

Balance Sheets

as at August 31, 1998

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

The accompanying notes form part of these accounts.

Profit and Loss Accounts

for the Year ended August 31, 1998

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

The accompanying notes form part of these accounts.

Consolidated Cash Flow Statement

for Financial Year ended August 31, 1998

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

The accompanying notes form part of these accounts.

Consolidated Cash Flow Statement

for Financial Year ended August 31, 1998

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

The accompanying notes form part of these accounts.

Consolidated Cash Flow Statement

for Financial Year ended August 31, 1998

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

The accompanying notes form part of these accounts.

Notes to the Accounts

August 31, 1998

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

1. General

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

The principal activities of the Group consist of:-

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

The principal activities of the Company consist of:-

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

2. Significant Accounting Policies

(a) Basis of Accounting

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

(b) Basis of Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to the end of the financial year. The results of subsidiaries acquired or disposed of during the year are included in or excluded from the consolidated profit and loss account from the date of their acquisition or disposal. Inter-company balances and transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

(c) Exchange Translation Difference

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

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

(d) Goodwill on Consolidation

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

(e) Deferred Taxation

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

(f) Fixed Assets and Depreciation

(i) Fixed assets are stated at cost.

(ii) Depreciation is calculated to write off the cost on a straight-line basis over the expected useful lives of the assets. The estimated useful lives for this purpose are:-

Freehold buildings	30 years
Leasehold land and buildings	30 years or life of lease if less than 30 years
Plant and equipment	3-20 years
Furniture and fittings	7-10 years
Motor vehicles	3-5 years

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

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

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

(g) Subsidiaries

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

(h) Associates

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

The Group's share of the results of associates is included in the consolidated profit and loss account. The Group's share of the post-acquisition retained profit and reserves or accumulated losses of associates is added to or deducted from the cost of these investments in the consolidated balance sheet.

In the Company's balance sheet, investments in associates are stated at cost and provision is made for diminution in value which is other than temporary.

(i) Investments

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

Short-term investments are stated at the lower of cost and market value on an individual basis.

Dividend income from investments other than subsidiaries is recognised on a cash basis and interest income on an accrual basis.

Dividend income from subsidiaries is recognised in the accounting period in which it is proposed.

(j) Investment Properties

Investment properties are held for the primary purpose of producing rental income and are not held for resale in the ordinary course of business.

Investment properties are stated at cost and provision is made for diminution in value which is other than temporary.

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

(k) Stocks

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

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

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

(l) Debtors

Bad debts are written off and specific provision is made for those debts considered to be doubtful. In addition, a general provision is made on the balance of trade debtors to cover any unexpected losses which have not been specifically identified.

(m) Foreign Currencies

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

(n) Revenue Recognition

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

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

3. Share Capital

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

4. Share Premium

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

5. Capital Reserve

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

6. Exchange Translation Difference

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

7. Taxation

(a) Deferred Taxation

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

(b) Current Taxation

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

8. Other Non-Current Liabilities

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

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

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

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

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

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

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

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

9. Fixed Assets

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

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

10. Investment Property

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

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

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

11. Interests in Subsidiaries

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

Details of subsidiaries are set out in Note 30.

12. Interests in Associates

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

Details of associates are set out in Note 31.

13. Long-Term Investments

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

14. Other Non-Current Assets

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

15. Stocks

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

16. Trade Debtors

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

17. Other Debtors and Prepayments

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

18. Short-Term Investments

(a) Internally managed

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

18. Short-Term Investments (cont'd)

(b) Funds under management

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

19. Other Creditors and Accrued Liabilities

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

20. Capital and Other Commitments

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

21. Turnover

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

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

22. Trading Profit

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

22(a). Directors' Remuneration

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

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

23. Net Income/(loss) from Investments

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

(a) Income from funds under management, gross.

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

24. Taxation

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

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

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

25. Extraordinary Items

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

26. Dividends

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

27. Earnings per Share

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

28. Re-classification

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

29. Subsequent Event

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

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

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

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

30. Subsidiaries

Name of Subsidiary	Principal Activities	Country of Incorporation /Operation#	Class of Shares	Cost of Investment		Effective % of Equity held by the Group	
				1998 S\$'000	1997 S\$'000	1998 %	1997 %
Hipro Printing Pte Ltd	Publishing newspapers	Singapore	Ord	360	360	80.00	80.00
+ Lianhe Investments Pte Ltd	Holding investments for dealing purposes	Singapore	Ord	6,335	6,335	100.00	100.00
TelcomOne Corporation Pte Ltd	Holding investments	Singapore	Ord	^^	-	100.00	-
The Straits Times Press (1975) Limited	Holding investments	Singapore	Mgt Ord	579 57,387	579 57,387	100.00 100.00	99.99 100.00
Multimedia Investments Inc	Holding investments	United States of America	Common Stock	*	*	100.00	100.00
Focus Publishing Limited	Publishing newspapers	Singapore	Mgt Ord	*	*	99.96 100.00	99.96 100.00
Lianhe Publishing Pte Ltd	Publishing magazines	Singapore	Ord	*	*	51.00	51.00
Asia Century Publishing Pte Ltd	Publishing & distributing magazines	Singapore	Ord	*	*	26.01	26.01
Singapore Press Holdings (Overseas) Limited	Servicing and holding investments	Singapore	Mgt Ord	*	*	99.96 100.00	99.96 100.00
Times Periodicals Private Limited	Publishing magazines	Singapore	Ord	*	*	75.00	75.00
Times Properties Private Limited	Letting properties	Singapore	Ord	77,827	77,827	100.00	100.00
Orchard 290 Limited	Holding investments & managing of shopping centres & other commercial properties	Singapore	Ord	*	*	75.00	75.00
SPH Multimedia Private Limited	Holding investments	Singapore	Ord	8,500	8,500	100.00	100.00
CyberWay Pte Ltd	Providing public Internet access services	Singapore	Ord	*	*	55.00	55.00
^++ Jiuding (Tianjin) Information Services Company Limited	Providing Audiotex services	People's Republic of China	Ord	*	*	51.00	51.00
Singapore Newspaper Services Private Limited	Holding investments and properties	Singapore	Ord	50,000	50,000	100.00	100.00
Vinora Holdings Limited	Holding investments	British Virgin Islands	Ord	*	*	100.00	100.00
Futura Management Limited	Holding investments	Cook Islands	Ord	*	*	100.00	100.00
Crestville Investments Limited	Holding investments	British Virgin Islands	Ord	*	*	100.00	100.00

30. Subsidiaries (cont'd)

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

Notes:-

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

31. Associates

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

32. Segmental Information

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

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