion of our interest in StarHub. This was $9.4 million lower than the $258.0 million a year ago, which included $170.5 million income on disposal of the Group’s indirect interest in Belgacom. Excluding the one-time gain on StarHub and Belgacom, group investment income would have been $32.5 million better than last year. The overall return on the Group’s portfolio investment was 10.5 per cent, better than the annual average of 6.9 per cent achieved in the last 4 years, including FY2005.

The Group’s share of losses from associates was $3.6 million, mainly due to the loss of $3.8 million from our share in MediaCorp TV Holdings, partially offset by share of profit of $1.5 million from MediaCorp Press.

PROPERTY
Revenue from our property segment went up 8.3 per cent to $89.4 million. We expect the amalgamated Paragon, which enjoys 100 per cent occupancy in its retail space, to continue to yield more than 10 per cent return on equity per annum.

Other property assets, including the Times Industrial Building site, will be divested at the appropriate time to maximise shareholder value.

LOWER OPERATING EXPENSES
Operating expenses fell 1.2 per cent to $635.4 million, due largely to cost savings following the cessation of TV broadcasting operations. But these were partially negated by higher newsprint costs, higher headcount arising from the acquisition of Blu Inc’s media and publishing business and continued expansion of the Group’s magazine business, and annual salary increment. The Group’s headcount fell to 3,443 at end of August 2005 from 3,591 a year ago.

EXPANDING OUR REGIONAL FOOTPRINT
We expanded our footprint in the region through investments in the magazine segment, and ventured into outdoor advertising.

After launching its best-selling flagship title, Her World, in Indonesia, Malaysia, China and Thailand, SPH Magazines further entrenched its position as a leading regional magazine publisher with investments in Traffic Corner Publishing in Thailand, and the acquisition of Blu Inc’s stable of titles.

We capped an exciting and eventful year with our foray into outdoor advertising when we invested in SPH MediaBoxOffice. This new venture will enhance SPH’s position as the leading media company in the region, as this sector is projected to grow at about 8 per cent per annum in Singapore for the next 3 to 5 years.

TV MERGER STEMS LOSSES
We completed the merger of our broadcasting subsidiary
with MediaCorp, a move which stemmed losses and led to improved results for the Group.

We continue to maintain a presence in the free-to-air television business through a 20 per cent share in MediaCorp TV Holdings Pte Ltd. And although we ceased to publish our own free newspaper Streets, we have a 40 per cent stake in MediaCorp Press Pte Ltd, which publishes Today.

CORPORATE GOVERNANCE AND TRANSPARENCY
As part of the Company’s efforts to enhance its corporate governance and promote business integrity, we adopted a strengthened Code of Employee Conduct and Business Ethics. It is timely as we expand overseas into new business areas, and this demonstrates to our stakeholders and regulators that we are serious about good governance and risk management.

We have adopted the policies and best practices as set out in the Code of Corporate Governance, and complied with Singapore Exchange requirements.

DIVIDENDS
Continuing our good track record of rewarding loyal shareholders, the Board has recommended that a net final dividend of 15.8 cents per share, comprising a net normal dividend of 8.0 cents per share and a net special dividend of 7.8 cents per share be paid after approval has been obtained at the coming Annual General Meeting. Together with the interim dividend paid during the year, the total net payout of 22.8 cents represents a yield of over 5 per cent for the financial year 2005.

OUTLOOK
The Group’s newspaper advertising revenue is expected to grow in tandem with the improving Singapore economy. However, there are concerns over global economic factors such as the continued pressure on oil prices and interest rate hikes. We expect the year ahead to be a challenging one. But we will continue to leverage on our brand name, resources, and strategic alliances, to grow value for our stakeholders.

ACKNOWLEDGEMENTS
Our heartfelt thanks must go to Mr Lim Kim San who will be stepping down as our Senior Advisor later this year. No words can do justice to what he has done for the Company over the past 17 years. He will be missed. We would like to express our appreciation to the Board for providing strategic guidance and governance oversight to SPH. In particular, we want to thank the last two founding Board members who retired this year – Dr Michael Fam and Mr Tang I-Fang – for their unstinting contributions and distinguished service to the Board.

We must also thank the management and staff for their commitment and dedication to creating value for the company. Three senior management executives who stepped down this year deserve special mention for their years of loyal service – Mr Tham Khai Wor, Senior EVP of Marketing, Mrs Sng Ngoi May, EVP of Corporate Services and Corporate Relations, and Mrs Joyce Chee, head of Internal Audit.

And to our shareholders, readers, advertisers, vendors, unions and business associates, thank you for the confidence and trust you have placed in us, and for your valued and sustained support.

A SPECIAL WORD FROM THE CHAIRMAN
It was over four years ago that I accepted the invitation to sit on the Board of SPH, and the time I have spent here ranks among the most satisfying and challenging I’ve ever had in my corporate career. We had to deal with the 9-11 attacks, Sars, and the merger of our TV and free newspaper operations. Despite our best efforts, some jobs were lost and this will always weigh on the hearts and minds of the Board.

But we managed to ride the storms, and the Group stayed profitable throughout. For this I must thank our staff – our most valuable asset – who hunkered down and persevered through the trying times. They are among the biggest sources of pride and satisfaction to me at SPH. I must thank our shareholders as well, for their patience and understanding as we sought to maintain the highest returns during the downturns we experienced. It would not have been possible without your help and understanding.

The Group is now exploring new ways to bring content to our readers, especially via the Internet and wireless technology, as well as more platforms for advertisers. We have moved into overseas magazine ventures and outdoor advertising.

The Group will have new leadership with Dr Tony Tan as its new Chairman. Dr Tan’s wealth of experience, stature and contacts will be a definite boost to SPH in a fast changing and evolving media industry. All this bodes well for the future of SPH. I know I will retire with the Company in very capable hands.
# Group Financial Highlights

*for the year ended August 31, 2005*

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S$’000</td>
<td>S$’000</td>
<td>%</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>1,007,512</td>
<td>970,075</td>
<td>3.9</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>380,787</td>
<td>337,949</td>
<td>12.7</td>
</tr>
<tr>
<td>Profit before exceptional items</td>
<td>603,280</td>
<td>571,514</td>
<td>5.6</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>564,738</td>
<td>600,191</td>
<td>(5.9)</td>
</tr>
<tr>
<td>Profit after taxation</td>
<td>494,763</td>
<td>546,277</td>
<td>(9.4)</td>
</tr>
<tr>
<td>Minority interests</td>
<td>(69)</td>
<td>5</td>
<td>NM</td>
</tr>
<tr>
<td>Profit attributable to shareholders</td>
<td>494,694</td>
<td>546,282</td>
<td>(9.4)</td>
</tr>
<tr>
<td>Shareholders’ interests</td>
<td>1,621,203</td>
<td>1,479,119</td>
<td>9.6</td>
</tr>
<tr>
<td>Total assets</td>
<td>2,629,059</td>
<td>2,591,880</td>
<td>1.4</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,005,585</td>
<td>1,112,243</td>
<td>(9.6)</td>
</tr>
<tr>
<td>Minority interests</td>
<td>2,271</td>
<td>518</td>
<td>338.4</td>
</tr>
<tr>
<td>Dividends declared for the financial year (net)</td>
<td>362,555</td>
<td>329,487</td>
<td>10.0</td>
</tr>
<tr>
<td>Profitability ratios</td>
<td></td>
<td>%</td>
<td>% points</td>
</tr>
<tr>
<td>Operating margin</td>
<td>37.8</td>
<td>34.8</td>
<td>3.0</td>
</tr>
<tr>
<td>Return on operating revenue</td>
<td>49.1</td>
<td>56.3</td>
<td>(7.2)</td>
</tr>
<tr>
<td>Return on shareholders’ funds</td>
<td>30.5</td>
<td>36.9</td>
<td>(6.4)</td>
</tr>
<tr>
<td>Per share data</td>
<td></td>
<td>%</td>
<td>% points</td>
</tr>
<tr>
<td>Net assets (S$)</td>
<td>1.02</td>
<td>0.93</td>
<td>9.7</td>
</tr>
<tr>
<td>Profit before taxation (S$)</td>
<td>0.36</td>
<td>0.38</td>
<td>(5.3)</td>
</tr>
<tr>
<td>Profit attributable to shareholders (S$)</td>
<td>0.31</td>
<td>0.35</td>
<td>(11.4)</td>
</tr>
<tr>
<td>Gross dividends declared for the financial year (cents)</td>
<td>28.50*</td>
<td>25.25</td>
<td>12.9</td>
</tr>
<tr>
<td>Dividend cover for the financial year (times)</td>
<td>1.4</td>
<td>1.7</td>
<td>(17.6)</td>
</tr>
<tr>
<td>Value added</td>
<td></td>
<td>S$</td>
<td>S$</td>
</tr>
<tr>
<td>Per employee</td>
<td>201,599</td>
<td>189,708</td>
<td>6.3</td>
</tr>
<tr>
<td>Per $ employment costs</td>
<td>2.66</td>
<td>2.49</td>
<td>6.8</td>
</tr>
<tr>
<td>Per $ investment in property, plant and equipment (before depreciation)</td>
<td>0.69</td>
<td>0.63</td>
<td>9.5</td>
</tr>
<tr>
<td>Per $ operating revenue</td>
<td>0.71</td>
<td>0.70</td>
<td>1.4</td>
</tr>
</tbody>
</table>

* Included one-tier tax exempt final dividend grossed up at 20% to facilitate comparison with previous year. The proposed net final dividend of 15.8 cents per share, comprising a net normal dividend of 8.0 cents per share and a net special dividend of 7.8 cents per share is subject to approval by shareholders at the Annual General Meeting on December 2, 2005.
### Group Financial Highlights Chart

for the year ended August 31, 2005

<table>
<thead>
<tr>
<th>(S$'000)</th>
<th>FY 2005</th>
<th>FY 2004</th>
</tr>
</thead>
<tbody>
<tr>
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<td>2,629,059</td>
<td>2,591,880</td>
</tr>
</tbody>
</table>
Board of Directors

LIM CHIN BENG
Mr Lim joined the Board on 1 October 2001 and was appointed Chairman of SPH on 13 December 2002. He is also Chairman of The Ascott Group Ltd. He is director of CapitaLand Ltd, StarHub Ltd, companies in the Pontiac Land Group, and Singapore Press Holdings Foundation Ltd.

He was formerly the Managing Director and Deputy Chairman of Singapore Airlines Ltd, Director of Singapore Technologies Engineering Ltd and Singapore Technologies Aerospace Ltd, Chairman of Valuair Limited, Asian Aerospace Pte Ltd and the Singapore Tourist Promotion Board, and Singapore's ambassador to Japan.

Mr Lim graduated from the University of Malaya (Singapore) in Economics, and Harvard Business School’s Advanced Management Program.

CHAM TAO SOON
Prof Cham was appointed Deputy Chairman of SPH on 1 March 2004. He has spent more than 30 years in academia and currently is a Distinguished Professor of Nanyang Technological University.

He is also the Chairman of NatSteel, a director of United Overseas Bank Ltd, WBL Corporation Ltd, Robinson & Co. Ltd and TPA Strategic Holdings Ltd. In addition, he serves as a board member of Land Transport Authority, a member of the Council of Presidential Advisers, Chairman of the Singapore Symphonia Co Ltd and as director of Singapore International Foundation, Singapore-China Foundation Ltd and Chairman of Nanyang Fine Arts Foundation Ltd and NAFA International Pte Ltd.

Prof Cham holds a Bachelor of Engineering (Civil, Hons) from the University of Malaya, a Bachelor of Science (Mathematics, Hons) from the University of London and a Doctorate of Philosophy (Fluid Mechanics), from Cambridge University.

ALAN CHAN HENG LOON
Mr Chan was appointed a director and Group President of SPH on 1 July 2002 and became its Chief Executive Officer on 1 January 2003. He is also a director of Singapore Power Ltd, and Chairman of SP PowerAssets Limited. He also sits on the boards of MediaCorp Press Ltd and MediaCorp TV Holdings Pte Ltd. He is a member of the INSEAD Singapore Council, the Board of Trustees, Courage Fund and the Board of Governors of The Singapore-China Foundation.

He has more than 24 years’ experience in the civil service, spanning the Civil Aviation Department, Ministries of Home Affairs, Defence, Foreign Affairs and the Prime Minister’s Office. Prior to joining SPH, he was the Permanent Secretary, Ministry of Transport. He was also a Director of DBS Group Holdings Ltd, PSA Corporation Ltd and StarHub Pte Ltd.

Mr Chan is a President Scholar and has been awarded the Public Service Medals (Gold and Silver). He graduated from the Ecole Nationale de l’Aviation Civile, France and holds an MBA (with distinction) from INSEAD, France.
TONY TAN KENG YAM
Dr Tan joined the SPH Board as Director on 5 September 2005. He is the Deputy Chairman and Executive Director of the Government of Singapore Investment Corporation Pte Ltd. He serves as the Chairman of the National Research Foundation, Deputy Chairman of the Research, Innovation and Enterprise Council, and Chairman of the Ministry of Education’s International Academic Advisory Panel. He is a Member of Parliament for Sembawang Group Representation Constituency.

Dr Tan was the Deputy Prime Minister and Co-ordinating Minister for Security & Defence before he stepped down from the Cabinet on 1 September 2005. He has helmed the Finance, Trade & Industry, Education and Defence ministries. He stepped down from the Cabinet in 1991 to return to the private sector as the Chairman and Chief Executive Officer of Oversea-Chinese Banking Corporation, before rejoining the Cabinet in 1995.

Dr Tan is a Singapore Government State Scholar with a First Class Honours in Physics from the University of Singapore, an Asia Foundation Scholar with a Master of Science (Operations Research) from the Massachusetts Institute of Technology, and a Research Scholar with a PhD in Applied Mathematics from the University of Adelaide. He was a lecturer in Mathematics in the University of Singapore before joining the Oversea-Chinese Banking Corporation in 1978.

WILLIE CHENG JUE HIANG
Mr Cheng was appointed a director of SPH on 1 March 2004. He is a director of Neptune Orient Lines Limited, NTUC Fairprice Cooperative Ltd, SPRING Singapore and the Accounting & Corporate Regulatory Authority. He is also Chairman of the Singapore Science Centre and the Jurong Country Club.

Mr Cheng holds a Bachelor of Accountancy (First Class Honours) from the University of Singapore. He is a CPA. He is also a fellow of the Singapore Institute of Directors and the Singapore Computer Society.

CHEONG CHOONG KONG
Dr Cheong was appointed a director on 1 March 1997. He is also the Chairman of Oversea-Chinese Banking Corporation Ltd, Great Eastern Holdings Ltd, The Great Eastern Life Assurance Co Ltd, United Eagle Airlines Co Ltd and the Overseas Assurance Corporation Ltd. He was previously the Deputy Chairman and Chief Executive Officer of Singapore Airlines Ltd.

He holds a Bachelor of Science with First Class Honours in Mathematics from the University of Adelaide, a Master of Science and a PhD in Mathematics from the Australian National University in Canberra. He was Associate Professor and Head of the Mathematics Department at the University of Malaya before joining Singapore Airlines in 1974.

He was named outstanding Chief Executive in 1996 and Fortune magazine’s 1998 Asia’s Businessman of the Year.
Board of Directors
(Cont’d)

LEE EK TIENG
Mr Lee was appointed a director on 15 March 2001. He is the Group Managing Director of the Government of Singapore Investment Corporation Pte Ltd and a director of Fraser & Neave Ltd. He is also a member of the Temasek Advisory Panel, the Lee Kuan Yew Exchange Fellowship and a director of the Lee Kuan Yew Scholarship Fund.

He was previously Chairman of the Public Utilities Board and Temasek Holdings Pte Ltd, Head of Civil Service and Permanent Secretary (Special Duties) in the Prime Minister’s Office, as well as Deputy Chairman of the Monetary Authority of Singapore.

Mr Lee holds a Bachelor’s Degree in Engineering from the University of Malaya (Singapore) and has a Diploma in Public Health Engineering from the University of Newcastle-Upon-Tyne (UK). He is a member and Fellow of various professional engineering bodies in Singapore and overseas.

NGIAM TONG DOW
Mr Ngiam was appointed to the Board on 15 March 2001. He is the Chairman of Surbana Corporation Pte Ltd and a director of United Overseas Bank Ltd, Far Eastern Bank Ltd, Yeo Hiap Seng Ltd, Majulah Connection Ltd and International Medical Insurances Pte Ltd.

He was formerly a director of Temasek Holdings (Pte) Ltd, Overseas Union Bank Ltd, Development Bank of Singapore Ltd and Singapore Airlines Ltd.

Mr Ngiam has a distinguished public service career, having served as Chairman of the Housing & Development Board, Central Provident Fund Board, Economic Development Board, Telecommunications Authority of Singapore, and Deputy Chairman of the Board of Commissioners of Currency. He was also Permanent Secretary of the Prime Minister’s Office, the Ministries of Finance, Trade & Industry, National Development, and Communications.

Mr Ngiam holds a Bachelor of Arts (First Class Honors) in Economics from the University of Malaya (Singapore) and Master of Public Administration from Harvard University.

PHILIP N PILLAI
Dr Pillai was appointed a director on 5 December 2003. He is a Senior Partner in the law firm of Shook Lin & Bok, Singapore. He is currently a director of the Monetary Authority of Singapore, Singapore Technologies Engineering Ltd, Singapore Technologies Electronics Ltd, Hotung Investment Holdings Limited, Slab Services Private Limited and PT Agro Indomas.

He also serves as a member of the Board of Governors, Singapore International Foundation, and the Chairman of the Haggai Institute International Board of Trustees, Atlanta.

Dr Pillai holds an LLB First Class Hons (Singapore), LLM (Harvard) and SJD (Harvard).

SUM SOON LIM
Mr Sum was appointed to the Board on 5 December 2003. He
is currently a corporate advisor to Temasek Holdings Pte Ltd.

Mr Sum also sits on the boards of Chartered Semiconductor Manufacturing Ltd, GreenDot Capital Pte Ltd, Singapore Health Services Pte Ltd, and Singapore Technologies Telemedia Pte Ltd. He is also a Commissioner of P.T. Indosat Tbk and a member of the Securities Industry Council.

Mr Sum has worked with the Singapore Economic Development Board, DBS Bank, J.P. Morgan Inc., Overseas Union Bank, Singapore Technologies and Nuri Holdings (S) Pte Ltd, a private investment holding company.

Mr Sum received a B. Sc. (Honors) in Production Engineering from the University of Nottingham, England.

**YEONG HONG**

Dr Yeo was appointed to the Board on 15 March 2001. He is an Advisor to Far East Organisation and a member of the Keppel Technology Advisory Board. He also serves on several businesses, sports and civic organizations, including the Singapore-US Business Council, Singapore Totalisator Board, Singapore Symphony Orchestra Trust, SEA Games Federation and Singapore National Olympic Council.

Dr Yeo is a former Cabinet Minister and has served in the Ministry of Defence and Ministry of Communications and Information. He was previously the Chairman of PSA Corporation Ltd, Executive Chairman of the Singapore Technologies Group of Companies, as well as a director of DBS Bank Ltd and DBS Group Holdings Ltd.

Dr Yeo holds a MSc, Singapore and a Doctorate in Philosophy, Cambridge University. He also has a distinguished academic record, having been conferred several awards and honorary positions in Singapore and overseas.

**LIM KIM SAN**

Mr Lim was appointed Senior Advisor on 1 January 2003, upon stepping down as Executive Chairman after 14 years at the helm of the Group. He is responsible for the current organisational and management structure of the Group, having transformed it into a multi-platform media organisation.

He is also Chairman of Times Publishing Ltd and Singapore Press Holdings Foundation Ltd.

Prior to joining the Group, Mr Lim served as Cabinet Minister in ministries as diverse as National Development, Finance, Defence, Education, Environment and Communications. He was also Chairman of Housing & Development Board, Public Utilities Board, Port of Singapore Authority and Managing Director of Monetary Authority of Singapore. He started his career as a banker and industrialist.

Mr Lim has received several national honours, including the Order of Temasek, NTUC Medal of Honour, PAP Distinguished Service Medal and the prestigious Ramon Magsaysay Award for community leadership. He was conferred an Honorary Degree of Doctor of Laws, National University of Singapore.
Senior Management

CHEONG YIP SENG
Editor-in-Chief, English/Malay Newspapers Division
Mr Cheong has been in journalism for over 40 years.

In January 1987, he became Editor-in-Chief of the English and Malay Newspapers Division, a position he holds today. As Editor-in-Chief, he manages four newspapers – The Straits Times, The Business Times, Berita Harian and The New Paper.

He is a non-executive director of SBS Transit Ltd. In 1997, Mr Cheong received the ASEAN Award for Information. He also serves on the National University of Singapore Council.

ROBIN HU YEE CHENG
Executive Vice President, Chinese Newspapers Division & Newspaper Services Division
Mr Hu joined the SPH Group as Executive Vice President, Chinese Newspapers Division and Newspaper Services Division on February 1, 2004. Before joining SPH, Mr Hu was Managing Director of global business in SingTel’s wholly-owned National Computer Systems Pte Ltd.

Mr Hu has extensive experience in the public and private sectors in areas such as technology and media. Between 1995 to 2001, he spent six years working in China initially as a member of the Economic Development Board’s pioneering team in Suzhou and later as Counsellor (Industry and Investment) in the Singapore Embassy in Beijing before becoming a technopreneur during the heydays of the dotcom era.

LESLIE FONG YIN LEONG
Executive Vice President, Marketing
Mr Fong was born in Singapore in early 1949. He went to Trafalgar Primary School and then Raffles Institution. After obtaining his Higher School Certificate, family circumstances made it necessary for him to start working life.

Mr Fong joined The Straits Times in August 1969 and has stayed with the company ever since. Between 1983 and 1986, he was seconded to Shin Min Daily News, where he became its de-facto chief editor. He became Editor of The Straits Times in 1987 at the age of 37.

He handed over editorship to Han Fook Kwang in September 2002 and became Editor-at-Large with special responsibilities for China. On April 1, 2005, he took over as head of SPH’s Marketing Division.

LOW HUAN PING
Executive Vice President, Technology
Mr Low is the Executive Vice President, Technology. He has been with the Group for 19 years. Previously, he was Chief Executive Officer of SPH AsiaOne Ltd, a subsidiary of SPH, Chairman of CyberWay Pte Ltd and a director of Singapore Cable Vision Limited.

Mr Low started his career at the Ministry of Defence, where he subsequently headed various IT departments.

Mr Low holds a Bachelor of Arts (Honours) and Master of Arts from Cambridge University,
where he read Engineering and a Master of Science from the University of Singapore. He also graduated from Harvard’s Business School Advanced Management Programme.

**WEE LEONG HOW**

Executive Vice President, Human Resources

Mr Wee has been with the Group for 21 years, and is currently the Executive Vice President of Human Resources. Mr Wee started his career in the Singapore Civil Service, first as an engineer in the Ministry of Defence followed by a stint in the Foreign Service.

Mr Wee holds a Master of Arts from Cambridge University, where he read Engineering under a Singapore Government scholarship. He also has a Master of Business Administration from the National University of Singapore.

**SEOW CHOKE MENG**

Executive Vice President, Administration Division Cum Cultural Industry Promotion, Chinese Newspapers Division

Mr Seow has been with the newspaper group for the last 25 years after spending 5 years in the airline industry.

He has held various positions, as Administration/Purchasing Manager of Sin Chew Jit Poh and General Manager, Human Resource Operations of SPH. Since 1991, he assumed his role as General Manager, Circulation, Newspaper Services Division, cum General Manager of Chinese Newspapers Editorial Services Department.

Mr Seow is currently Executive Vice President of Administration Division and Cultural Industry Promotion of Chinese Newspapers. Apart from serving in grassroot organisations and several charitable institutions, he also serves as a Council member of the National Arts Council and Promote Mandarin Council.

Mr Seow graduated from the University of Singapore with a Bachelor of Science, Honours degree.

**MICHAEL CHIN YONG KOK**

Executive Vice President, Corporate Development & Properties

Mr Chin has been with the Group for 14 years. He is Executive Vice President of the Corporate Development Division and Properties. He started his career with SPH in Corporate Planning Business Development Department, and then moved to the Properties Department. He also held concurrent positions in Production and Human Resources Divisions.

Prior to joining SPH, Mr Chin was an engineer in the Public Works Department and a senior manager at Coopers & Lybrand Management Consultants. He holds a Bachelor of Science, First Class Honours, University of Manchester, a Master of Science, University of Manchester and Master of Business Administration from the National University of Singapore.

**ARTHUR SEET KEONG HOE**

Executive Vice President, Special Duties

Mr Seet is the Executive Vice President of Special Duties. He was previously the Executive Vice President of Finance of SPH. He held various finance positions in Times Publishing Berhad and
Senior Management
(Cont’d)

in Singapore Newspaper Services Pte Ltd, including Financial Controller and General Manager, Circulation. Mr Seet has been with the Group for over 30 years. Mr Seet is a director of MobileOne Ltd.

TONY MALLEK
Senior Vice President, Finance
Mr Mallek joined SPH Group as Senior Vice President, Finance in June 2003. Prior to this, he was General Manager, Finance for Intraco Ltd. Originally from Hong Kong, he started his career in 1978 in the UK and has been with various US multinationals until 1991 when he was posted to Singapore.

His Singapore experience has mainly been in the healthcare industry, including general manager positions in finance and business development for Parkway Holdings Ltd.

Mr Mallek holds a Bachelor of Technology (Hons), Operations Management from Bradford University and is a Fellow of the Chartered Institute of Management Accountants.

GINNEY LIM
Senior Vice President, Legal, Corporate Relations and Group Company Secretary
Ms Lim is Senior Vice President, Legal, Corporate Relations and Group Company Secretary of Singapore Press Holdings Limited. She is also the General Manager of Singapore Press Holdings Foundation Limited (formerly known as Press Foundation of Singapore Limited).

She has been with SPH since December 1991. She founded the Legal/Secretariat Division in SPH which prior to her joining, had no in-house legal department. She sits on several steering and senior management committees of the Group. She is responsible for the corporate secretarial, legal, insurance and corporate relations functions in the SPH Group.

Prior to joining SPH, Ms Lim was heading the Legal & Secretariat department of NTUC Income. She was also head of the public relations unit in NTUC Income. She has over 20 years of experience in the legal, corporate secretarial and insurance matters. She holds a Bachelor of Law (Honours) Degree from the National University of Singapore. She is also a Fellow of the Institute of Chartered Secretaries and Administrators and an Associate of the Chartered Insurance Institute. She is a member of the Group 8: Listed Companies Committee of the Singapore International Chamber of Commerce.

PATRICK DANIEL
Managing Editor, English & Malay Newspapers Division
Mr Daniel is the Managing Editor of the English & Malay Newspapers Division of SPH. Before assuming this role in September 2002, he was Editor of The Business Times, Singapore’s financial daily published by SPH, a position he held for 10 years.

He has been with the SPH group since 1986. He joined the media after a stint in the Singapore Administrative Service, where his last position was Director in the Ministry of Trade and Industry. He has a BA with Honours in Engineering
Sciences and Economics from University College, Oxford, and a Masters in Public Administration from the Kennedy School of Government, Harvard University.

**HAN FOOK KWANG**
*Editor, The Straits Times*
Mr Han Fook Kwang was appointed Editor of The Straits Times on September 2, 2002.

He joined The Straits Times in February 1989, and was made Political Editor in January 1995, in charge of political coverage in The Straits Times.

He is a member of the Bioethics Advisory Committee and the Lifelong Learning Endowment Fund Advisory Council.

He graduated from the University of Leeds in Mechanical Engineering (1975) on a Colombo Plan Scholarship. He also holds a Masters in Public Administration from Harvard University (1983).

Mr Han was awarded the Pingat Bakti Masyarakat (The Public Service Medal) in August 2000.

**LIM JIM KOON**
*Editor, Lianhe Zaobao*
Mr Lim has been a journalist for 28 years. He took over the helm of Lianhe Zaobao in December 1993 and has been its Editor since January 1995.

As the person responsible for the overall running of the SPH flagship Chinese paper, he also oversees zaobao.com, the online edition of Zaobao.

He sits on the boards of Urban Redevelopment Authority and Civil Service College.

**QUEK KHIN GEOK**
*Vice President, Internal Audit*
Ms Quek holds a Bachelor of Accountancy degree from the University of Singapore and had worked in Pricewaterhouse & Co, Hong Leong Finance Ltd and Overseas Union Bank Ltd previously.

Prior to taking up her present appointment, Ms Quek was the chief audit executive of United Engineers Ltd for more than three years.

Apart from more than 15 years in internal audit, Ms Quek has also been involved in external audit, credit marketing and operations, and retail banking. Ms Quek is a Fellow of both the Institute of Certified Public Accountants of Singapore (ICPAS) and CPA Australia.
The past year has seen SPH engage its audiences and grow in unprecedented ways. From personnel changes and product revamps, to technology changes and regional expansion into new and related business areas, the Company continued a relentless drive to innovate and reinvent. For these efforts along multiple fronts, SPH enjoyed local and international recognition, in the form of numerous awards and accolades.

NEWSPAPER
ENGLISH & MALAY NEWSPAPERS DIVISION (EMND)
The highpoint for the division was the 160th anniversary of its flagship paper, The Straits Times. Not content to rest on its laurels despite a readership of 1.3 million, the paper undertook fresh initiatives to ensure its continued growth.
Among the most significant were the launch of IN and Little Red Dot, dedicated supplements from The Straits Times, targeted at students.

Launched in January, IN is a 16-page tabloid designed to appeal to teenage readers. The Little Red Dot, meant for upper primary students made its first appearance in July. Schools which subscribe to The Straits Times receive either of these publications free.

In addition, schools that make a minimum order of The Straits Times can form their own Straits Times Media Clubs. Approved by the Ministry of Education as a Co-Curricular Activity, these clubs help students develop their interests in journalism, photography and layout, and earn CCA points doing so.

For its efforts to reach out to younger readers, The Straits Times won the gold medal for circulation marketing at the Pacific Area Newspaper Publishers Association (PANPA) Awards in September.

Three new weekly magazines that come free with The Straits Times were also launched this year, namely, Mind Your Body, Urban and Digital Life.

The New Paper greeted readers in April with a fresh new look that incorporated new colours, more pictures and graphics, expanded sports coverage, and a new section for young consumers.

Proving that business and arts development go together, The Business Times (BT) launched the BT Budding Artists Fund, which will enable disadvantaged youth from eight to 16 years develop their talents in music, dance, theatre, the visual arts and theatre production. The Fund aims to support 1,000 youngsters by 2006. As part of its commitment, BT will help bring in corporate sponsors.

CHINESE NEWSPAPERS DIVISION (CND)
This year, the division initiated a number of new editions and a host of branding events.


Lianhe Wanbao’s (WB) A Guide to Well Being, was launched at the WB Beauty and Healthcare Fair, as an offshoot to its popular Healthcare Monthly. The first issue sold out, and the second issue was launched in October 2005.

Lianhe Zaobao’s effort to target secondary school readers – Popcorn – won the Pacific Area Newspaper Publisher’s Association (PANPA) Highest Circulation award in the Young Readers category. It was the only Chinese newspaper to win an award.

One of CND’s most significant – and noticeable – thrusts has been its many branding events, designed to engage existing readers, while attracting new ones.

Among the most successful CND events were the annual
Operations Review
(Cont’d)

ZPOP zbNOW Concert for the President’s Challenge, the Shin Min Record-Setting Carnival 2005, the Lianhe Wanbao Beauty and Healthcare Fair 2005 and the Zaobao-NTU Annual Competitiveness Report on Ranking Mainland Chinese Economies.

250,000 people experienced the three public events, while the China report was endorsed by the World Bank.

SPH MAGAZINES (SPHM)

SPHM made significant strides during the year, strengthening its position as the leading magazine publisher in Singapore and the region.

In a move consolidating some of the biggest women’s and lifestyle titles in the market, SPHM completed the acquisition of Blu Inc Group and Magazines Incorporated Ltd.

With the new publishing arm on board, SPHM now has about 80 titles in its stable, including Female, Nuyou, Seventeen, Men’s Health, The Peak, and Eat!, on top of its established best-selling magazines Her World, Shape, Young Parents, and Home & Décor.

The acquisition streamlined SPHM’s business in Malaysia and strengthened its foothold in the growing magazine market there.

SPHM also launched and acquired Maxim Singapore, The Peak Hong Kong, Simply Her, ICON, and a movie magazine FIRST. It also started publishing Maxim Thailand in a joint venture with GMM Times, and took a 49 per cent stake in Thai publisher, Traffic Corner Publishing.

In July 2005, Her World, Singapore’s best-selling and most widely-read women’s magazine, celebrated its 45th anniversary with a big birthday bash, road shows, extensive reader promotions, and a car give-away.

MARKETING

Total advertising revenue for the past FY was higher than last year, with the top performers being The Straits Times, The Business Times, Lianhe Wanbao, Shin Min, Berita Minggu and Friday Weekly.

Of the 12 industry sectors, the five best-performing were in Property, IT/Office Equipment, Banking & Finance, Fashion & Beauty and Transport/Petrochemical/Industrial Production. The Property sector turned in the highest revenue growth of the sectors.

During the year, the Marketing Division introduced a number of initiatives and promotional events designed to generate additional value for advertisers, revenue for SPH and greater customer and reader contact. Among them were a new ST Classified masthead and front cover, and revamped TNP fastads. Major branding campaigns were also carried out for The Straits Times’ 160th Anniversary, and the revamps of The New Paper, The Straits Times and The Business Times.

CIRCULATION

SPH enjoyed an increase in newspaper circulation revenue this year, helped in part by the newspaper cover price hike that took effect on January 16, 2004.

However, total daily average circulation for newspapers dropped by 1.3 per cent over the previous year, mainly because of a dip in sales in the first six months.

The Circulation Division continues to expand its magazine distribution business with an addition of 9 new third-party titles this year. With the expansion of SPH Magazines, total magazine sales, including the newly acquired Blu Inc titles, increased by 9.2 per cent over the previous year.

Leveraging on The Straits Times’ 160th anniversary celebrations, the Circulation Division introduced a $160 subscription package in July and attracted 590 new subscribers.

This followed the introduction, a month earlier, of The Newspaper in Charity Scheme, to persuade...
holidaying subscribers to donate their newspapers to charity organisations while they were away.

**ONLINE PRODUCTS**

AsiaOne.com was revamped in March 2005 to provide round-the-clock news content and other online services to the Internet community.

The Straits Times’ online edition, ST Interactive (STI), became a subscriber-based website in March, after 10 years as Singapore’s most-read free English digital daily. STI is the second Singapore news site to charge for access after The Business Times.

STI introduced Podcasting for the first time in August 2005, offering the online community first hand news stories for downloads into their MP3 players.

In January 2005, AsiaOne.com and Zaobao.com set up the only bilingual Investor Relations sites in Singapore for listed companies to reach out to their shareholders and investors. Together, both websites attract over 300 million pageviews and 5 million visitors every month.

**PROPERTIES**

Revenue from our property segment went up 8.3 per cent. Paragon, which enjoys 100 per cent occupancy in its retail space, is expected to continue to yield more than 10 per cent return on equity per annum.

Other non-core property assets, including the Times Industrial Building site, will be divested at the appropriate time to maximise shareholder value.

**IT DEVELOPMENT**

A new computer system will change the face of operations in the English and Malay newspaper newsrooms.

Considered one of the largest newsroom system changes in the world, it comprises three parts: editing and layout software called Hermes, an assignment software called Newsplanner, and Nica, designed to manage photo-workflow and page archives.

**NEW & EMERGING BUSINESS**

**Outdoor Advertising**

SPH moved into the new advertising platform with the purchase of an 80 per cent stake in a new business that runs a network of four large LED screens and 400 LCD and plasma displays across the country.

The move extends SPH’s core business into outdoor advertising, which is projected to grow at about 8 per cent per annum here for the next three to five years.

With the screens found all over Singapore, SPH can offer clients greater exposure, visibility and added flexibility to reach their target audiences.

To handle the new business, which will focus on motion and static media advertising, as well as event management, the Company incorporated a new subsidiary, SPH MediaBoxOffice Pte Ltd.

**RADIO**

SPH operates two radio stations, UFM 100.3 FM in Chinese and WKRZ 91.3 FM in English, under a joint venture company, UnionWorks, with NTUC Media.

UnionWorks revamped WKRZ in September to reach a powerful but under-served group – professional working women. And in a concerted bid to synergise with the Company’s other media platforms, it has begun to expand on its programming content by tapping the SPH newsrooms.

Daily broadcasts of news from The Straits Times, The New Paper, Lianhe Zaobao, Lianhe Wanbao and Shin Min, plus the cross-marketing of each other’s events, are just the beginning of SPH’s entry into radio broadcasting.

**CORPORATE CITIZENRY**

It was a busy year for SPH with the company fostering community spirit through its support of a wide range of community and charity events.
Operations Review
(Cont’d)

SPH played a significant role in December 2004 when it mounted a huge relief effort to collect aid for the ravaged countries. The effort raised $8 million and 40 container-loads of aid for the tsunami victims.

SPH continued to contribute generously in the area of arts and culture, education, conservation and charity.

The Company launched the year-long SPH Gift of Music series in May this year at the Botanic Gardens. The concert series features renowned international and local talents including the Singapore Symphony Orchestra and the Singapore Chinese Orchestra.

For its generous support of local arts, SPH was named Distinguished Patron of the Arts by National Arts Council for the 13th consecutive year.

It was also honoured as Singapore’s top corporate giver by the National Volunteer and Philanthropy Centre with a record $4.3 million in donations and sponsorships to the community in 2004.

AWARDS & ACCOLADES
SPH continued its award-winning streak, receiving recognition for editorial, design, marketing and print quality excellence, from the newspaper industry in the region and worldwide. The Company was also commended for its business practices and performance.

Corporate Governance
- SPH received the Most Transparent Company Award for companies in the non-electronics manufacturing sector in September 2004. This is the 4th time SPH has won this award from the Securities Investors Association of Singapore (SIAS).

Promoter of the Arts
- Honoured with the Distinguished Patron of the Arts Award from the National Arts Council. SPH has won this award every year since 1993.

NEWSPAPERS
The Straits Times
- Won two Society of Publishers in Asia (SOPA) awards for excellence in design and photography in May 2005.

The redesigned Straits Times was runner-up in the newspaper design category, while photographers Wang Hui Fen and Desmond Foo bagged a joint second prize in the features category.

- The Straits Times won six awards in five categories at IFRA’s annual Asia Media Awards in April 2005. This includes silvers for best in newspaper design and print, awards for photographers Joyce Fang and Terence Tan, and one for best infographic.

IFRA is the world’s leading organisation for newspaper and media publishing that brings together more than 2,000 publishing companies and suppliers from over 60 countries.

- Straits Times’ correspondent Lee Su Shyan was named Best Financial Journalist of the year by the Securities Investors Association of Singapore (SIAS) for her stories that advanced investor interests.

- In November 2004, the paper won the Innovative Fund Raising Initiative award at the inaugural National Volunteerism & Philanthropy Awards for The Straits Times School Pocket Money Fund.

- Won a special award from the Pacific Area Newspaper Publishers’ Association (PANPA), for its efforts to reach out to young readers – raising sales to schools from 5,000 copies to 35,000 in just one year.

The Business Times
- Won bronze awards for Best in Print and Best in Design categories for newspapers at IFRA’s Asia Media Awards in April 2005.
<table>
<thead>
<tr>
<th>Newspaper</th>
<th>Daily Average Circulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Straits Times</td>
<td>386,167</td>
</tr>
<tr>
<td>The Sunday Times</td>
<td>392,410</td>
</tr>
<tr>
<td>The Business Times</td>
<td>31,361</td>
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<tr>
<td>The New Paper</td>
<td>113,331</td>
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<tr>
<td>The New Paper on Sunday</td>
<td>148,273</td>
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<tr>
<td>Lianhe Zaobao (weekday)</td>
<td>181,876</td>
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<td>Lianhe Zaobao (Sunday)</td>
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<td>Lianhe Wanbao (weekday)</td>
<td>128,626</td>
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<tr>
<td>Lianhe Wanbao (Weekend)</td>
<td>125,522</td>
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<tr>
<td>Shin Min Daily News (weekday)</td>
<td>123,526</td>
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<td>Shin Min Daily News (Weekend)</td>
<td>124,363</td>
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<tr>
<td>Friday Weekly</td>
<td>72,756</td>
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<tr>
<td>Thumbs Up</td>
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<td>Berita Harian</td>
<td>64,186</td>
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<tr>
<td>Berita Minggu</td>
<td>8,790</td>
</tr>
<tr>
<td>Tamil Murasu (weekday)</td>
<td>15,852</td>
</tr>
<tr>
<td>Tamil Murasu (Sunday)</td>
<td>15,852</td>
</tr>
</tbody>
</table>
SPH Newspaper Gross Readership Trends ('000)

* Streats ceased publication from January 2005.
• Journalist Wong Wei Kong won a special award at the SIAS’ transparency awards for companies and journalists in September 2004.

The New Paper
• Mohd Ishak Samon won the Newspaper Photographer of the Year Gold Award at the IFRA Asia Media Awards in April 2005. A month later, he came in second for excellence in the news photography category in the Society of Publishers in Asia (SOPA) awards. Reporter Teh Jen Lee was runner-up for the Local Journalist Award at the same event.

Business Editor Conrad Raj won a special SIAS award for making an impact on the investment community when he was writing for Streats.

Berita Harian
The Malay paper won a silver for best in print at IFRA’s Asia Media Awards.

Lianhe Zaobao
• In September 2004, journalist Loh Woon Yen won the SIAS Most Promising Journalist award for making ‘the most impact on the investing community’.
• Sports Editor Low Liang Guan won two awards – the “2004 Friends of the Council” award and the “Sporting Singapore Inspiration 2004” award from the Singapore Sports Council, for his contributions to the development of local sports.

MAGAZINES
Young Parents
• Young Parents Baby was runner-up for magazine front cover design in the Society of Publishers in Asia (SOPA) awards in May.

Home & Decor
Won a bronze at IFRA’s Asia Media Awards for best in design.

MARKETING DIVISION
• The Creative Services Department won an award for Best Campaign for the “Power of Newspapers” at the PANPA Annual Advertising Awards in Sydney in April. The campaign was designed to hype up Lianhe Zaobao’s Sunday edition.

In May 2005, Tham Khai Wor, the former Senior Executive Vice President of Marketing Division won the top advertising Max Lewis Gold Medal award for his contributions to advertising in Singapore.

• Classified Advertisements Telephone Sales (CATS) team grabbed three awards in 2004’s Annual Call Centre Awards. A sales manager won silver for the “Team Leader of the Year” for a call centre with above 50 seats, while Chinese CATS received the “highly commended award for a call centre with below 50 seats. The English and Bilingual CATS clinched the “creativity award”, a new category in 2004.

• Classified Advertisements also won second spot for brand and image development at the International Newspaper Marketing Association awards for its campaign for ST Recruit pages.

• Classified Advertising picked up two awards at the 2005 Advertising, Circulation and Marketing Excellence (ACME) Awards. The first was for a set of advertisements designed for Food Fest 2003 that won an award of excellence, while the second was a merit award for a car event, named Car-nival.
Milestones

September 1
AsiaOne, which manages the various Internet portals of SPH online publications such as AsiaOne.com, Straits Times Interactive (STI), Business Times Online and Zaobao.com, renamed SPH Internet Business.

September 13
Launch of Maxim Singapore by SPH Magazines. The monthly is the world’s biggest men’s general interest magazine, selling four million copies with 26 editions in 36 countries.

September 17
SPH and MediaCorp announce merging of mass-market television and free newspaper operations.

September 21
Smash hit musical Mamma Mia!, presented by The Straits Times, runs for three months till December at the Esplanade Theatre.

September 26
SPH receives the 13th Distinguished Patron of the Arts Award given by National Arts Council.

October 6
SPH Magazines launches another new magazine Simply Her which targets busy, multi-tasking career women in Singapore.

October 31
The Straits Times kicks off another round of School Pocket Money Fund activities which is SPH’s biggest fund-raiser.

December 6
Dr Michael Fam and Mr Tang I-Fang, the two last founding members of the SPH Board of Directors, step down. Dr Fam and Mr Tang were with the Board since SPH was first established in August 1984.
Sponsored by SPH, the SPH Tchaikovsky Festival features three concerts by the Russian National Orchestra at the Esplanade from Dec 6 to 8. Performing alongside the RNO is Singapore’s violin prodigy Min Lee and Russian pianist Mikhail Rudy.

SPH launches a nine-day public donation drive to raise funds and collect aid for tsunami-ravaged countries.

SPH Magazines buys a 49 per cent stake in Thai publisher, Traffic Corner Publishing, for about $3.3 million.

The Straits Times launches IN magazine and a YouthInk section for youth readers. IN, a weekly student magazine, is distributed free with Monday’s issue of the newspaper in secondary schools. YouthInk is a section specially for youth with stories written by students.

70,000 flock to the opening of River Hong Bao 2005, the annual Chinese New Year celebration at Marina Promenade organised by Chinese Newspapers Division.

Icon, Singapore’s first Chinese language women’s luxury magazine, is launched by SPH Magazines. Apart from newstands, the magazine is also distributed at country clubs, selected hotels, and on airlines.

Two outstanding women – legal consultant Annabel Pennefather and national table tennis player Li Jia Wei, are honoured at the annual Her World Woman of the Year awards.
Milestones
(Cont’d)

>> April 1
SPH Magazines and Blu Inc and Magazines Incorporated come under the same roof at the Genting Lane office, which is named Media Centre in July.

May
Circulation comes up with a Free Holiday Newspapers for Charities programme which encourages subscribers to donate their newspapers to charity homes when they go on long vacations.

May 1
SPH launches the SPH Gift of Music, a year-long series of concerts to bring music to the community. The Singapore Symphony Orchestra kicks off the series with a concert at the new Shaw Foundation Symphony Stage at Botanic Gardens.

<< May 22
The annual New Paper Big Walk, into its 15th year, attracts over 50,000 walkers.

<< May 27
The World Book Fair celebrates its 20th anniversary. The annual book fair is organised by the Chinese Newspapers Division.

June 3
18 bright young students are offered the SPH scholarship to study in Singapore and other countries. They will return to work in the various newspapers.

>> June 19
More than 5,600 staff and their family members have a fun-filled time at the SPH Family Day at the Singapore Zoo.
July

Little Red Dot, an education supplement designed specially for primary school students, is launched. It is bundled with The Straits Times and delivered to subscribing schools every Tuesday.

August

Chairman of Mercy Relief Zulkifli Baharudin is awarded the Berita Harian of the Year award given by Benta Harian.

August

The Singapore Writers Festival, sponsored by SPH and SPH Foundation, brings together over 70 local and international writers from 16 countries with 88 programmes in the 10-day event for literary enthusiasts.

August

The New Paper Be Yourself Day, which allows students to come to school in their creative best, raises over $97,000.
Corporations and practices in line with the principles and best practices set out in the Code of Corporate Governance (Code).

SPH has complied with the requirements of the Code as well as the Singapore Exchange Listing Manual (Listing Manual) requirements. There are other sections in this annual report which have an impact on the disclosures required. The annual report should be read in totality for SPH’s full compliance.

SPH has received recognition in the form of accolades and awards from the investment community for its good corporate governance practices and transparency in management and reporting (please refer to page 26 for details).

**Corporate Governance Report**

1. Reviewing and approving the corporate policies, strategies, budgets and financial plans of the Company;

2. Monitoring financial performance including approval of the annual and interim financial reports;

3. Reviewing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;

4. Approving the nominations of Directors and appointment of senior management, and determining and reviewing their remuneration levels;

5. Approving major funding proposals, investments, acquisitions and divestment proposals; and

6. Assuming responsibility for corporate governance.

The Board conducts regular scheduled meetings on a quarterly basis. Ad-hoc meetings are convened when circumstances require. The Articles allow a board meeting to be conducted by way of a tele-conference. The attendance of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings, is disclosed on page 42. A Director who fails to attend three Board or Board Committee meetings consecutively, without good reason, will not be nominated by the Nominating Committee for re-appointment and will be deemed to have resigned.

The Chairman leads the Board to ensure its effectiveness on all aspects of its role. He ensures that board meetings are held when necessary and sets the board meeting agenda in consultation with the Chief Executive Officer (CEO). He ensures effective communications with shareholders, facilitates effective communications between the Board and the Management, and promotes high standards of corporate governance. The Chairman ensures that board members are provided with complete, adequate and timely information. As a general rule, board papers are sent to Directors at least one week in advance in order for Directors to be adequately prepared for the meeting. Senior management staff are invited to attend board meetings to answer any queries that the Directors may have on the Group’s operations. The Directors may from time to time, also request to meet without Management’s
presence. In the last financial year, the Board had met without the CEO and other management staff’s presence.

The Company Secretary attends all Board meetings and is responsible to ensure that board procedures are followed. It is the Company Secretary’s responsibility to ensure that the Company complies with the requirements of the Companies Act and the Listing Manual. Together with the other management staff of SPH, the Company Secretary is responsible for compliance with all other statutes, rules and regulations which are applicable to the Company.

The Company has in place financial authorization and approval limits for operating and capital expenditure, credit lines and acquisition and disposal of assets and investments.

Access to Information
The Board is provided with quarterly financial accounts, other financial statements and progress reports of the Group’s business operations. Directors have unrestricted access to the Company’s senior management.

Should Directors, whether as a group or individually, need independent professional advice relating to the Company’s affairs, the Company Secretary will appoint a professional advisor to render the advice and keep the Audit Committee informed of such advice. The cost of such professional advice will be borne by the Company.

Board Composition
Currently, the Board comprises 11 Directors, all of whom, except for the CEO, are non-executive and independent directors. Details of the Directors’ academic and professional qualifications and other appointments are set out on pages 14 to 17 of the annual report. No former chief executive officer of the Company is a Director.

The Company’s Articles allow for the appointment of a maximum of 12 Directors. The size and composition of the Board are reviewed from time to time by the Nominating Committee (NC), which is of the view that the current Board size (of 11 Directors) is appropriate, taking into account the nature and scope of the Group’s operations.

The NC is also of the view that the current Board comprises persons who as a group, possess the relevant qualifications, experience and core competencies necessary to manage the Company.

The independence of each Director is reviewed annually by the NC. The NC adopts the Code’s definition of what constitutes an independent director in its review. As a result of the NC’s review of the independence of each Director for this financial year, the NC is of the view that the non-executive Directors are independent directors and further, that no individual or small group of individuals dominate the Board’s decision making process.

Chairman and CEO
The Company has a separate Chairman and CEO. The Chairman is a non-executive and independent director.

The CEO is the chief executive in the Company and bears executive responsibility for the Company’s business, while the Chairman bears responsibility for the workings of the Board. The Chairman and the CEO are not related.
Board Membership and Renewal Process
The NC recommends all appointments and re-appointments of Directors to the Board and the Board Committees. All Directors are required to hold at least one management share each under the Articles of Association of the Company, subject to the approval of the Minister for Communications, Information and the Arts.

New Directors are at present appointed by way of a board resolution, after the NC recommends their appointment for the approval of the Board. New Directors thus appointed by way of board resolution must submit themselves for re-election at the next AGM.

Article 111 of the Articles requires one third of the Directors, or the number nearest to one third, to retire by rotation at every AGM. These Directors may offer themselves for re-election, if eligible. Directors of or over 70 years of age are required to be re-elected every year at the AGM under Section 153(6) of the Companies Act before they can continue to act as a Director.

Board Performance
The NC evaluated the Board’s performance as a whole, and that of individual Directors, in this year based on performance criteria set by the Board. The performance criteria included an evaluation of the size and composition of the Board, the Board's access to information, Board processes, Board performance in relation to discharging its principal functions and fiduciary duties, and communication with top management, attendance record, and intensity and quality of participation at meetings.

Director Training
Directors are kept informed of the relevant training available either inhouse or organised externally. A comprehensive orientation programme and site visits are organized for new Directors to familiarize them with the Group’s operations, organization structure and corporate policies, to give them a better understanding of SPH’s business and the media industry, and to help them settle into their new roles. They are briefed on the Company’s corporate governance practices and the regulatory regime, and are updated from time to time on changes in relevant laws and regulations.

Directors may also request further explanations, briefings or informal discussions on any aspect of the Group’s operations or business issues from the management.

BOARD COMMITTEES
To facilitate effective management, certain functions have been delegated by the Board to various Board Committees, which review and make recommendations to the Board on specific areas.

Executive Committee (EC)
The EC currently comprises seven members, five of whom are independent non-executive directors. They are:

- Lim Chin Beng (Chairman)
- Cham Tao Soon
- Lim Kim San
- Chan Heng Loon Alan
- Ngiam Tong Dow
- Sum Soon Lim
- Tony Tan Keng Yam

The EC is chaired by the Chairman of the Board.

The EC’s principal responsibilities are:

1. To review, with Management, and recommend to the Board the overall corporate strategy, objectives and policies of the Group, and monitor their implementation;
2. To consider and recommend to the Board, the Group’s five year plan and annual operating and capital budgets;

3. To review and recommend to the Board proposed investments and acquisitions of the Company and its subsidiaries which do not fall within the Company’s core businesses but which are considered strategic investments for the long-term prospects of the Company;

4. To oversee the enterprise risk management function, by ensuring the implementation of a formal risk management framework for the Group;

5. To approve the affixation of the Common Seal onto any document in accordance with the Company’s Articles of Association;

6. To act on behalf of the Board in urgent situations, when it is not feasible to convene a meeting of the entire Board; and

7. To carry out such other functions as may be delegated to it by the Board.

Audit Committee (AC)
The AC currently comprises four members, all of whom are independent non-executive directors. They are:

- Sum Soon Lim (Chairman)
- Willie Cheng Jue Hiang
- Cheong Choong Kong
- Lee Ek Tieng

All the members of the AC have many years of experience in board and senior management positions in the accounting and related financial fields. The NC is of the view that the members of the AC have sufficient financial management expertise and experience to discharge the AC’s functions.

The AC performs the following main functions:

1. To review annual audit plans and audit reports of external and internal auditors;

2. To review the auditors’ evaluation of the system of internal accounting controls;

3. To review the balance sheet and profit and loss account of the Company and the consolidated balance sheet and profit and loss account of the Group before they are submitted to the Board for approval;

4. To review the scope, results and adequacy of the internal audit function, procedures and its cost effectiveness;

5. To review any interested person transactions as defined under the Listing Manual;

6. To review the independence, objectivity and cost effectiveness of the external auditors and the nature and extent of non-audit services supplied by the external auditors so as to balance the maintenance of objectivity and value for money;

7. To recommend to the Board the appointment of external auditors; and

8. To oversee any internal investigation into cases of fraud and irregularities.

The AC has conducted an annual review of the volume of non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors before confirming their re-nomination.

The AC meets with the external and internal auditors, without the
Corporate Governance Report

(Cont’d)

presence of Management, at least once a year. The audit partner of the external auditors is rotated every five years, in accordance with the requirements of the Listing Manual.

Internal Controls

In the course of their statutory audit, the Company’s external auditors will highlight any material internal control weaknesses which have come to their attention in carrying out their normal audit, which is designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the external auditors are reported to the AC.

The Internal Audit Division (IAD) has an annual audit plan, which complements that of the external auditors. IAD’s plan focuses on material internal control systems including financial, operational, IT and compliance controls, and risk management. IAD also provides advice on security and control in new systems development, recommends improvements to the effectiveness and economy of operations, and contributes to risk management and corporate governance processes. Any material non-compliance or lapses in internal controls together with corrective measures are reported to the AC.

Based on the audit reports and management controls in place, the AC is satisfied that the internal control systems provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained and financial statements are reliable.

Internal Audit

IAD is staffed with eight audit executives, including the Head of Internal Audit, who is a Fellow Certified Public Accountant of the Institute of Certified Public Accountants of Singapore (ICPAS) and of CPA Australia. All staff have to adhere to a code of ethics adopted from The Institute of Internal Auditors, US (IIA). The Head of Internal Audit reports directly to the chairman of the AC on audit matters, and to the CEO on administrative matters. IAD has adopted the Standards for Professional Practice of Internal Auditing set by IIA and ensures staff competency through specialized training and exposure to major business and support areas.

The AC reviews IAD’s reports on a quarterly basis. The AC also reviews and approves the annual IA plans and resources to ensure that IAD has the necessary resources to adequately perform its functions.

Nominating Committee (NC)

The NC currently comprises five members, all of whom are independent non-executive directors. They are:

• Lee Ek Tieng (Chairman)
• Lim Chin Beng
• Ngiam Tong Dow
• Philip N Pillai
• Tony Tan Keng Yam

The NC’s principal functions are:

1. To make recommendations to the Board on all board appointments;
2. To be responsible for the re-nomination of Directors, having regard to the Director’s contribution and performance (e.g. attendance, preparedness and participation) including, if applicable, as an independent director;
3. To determine annually whether or not a Director is independent, bearing in mind the circumstances set forth in paragraph 2.1 of
the Code of Corporate Governance, and any other salient factors;

4. To decide whether or not a Director is able to and has been adequately carrying out his duties as Director of the Company; and

5. To assess the effectiveness of the Board as a whole, the contribution by each individual Director to the effectiveness of the Board and to decide how the Board’s performance may be evaluated.

**Remuneration Committee (RC)**

The RC currently comprises five Directors, all of whom are independent non-executive directors. They are:

- Ngiam Tong Dow (Chairman)
- Cham Tao Soon
- Lim Chin Beng
- Tony Tan Keng Yam
- Yeo Ning Hong

Members of the RC are knowledgeable in the field of executive compensation and have access to expert advice inside and/or outside the Company.

The head of the Human Resources Division is secretary to the RC, whilst the Company Secretary is the administrator of the Group’s share option scheme.

The RC’s principal responsibilities are:

1. To recommend to the Board of Directors a framework of remuneration for the Board and key executives;

2. To determine specific remuneration packages for each executive director and the CEO or executive of similar rank if the CEO is not an executive director;

3. To recommend to the Board for endorsement the remuneration of the CEO;

4. To consider and approve salary and bonus recommendations in respect of senior executives;

5. To decide on all aspects of remuneration, including but not limited to Directors’ fees, salaries, allowances, bonuses, options, long term incentive schemes, including share schemes, and benefits in kind; and

6. To administer the Group’s share option scheme and to decide on the allocations and grants of options to eligible participants under the share option scheme.

The RC also reviews the succession plan of key executives of the Group, including the CEO.

**Disclosure on Remuneration**

**Directors’ Remuneration**

The CEO’s remuneration package includes a variable bonus element which is performance-related, and also stock options which have been designed to align his interests with those of shareholders. As an executive director, the CEO does not receive Directors’ fees.

Non-executive directors have no service contracts.

Non-executive directors, including the Chairman, are paid Directors’ fees, subject to approval at the AGM. A breakdown, showing the level and mix of each individual Director’s remuneration payable for the financial year ended August 31, 2005 is as follows:
## Corporate Governance Report

(Cont’d)

### Remuneration of Executives

Number of top five executives of the Company (excluding the CEO in above table) in each remuneration band for this financial year:

<table>
<thead>
<tr>
<th>Remuneration Bands</th>
<th>No. of Executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000,000 to $1,249,999</td>
<td>1</td>
</tr>
<tr>
<td>$750,000 to $999,999</td>
<td>–</td>
</tr>
<tr>
<td>$500,000 to $749,999</td>
<td>2</td>
</tr>
<tr>
<td>$250,000 to $499,999</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
</tr>
</tbody>
</table>

### Directors’ Base/Variable Benefits

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Fixed Salary (%)</th>
<th>Variable or Bonuses (%)</th>
<th>Benefits in Kind (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,000,000 to $1,249,999</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chan Heng Loon Alan</td>
<td>– 59.22</td>
<td>38.17</td>
<td>2.61</td>
<td>100</td>
</tr>
<tr>
<td>Independent Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below $250,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lim Chin Beng (Chairman)</td>
<td>85.02</td>
<td>–</td>
<td>–</td>
<td>14.98</td>
</tr>
<tr>
<td>Cham Tao Soon (Deputy Chairman)</td>
<td>100</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Willie Cheng Jue Hiang</td>
<td>100</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Cheong Choong Kong</td>
<td>100</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Michael Y.O. Fam (retired on 6.12.2004)</td>
<td>100</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Lee Ek Tieng</td>
<td>100</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Ngiam Tong Dow</td>
<td>100</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Philip N Pillai</td>
<td>100</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Sum Soon Lim</td>
<td>100</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Tang I-Fang (retired on 6.12.2004)</td>
<td>100</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Yeo Ning Hong</td>
<td>100</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

### Remuneration of top five executives of the Company (excluding the CEO in above table) in each remuneration band for this financial year:

- Number of top five executives:
- Remuneration Bands:
  - $1,000,000 to $1,249,999: 1
  - $750,000 to $999,999: –
  - $500,000 to $749,999: 2
  - $250,000 to $499,999: 2
- Total: 5
The Company adopts a remuneration policy for staff comprising a fixed component, a variable component and benefits in kind. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the Company's and individual performance. The benefits in kind would include club and car benefits. The RC will approve the bonus for distribution to staff based on individual performance. Another element of the variable component is the grant of share options to staff under the share option scheme. This seeks to align the interests of staff with that of the shareholders.

The remuneration of Directors and Executives shown in the above tables excludes the value of stock options granted and income derived from stock options exercised during the financial year under the Company's share option scheme. Only executive directors may participate in the share option scheme. Non-executive directors are not eligible to do so under the scheme rules.

The Singapore Financial Reporting Standard (FRS) 102 on Share-based Payment requires an entity to reflect in its profit or loss and financial position the effects of share-based transactions, including expenses associated with transactions in which share options are granted to employees. This standard will apply to the Group from the financial year beginning 1 September 2005, whereby the value of stock options granted and income derived from stock options will be reflected in the Group's financial statements and disclosures.

The Company does not employ any immediate family member of any Director or the CEO.

COMMUNICATIONS WITH INVESTORS AND SHAREHOLDERS & SHAREHOLDER PARTICIPATION AT AGM

The Company holds analysts’ briefings of its half-year and full-year results and a media briefing of its full year results. The quarterly financial results are published through the SGXNET, news releases and the Company's corporate website. Notice of the date of release of the results is given through SGXNET a few days before the publication.

The Company does not practise selective disclosure. Price-sensitive information is first publicly released through SGXNET, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. All shareholders of the Company receive the summary financial report, and, on request, the full annual report, and notice of AGM, which is held within four months after the close of the financial year. The notice is also advertised in the newspapers. The summary financial report and the annual report are also available on the Company's corporate website, www.sph.com.sg.

All Directors, including the Chairmen of the EC, AC, NC and RC and senior management are in attendance at the AGMs and Extraordinary General Meetings to allow shareholders the opportunity to air their views and ask Directors or management questions regarding the Company. The external auditors are also invited to attend the AGMs to assist the Directors in answering any queries relating to the conduct of the audit and the preparation and content of the auditors' report.

The Articles allow a shareholder to appoint one or two proxies to attend and vote instead of the shareholder. The Articles currently do not allow a shareholder to vote in absentia.

The Company is in full support of shareholder participation at AGMs. For those who hold their shares through CPF nominees and who are not registered as shareholders of the Company, the Company welcomes them to attend the AGM as observers.
Corporate Governance Report
(Cont’d)

Interested Person Transactions
SPH has an internal policy in respect of any transactions with interested persons and has in place a process to review and approve any interested person transactions. For this financial year, there were no interested person transactions.

CODE OF BUSINESS ETHICS
The Group has an existing Code of Employee Conduct and Business Ethics Policy. This regulates the ethical conduct of its employees who are required to observe and maintain high standards of integrity, and also sets out a fraud management policy.

DEALINGS IN SECURITIES
The Group has adopted an internal code in conformity with the provisions of the Best Practices Guide in the Listing Manual to provide guidance to its Directors and key staff in relation to the dealings in the Company’s securities. In line with the guidelines, Directors and key staff of the Group who have access to price-sensitive and confidential information are not permitted to deal in the Company’s securities during the periods commencing two weeks before the announcement of the Group’s first and third quarter financial results and one month before the announcement of the Group’s half year and full year financial results, and ending on the date of the announcement of such results respectively, or when they are in possession of unpublished price-sensitive information on the Group. A system of reporting of securities dealings by Directors to the Company Secretary and by key staff to the Head of Human Resources Division, has also been established to effectively monitor the dealings of these parties in the securities of the Company.

DIRECTORS’ ATTENDANCE RECORD AT BOARD AND BOARD COMMITTEE MEETINGS
for the financial year ended August 31, 2005

Name of Director | Main Board | Executive Committee | Audit Committee | Remuneration Committee
--- | --- | --- | --- | ---
Lim Chin Beng (Chairman) | 6 out of 6 | 3 out of 4 | – | 2 out of 2
Cham Tao Soon (Deputy Chairman) | 5 out of 6 | 4 out of 4 | – | 2 out of 2
Chan Heng Loon Alan (CEO) | 6 out of 6 | 4 out of 4 | – | –
Willie Cheng Jue Hiang | 6 out of 6 | – | 4 out of 4 | –
Cheong Choong Kong | 5 out of 6 | – | 4 out of 4 | –
Michael Y.O. Fam (retired on 6.12.04) | 1 out of 1 | 1 out of 1 | – | –
Lee Ek Tieng | 5 out of 6 | – | 3 out of 4 | –
Ngiam Tong Dow | 6 out of 6 | 3 out of 4 | – | 2 out of 2
Philip N Pillai | 3 out of 6 | – | – | –
Sum Soon Lim | 6 out of 6 | 3 out of 3 | – | 3 out of 4
Tang I–Fang (retired on 6.12.04) | 1 out of 1 | – | 1 out of 1 | –
Yeo Ning Hong | 6 out of 6 | – | – | 2 out of 2

Notes:
* Executive Committee
Mr Sum Soon Lim was appointed as member on 6.12.2004
^ Remuneration Committee
Prof Cham Tao Soon was appointed as member on 6.12.2004.
Dr Philip N Pillai resigned as a member on 6.12.2004
Nominating Committee
There was no Nominating Committee meeting during the Financial Year.
ENTERPRISE RISK MANAGEMENT

SPH recognizes the importance of enterprise risk management process (ERM) and has set up an ERM unit, which reports to the Executive Committee.

SPH has institutionalized its risk management practices under a formal ERM framework in 2004, with the assistance of external consultants. The ERM framework seeks to help senior management better define and manage uncertainties and threats to the Group’s businesses. The framework incorporates a continuous and iterative 4-step process for enhancing risk awareness and promoting a culture of risk management across the organisation:

- **Identification.** Significant risks, in the broad areas of strategic, regulatory, operational, and financial are systematically identified, evaluated and prioritised based on consequence and likelihood of occurrence. Key stakeholders such as shareholders, partners, customers and employees are considered.

- **Treatment.** Risk treatment plans are determined for the prioritised risks, and treatment owners identified.

- **Monitoring.** The ERM Unit provides the EC with six-monthly reports and updates on major risks faced by SPH, and progress of risk treatment plans. Any new risk of significance will be reported for review accordingly. The progress is reported to the Board.

- **Review.** Annual reviews of the risks are conducted to evaluate the risk profile, strategies, and adequacy and effectiveness of the risk treatment plans.

  Recognising that each of the broad risk areas – strategic, regulatory, operational, financial – will contain multiple levels of risk and corresponding ownership, SPH continues to enhance implementation of the ERM framework in 2005 by integrating risk management activities at various levels as follows:

- **Enterprise Level Risks.**
  These are major threats and events that may significantly disrupt the Group’s business as a whole or affect long-term goals and objectives of the Group. They include emerging threats and opportunities. The Executive Committee and senior management review these risks and their corresponding treatment action plans.

- **Operational Level Risks.**
  Issues in Business Continuity Management (BCM) as well as functional and process risks that could cause disruption to the business are considered Operational Level Risks. Senior management and the BCM Committee review these risks and corresponding treatment plans.

The integrated framework implementation helps embed risk management processes at all levels of SPH, ensures that risks at various levels are being managed and monitored, and allows significant risks to be surfaced for review at enterprise level.
## Financial Review

### GROUP SIMPLIFIED FINANCIAL POSITION

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>530,358</td>
<td>565,531</td>
<td>633,856</td>
<td>670,186</td>
<td>576,408</td>
</tr>
<tr>
<td>Investment properties</td>
<td>1,059,000</td>
<td>1,045,852</td>
<td>1,039,754</td>
<td>1,059,538</td>
<td>1,089,438</td>
</tr>
<tr>
<td>Investments</td>
<td>808,731</td>
<td>648,982</td>
<td>1,185,020</td>
<td>1,062,190</td>
<td>991,099</td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>70,192</td>
<td>192,621</td>
<td>328,176</td>
<td>387,528</td>
<td>554,338</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>92,660</td>
<td>86,425</td>
<td>85,352</td>
<td>92,484</td>
<td>117,948</td>
</tr>
<tr>
<td>Stocks</td>
<td>30,870</td>
<td>32,278</td>
<td>54,763</td>
<td>47,045</td>
<td>59,126</td>
</tr>
<tr>
<td>Other assets</td>
<td>37,248</td>
<td>20,181</td>
<td>41,324</td>
<td>33,698</td>
<td>33,667</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,629,059</td>
<td>2,591,880</td>
<td>3,368,245</td>
<td>3,352,669</td>
<td>3,422,024</td>
</tr>
</tbody>
</table>

### Shareholders’ Interests

<p>| | | | | | |</p>
<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital and reserves</td>
<td>1,621,203</td>
<td>1,479,119</td>
<td>2,247,736</td>
<td>2,241,538</td>
<td>2,289,931</td>
</tr>
<tr>
<td>Minority interests</td>
<td>2,271</td>
<td>518</td>
<td>1,108</td>
<td>709</td>
<td>16,422</td>
</tr>
</tbody>
</table>

### Liabilities

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>–</td>
<td>81,000</td>
<td>52,900</td>
<td>25,000</td>
<td>183,500</td>
</tr>
<tr>
<td>Non-current</td>
<td>650,000</td>
<td>683,000</td>
<td>740,000</td>
<td>770,000</td>
<td>550,000</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>70,206</td>
<td>64,860</td>
<td>58,049</td>
<td>59,526</td>
<td>40,367</td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>88,298</td>
<td>81,112</td>
<td>68,712</td>
<td>51,204</td>
<td>92,820</td>
</tr>
<tr>
<td>Deferred</td>
<td>67,777</td>
<td>72,126</td>
<td>85,199</td>
<td>83,287</td>
<td>73,226</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>129,304</td>
<td>130,145</td>
<td>114,541</td>
<td>121,405</td>
<td>175,758</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,629,059</td>
<td>2,591,880</td>
<td>3,368,245</td>
<td>3,352,669</td>
<td>3,422,024</td>
</tr>
</tbody>
</table>

### GROUP QUARTERLY RESULTS

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2005</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st Qtr $’000</td>
<td>265,379</td>
<td>95,914</td>
</tr>
<tr>
<td>2nd Qtr $’000</td>
<td>234,917</td>
<td>89,890</td>
</tr>
<tr>
<td>3rd Qtr $’000</td>
<td>259,847</td>
<td>111,088</td>
</tr>
<tr>
<td>4th Qtr $’000</td>
<td>247,369</td>
<td>83,895</td>
</tr>
<tr>
<td>Full Year $’000</td>
<td>1,007,512</td>
<td>380,787</td>
</tr>
<tr>
<td>1st Qtr $’000</td>
<td>240,309</td>
<td>95,370</td>
</tr>
<tr>
<td>2nd Qtr $’000</td>
<td>228,109</td>
<td>80,178</td>
</tr>
<tr>
<td>3rd Qtr $’000</td>
<td>254,762</td>
<td>87,783</td>
</tr>
<tr>
<td>4th Qtr $’000</td>
<td>246,895</td>
<td>74,618</td>
</tr>
<tr>
<td>Full Year $’000</td>
<td>970,075</td>
<td>337,949</td>
</tr>
<tr>
<td>Operating revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit from operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before</td>
<td></td>
<td></td>
</tr>
<tr>
<td>exceptional items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before</td>
<td></td>
<td></td>
</tr>
<tr>
<td>taxation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit attributable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to shareholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per $0.20 share (S$)</td>
<td>0.14</td>
<td>0.06</td>
</tr>
</tbody>
</table>
After-Tax Profit

Year
01
02
03
04
05
S$495m

Return on Operating Revenue

Year
01
02
03
04
05
49.1%

Earnings Per Share*

Year
01
02
03
04
05
$0.31

Return on Assets

Year
01
02
03
04
05
18.82%

Segmental Operating Revenue and Segmental Profit Margin

Operating Revenue
1000
800
600
400
200
0
$S$m
0
100
200
300
400
500
600
01
02
03
04
05
Year

Profit before EI & Tax Margin

Profit before EI & Tax Margin: Newspaper & Magazine Property

Operating Revenue: Newspaper & Magazine Broadcasting & Multimedia* Property

* negative margins are not reflected in the above chart.

Financial Review
(Cont’d)

Revenue Composition

FY 2005
- Advertisements: 4%
- Display: 9%
- Classified, Recruit & Notices: 23%
- Magazines: 4%
- Broadcasting & Multimedia: 20%
- Circulation: 67%
- Rental & Services: 20%
- Others: 8%

FY 2004
- Advertisements: 4%
- Display: 8%
- Classified, Recruit & Notices: 20%
- Magazines: 4%
- Broadcasting & Multimedia: 20%
- Circulation: 68%
- Rental & Services: 20%
- Others: 8%

Cost Composition

FY 2005
- Materials, Consumables & Broadcasting Costs: 8%
- Staff Costs: 21%
- Depreciation: 3%
- Other Operating Expenses: 28%
- Finance Costs: 4%

FY 2004
- Materials, Consumables & Broadcasting Costs: 8%
- Staff Costs: 19%
- Depreciation: 4%
- Other Operating Expenses: 30%
- Finance Costs: 39%
### VALUE ADDED STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Sale of goods and services</td>
<td>1,007,512</td>
<td>970,075</td>
</tr>
<tr>
<td>Purchase of materials and services</td>
<td>(289,215)</td>
<td>(293,953)</td>
</tr>
<tr>
<td><strong>Value added from operations</strong></td>
<td>718,297</td>
<td>676,122</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-production income and expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange differences</td>
<td>(2,231)</td>
<td>602</td>
</tr>
<tr>
<td>Profit/(Loss) on disposal of property, plant and equipment</td>
<td>86</td>
<td>(305)</td>
</tr>
<tr>
<td>Write-back/(Allowance) for doubtful trade debts</td>
<td>3,047</td>
<td>(1,644)</td>
</tr>
<tr>
<td>Bad trade debts recovered</td>
<td>483</td>
<td>144</td>
</tr>
<tr>
<td>Net income from investments</td>
<td>248,609</td>
<td>258,017</td>
</tr>
<tr>
<td>Share of net losses of associates and jointly controlled entity</td>
<td>(3,590)</td>
<td>(249)</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>(38,542)</td>
<td>28,677</td>
</tr>
<tr>
<td><strong>Total value added</strong></td>
<td>926,159</td>
<td>961,364</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees’ wages, provident fund contributions and other benefits</td>
<td>270,518</td>
<td>271,357</td>
</tr>
<tr>
<td>Corporate and other taxes</td>
<td>80,360</td>
<td>62,776</td>
</tr>
<tr>
<td>Interest paid</td>
<td>22,526</td>
<td>24,203</td>
</tr>
<tr>
<td>Donation and sponsorship</td>
<td>6,378</td>
<td>4,276</td>
</tr>
<tr>
<td>Directors’ fees</td>
<td>762</td>
<td>790</td>
</tr>
<tr>
<td>Net dividends to shareholders</td>
<td>381,270</td>
<td>290,992</td>
</tr>
<tr>
<td><strong>Total distributed</strong></td>
<td>761,814</td>
<td>654,394</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained in the business:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>50,852</td>
<td>51,685</td>
</tr>
<tr>
<td>Minority interests</td>
<td>69</td>
<td>(5)</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>113,424</td>
<td>255,290</td>
</tr>
<tr>
<td><strong>Retained earnings</strong></td>
<td>926,159</td>
<td>961,364</td>
</tr>
</tbody>
</table>

#### Productivity ratios:

<table>
<thead>
<tr>
<th></th>
<th>S$</th>
<th>S$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value added per employee</td>
<td>201,599</td>
<td>189,708</td>
</tr>
<tr>
<td>Value added per $ employment costs</td>
<td>2.66</td>
<td>2.49</td>
</tr>
<tr>
<td>Value added per $ investment in property, plant and equipment (before depreciation)</td>
<td>0.69</td>
<td>0.63</td>
</tr>
<tr>
<td>Value added per $ operating revenue</td>
<td>0.71</td>
<td>0.70</td>
</tr>
</tbody>
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