

## DIRECTORS' REPORT

for the financial year ended August 31, 2010

The Directors present their report to the members together with the audited financial statements of the Group for the financial year ended August 31, 2010 and the balance sheet of the Company as at August 31, 2010.

### DIRECTORS

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

Tony Tan Keng Yam  
Cham Tao Soon  
Chan Heng Loon Alan  
Willie Cheng Jue Hiang  
Ng Ser Miang  
Ngiam Tong Dow  
Sum Soon Lim  
Lucien Wong Yuen Kuai (appointed on October 15, 2009)  
Yeo Ning Hong  
Yong Pung How

### ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

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

### DIRECTORS' INTERESTS IN SHARES

3. The Directors holding office as at August 31, 2010 who had interests in shares and options in the Company and its subsidiaries as recorded in the register of Directors' shareholdings were as follows:

	Direct Interests			Deemed Interests		
	Sept 1, 2009*	Aug 31, 2010	Sept 21, 2010	Sept 1, 2009*	Aug 31, 2010	Sept 21, 2010
<b>The Company</b>						
<u>Management Shares</u>						
Tony Tan Keng Yam	4	4	4	-	-	-
Cham Tao Soon	4	4	4	-	-	-
Chan Heng Loon Alan	12	12	12	-	-	-
Willie Cheng Jue Hiang	4	4	4	-	-	-
Ng Ser Miang	4	4	4	-	-	-
Ngiam Tong Dow	4	4	4	-	-	-
Sum Soon Lim	4	4	4	-	-	-
Lucien Wong Yuen Kuai	4	4	4	-	-	-
Yeo Ning Hong	4	4	4	-	-	-
Yong Pung How	4	4	4	-	-	-

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### DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Direct Interests			Deemed Interests		
	Sept 1, 2009*	Aug 31, 2010	Sept 21, 2010	Sept 1, 2009*	Aug 31, 2010	Sept 21, 2010
<u>Ordinary Shares</u>						
Tony Tan Keng Yam	235,797	<b>235,797</b>	<b>235,797</b>	200,000	<b>200,000</b>	<b>200,000</b>
Cham Tao Soon	10,000	<b>10,000</b>	<b>10,000</b>	10,183	<b>10,183</b>	<b>10,183</b>
Chan Heng Loon Alan	130,000	<b>251,000</b>	<b>251,000</b>	-	-	-
Willie Cheng Jue Hiang	208,500	<b>208,500</b>	<b>208,500</b>	12,750	<b>12,750</b>	<b>12,750</b>
Ngiam Tong Dow	-	-	-	30,000	<b>30,000</b>	<b>30,000</b>
Lucien Wong Yuen Kuai	-	-	-	42,000	<b>197,000</b>	<b>197,000</b>
Yeo Ning Hong	33,660	<b>33,660</b>	<b>33,660</b>	54,697 <sup>^</sup>	<b>54,697<sup>^</sup></b>	<b>54,697<sup>^</sup></b>
Yong Pung How	600,000	<b>600,000</b>	<b>600,000</b>	4,500,000	<b>4,500,000</b>	<b>4,500,000</b>
<u>Options for Ordinary Shares</u>						
Chan Heng Loon Alan	1,275,000	<b>1,275,000</b>	<b>1,275,000</b>	-	-	-
<u>Conditional Award of Performance Shares**</u>						
Chan Heng Loon Alan						
32,500 <sup>#</sup> shares to be vested in January 2010	Up to 45,800 <sup>##</sup>	- <sup>^^</sup>	- <sup>^^</sup>	-	-	-
150,000 <sup>#</sup> shares to be vested in January 2010	Up to 225,000 <sup>##</sup>	- <sup>^^</sup>	- <sup>^^</sup>	-	-	-
49,166 <sup>#</sup> shares to be vested in January 2011	Up to 69,800 <sup>##</sup>	<b>Up to 67,000<sup>##</sup></b>	<b>Up to 67,000<sup>##</sup></b>	-	-	-
150,000 <sup>#</sup> shares to be vested in January 2011	Up to 225,000 <sup>##</sup>	<b>Up to 225,000<sup>##</sup></b>	<b>Up to 225,000<sup>##</sup></b>	-	-	-
49,166 <sup>#</sup> shares to be vested in January 2012	Up to 46,800 <sup>##</sup>	<b>Up to 67,850<sup>##</sup></b>	<b>Up to 67,850<sup>##</sup></b>	-	-	-
180,000 <sup>#</sup> shares to be vested in January 2012	Up to 270,000 <sup>##</sup>	<b>Up to 270,000<sup>##</sup></b>	<b>Up to 270,000<sup>##</sup></b>	-	-	-
33,334 <sup>#</sup> shares to be vested in January 2013	Up to 24,000 <sup>##</sup>	<b>Up to 48,000<sup>##</sup></b>	<b>Up to 48,000<sup>##</sup></b>	-	-	-
180,000 <sup>#</sup> shares to be vested in January 2013	-	<b>Up to 270,000<sup>##</sup></b>	<b>Up to 270,000<sup>##</sup></b>	-	-	-
16,667 <sup>#</sup> shares to be vested in January 2014	-	<b>Up to 24,000<sup>##</sup></b>	<b>Up to 24,000<sup>##</sup></b>	-	-	-

\* Or date of appointment, if later.

<sup>^</sup> Held jointly by Dr Yeo Ning Hong and his spouse.

\*\* Represents performance shares granted from FY 2007 to FY 2010.

<sup>#</sup> The number of shares represents the shares required if awarded at 100% of the grant.

<sup>##</sup> The shares awarded at the vesting date could range from 0% to 150% depending on the level of achievement against the pre-set performance conditions.

<sup>^^</sup> During the financial year, 121,000 shares were vested and awarded to Mr Chan Heng Loon Alan.

Detailed information regarding Directors' shareholdings can be obtained in accordance with Sections 164(8) and (9) of the Companies Act, Chapter 50.

## DIRECTORS' REPORT

for the financial year ended August 31, 2010

### DIRECTORS' CONTRACTUAL BENEFITS

4. Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the Directors' Report and financial statements.

### SHARE OPTIONS IN THE COMPANY

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

5.
  - (a) The 1999 Scheme was approved by shareholders at an Extraordinary General Meeting held on July 16, 1999 and is administered by the Remuneration Committee ("the Committee"). At another Extraordinary General Meeting held on December 5, 2006, the shareholders approved the adoption of the SPH Performance Share Plan and the 1999 Scheme was terminated with regard to the grant of further options. Options granted and outstanding prior to the termination will continue to be valid and be subject to the terms and conditions of the 1999 Scheme.
  - (b) Details of options granted previously have been disclosed in the Directors' Reports for the respective years.
  - (c) The aggregate number of options granted since the commencement of the 1999 Scheme on July 16, 1999 to December 5, 2006 is 103,090,950 options to subscribe for ordinary shares.
6. The unissued ordinary shares of the Company under option at the end of the current financial year pursuant to the 1999 Scheme are set out in Note 4 to the financial statements.

### PERFORMANCE SHARES IN THE COMPANY

#### SPH Performance Share Plan ("the Plan")

7.
  - (a) The Plan of the Company was approved by shareholders at an Extraordinary General Meeting held on December 5, 2006 and is administered by the Committee.
  - (b) Persons eligible to participate in the Plan are selected Group Employees of such rank and service period as the Committee may determine, and other participants selected by the Committee.
  - (c) Awards initially granted under the Plan are conditional and will be principally performance-based with performance conditions to be set over a multi-year performance period. Performance conditions include both market and non-market conditions. Performance conditions set are intended to be based on medium- to longer-term corporate objectives covering market competitiveness, quality of returns, business growth, productivity growth and total shareholder return objectives.
  - (d) The Plan contemplates the award of fully-paid ordinary shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met and upon expiry of the prescribed vesting periods.

## DIRECTORS' REPORT

for the financial year ended August 31, 2010

### PERFORMANCE SHARES IN THE COMPANY (CONT'D)

#### SPH Performance Share Plan ("the Plan") (cont'd)

8. During the financial year, 2,243,825 performance shares were granted subject to the terms and conditions of the Plan as follows:

Category	No. of Persons	No. of Performance Shares Granted
Executive Director	1	230,000 <sup>1</sup>
Employee	239	2,013,825 <sup>2</sup>
	240	2,243,825

<sup>1</sup> 180,000 granted with market conditions and 50,000 granted with non-market conditions.

<sup>2</sup> 721,500 granted with market conditions and 1,292,325 granted with non-market conditions.

The aggregate number of performance shares granted since the commencement of the Plan on December 5, 2006 to August 31, 2010 is 8,581,735 performance shares.

The above number of shares represents the shares required if participants are awarded at 100% of the grant. However, the shares awarded at the vesting date could range from 0% to 150%, depending on the level of achievement against the pre-set performance conditions.

### AUDIT COMMITTEE

9. The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50, and the Listing Manual of the Singapore Exchange Securities Trading Limited.

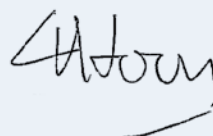
Its functions include reviewing the audit plans and audit reports of the internal and external auditors, the auditors' evaluation of the internal accounting controls, and the scope of the internal audit function; reviewing the balance sheet of the Company and financial statements of the Group before submitting them to the Board for approval; reviewing any interested person transaction; and reviewing the independence, objectivity and cost effectiveness of the external auditors and the nature and extent of non-audit services supplied by them; and overseeing any internal investigation into cases of fraud and irregularities.

It also recommends to the Board the appointment of external auditors, serves as a channel of communications between the Board and the auditors, and performs such other functions as may be agreed by the Audit Committee and the Board.

On behalf of the Directors



Tony Tan Keng Yam  
Chairman



Chan Heng Loon Alan  
Director

Singapore,  
October 12, 2010

## STATEMENT BY DIRECTORS

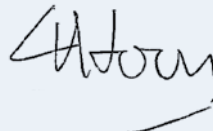
In the opinion of the Directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended August 31, 2010, as set out on pages 75 to 159, are drawn up so as to give a true and fair view of:
  - (i) the results of the business, changes in equity and cash flows of the Group; and
  - (ii) the state of affairs of the Group and of the Company.
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors



Tony Tan Keng Yam  
Chairman



Chan Heng Loon Alan  
Director

Singapore,  
October 12, 2010