

Consolidated Cash Flow Statement

for the financial year ended August 31, 2007

	GROUP	
	2007 S\$'000	2006 S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	583,353	509,420
Adjustments for:		
Amortisation of intangible assets	441	575
Depreciation	51,038	49,065
Development expenditure written off	-	387
Net profit on disposal of property, plant and equipment	(550)	(429)
Interest expense	20,373	20,583
Net income from investments	(146,193)	(81,675)
Share of net (profits)/losses of associates and jointly controlled entities	(2,993)	185
Share-based compensation expenses	6,659	7,371
Exceptional items	-	(66,844)
Other non-cash items	12	(165)
Operating cash flow before working capital changes	512,140	438,473
Changes in operating assets and liabilities, net of effects from purchase of subsidiaries:		
Inventories	15,238	(3,709)
Trade and other receivables	(38,039)	5,018
Trade and other payables	36,974	(3,204)
Income tax paid	526,313	436,578
Dividends paid	(86,498)	(72,539)
Dividends paid (net) by a subsidiary to a minority shareholder	(383,154)	(363,186)
	-	(30)
Decrease/(increase) in other assets	56,661	823
Currency translation difference	211	(486)
	6	(221)
Net cash from operating activities	56,878	116

The accompanying notes form an integral part of these financial statements.

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for the financial year ended August 31, 2007

	GROUP	
	2007	2006
	S\$'000	S\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(59,875)	(18,273)
Proceeds on disposal of property, plant and equipment	983	698
Additions to investment property	(12,345)	(1,743)
Acquisition of intangible assets – magazine title	-	(1,100)
Acquisition of additional interests in a subsidiary	(70)	-
Acquisition of interests in subsidiaries (net of cash acquired) [Note (a)]	(5,168)	97
Acquisition of interests in jointly controlled entities/associates	(10,750)	(42,696)
Acquisition of business by a subsidiary (net of cash acquired) [Note (b)]	-	(387)
Amount owing by associates	(543)	(23)
Amount owing to/(by) jointly controlled entities	19,404	(93)
Loan to a minority shareholder	-	(1,369)
Purchase of long-term investments	(3,156)	(5,064)
Proceeds on disposal/redemption of long-term investments	117,747	16,055
Purchase of short-term investments	(304,924)	(433,170)
Proceeds on disposal of short-term investments	255,384	354,810
Net (increase)/decrease in funds under management	(29,338)	133,183
Dividends received	25,462	41,463
Interest received	11,814	10,683
Other investment income	108,917	29,529
	113,542	82,600
Add/(Less): Items not involving movement of funds		
Changes in fair value of financial instruments	1,985	(4,450)
Impairment of internally-managed investments	1,806	4,220
Net profit on sale of internally-managed investments	(67,329)	(20,132)
Profit from capital reduction exercises of investee companies	(33,672)	-
Currency translation loss	210	1,090
Effective interest on bonds	(298)	(623)
Net cash from investing activities	16,244	62,705

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Consolidated Cash Flow Statement

for the financial year ended August 31, 2007

	GROUP	
	2007 S\$'000	2006 S\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans	1,200	2,000
Repayment of bank loans	(41,645)	(40,555)
Loan from a minority shareholder	70	-
Interest paid	(20,373)	(20,583)
Proceeds on issue of shares by the Company	32,346	19,530
Capital contribution by minority shareholders	3,188	-
Share buy-back	(7,135)	(12,018)
Net cash used in financing activities	(32,349)	(51,626)
Net increase in cash and cash equivalents	40,773	11,195
Cash and cash equivalents at beginning of financial year	81,387	70,192
Cash and cash equivalents at end of financial year [Note (c)]	122,160	81,387
Notes to the Consolidated Cash Flow Statement		
(a) Acquisition of interests in subsidiaries		
	2007 S\$'000	2006 S\$'000
Fair values of identifiable assets and liabilities		
Property, plant and equipment	224	83
Intangible assets	2	-
Interests in associates	278	-
Current assets (including cash)	4,460	998
Current liabilities	(1,634)	(366)
Deferred income tax liabilities	(34)	-
Minority interests	-	(215)
	3,296	500
Goodwill on consolidation	3,891	257
Reclassification from an associate to subsidiary	-	(357)
Total purchase consideration [Note (a)(i)]	7,187	400
Less: Cash and cash equivalents of subsidiaries acquired	(2,019)	(497)
Net cash outflow/(inflow) on acquisition of interests in subsidiaries	5,168	(97)

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

for the financial year ended August 31, 2007

Notes to the Consolidated Cash Flow Statement (cont'd)

(a) Acquisition of interests in subsidiaries (cont'd)

Note (a)(i)

2007

On October 27, 2006, the Group acquired the following for a cash consideration of S\$7,187,000:

- All magazine and online publication titles, trade names and marks owned by Hardware Zone Pte Ltd and its subsidiary; and
- Share capital of the following companies:
 - Hardware Zone Pte Ltd (100%);
 - Heritage Media (Singapore) Pte Ltd (100%);
 - Hardware Zone (Thailand) Co Ltd (45%);
 - Hardware Zone Philippines Corporation (39%); and
 - Beijing Game Axis Info Ltd (50%).

The goodwill is attributable to the value of the acquired businesses and management expertise of Hardware Zone Pte Ltd, its subsidiary and associates.

The acquired subsidiaries contributed revenue of S\$6,316,000 and net loss of S\$255,000 to the Group for the period from October 27, 2006 to August 31, 2007. If the acquisition had occurred on September 1, 2006, Group revenue would have increased by S\$7,006,000 and net profit would have decreased by S\$875,000.

2006

On February 1, 2006, SPH Multimedia Pte Ltd, a wholly-owned subsidiary of the Group, acquired an additional 20% of the issued capital of SPH UnionWorks Pte Ltd ("SPH UnionWorks"), an associate, for a cash consideration of S\$400,000.

Further to the additional interest acquired, SPH UnionWorks became a subsidiary of the Group.

SPH UnionWorks contributed revenue of S\$1,524,000 and net loss of S\$205,000 to the Group for the period from February 1, 2006 to August 31, 2006. If the acquisition had occurred on September 1, 2005, Group revenue would have increased by S\$2,721,000 and net profit would have decreased by S\$313,000.

(b) Acquisition of business by a subsidiary

	2007 S\$'000	2006 S\$'000
Fair values of identifiable assets and liabilities		
Property, plant and equipment	-	2,571
Current assets (including cash)	-	2,123
Current liabilities	-	(2,076)
Long-term loan	-	(1,779)
Minority interests	-	(167)
	-	672
Goodwill on consolidation	-	98
Total purchase consideration [Note (b)(i)]	-	770
Less: Cash and cash equivalents acquired	-	(383)
Net cash outflow on acquisition of business by a subsidiary	-	387

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

for the financial year ended August 31, 2007

Notes to the Consolidated Cash Flow Statement (cont'd)

(b) Acquisition of business by a subsidiary (cont'd)

Note (b)(i)

2006

On September 2, 2005, SPH MediaBoxOffice Pte Ltd ("SPHMBO"), an 80% owned subsidiary of the Group, acquired certain assets and contracts from IBIZ Asia Distribution and its operating subsidiary, MediaBoxOffice Pte Ltd, for a cash consideration of S\$770,000.

SPHMBO contributed revenue of S\$6,656,000 and net profit of S\$12,000 to the Group for the period from September 2, 2005 to August 31, 2006.

(c) Cash and Cash Equivalents at the end of the financial year comprised:

	GROUP		COMPANY	
	2007 S\$'000	2006 S\$'000	2007 S\$'000	2006 S\$'000
Cash held as fixed deposits [^]	90,272	55,297	18,580	16,047
Cash and bank balances	31,888	26,090	20,518	15,545
	122,160	81,387	39,098	31,592

[^] The Group's deposits with financial institutions mature on varying dates within 4 months (2006: 11 months) from the financial year end and interest rates range between 1.60% to 4.69% (2006: 0.70% to 5.10%) per annum as at August 31, 2007.

The Company's deposits with financial institutions mature on varying dates within 2 months (2006: 2 months) from the financial year end and interest rates range between 2.25% to 3.88% (2006: 1.60% to 3.38%) per annum as at August 31, 2007.

	GROUP	
	2007 S\$'000	2006 S\$'000
Included in cash and cash equivalents are the following:		
Amount held as fixed deposits under Housing Developers (Project Account) Rules	30,800	-
Amount held in project bank account under Housing Developers (Project Account) Rules	215	-

Under the Housing Developers (Project Account) Rules, withdrawals from the above bank accounts are restricted to payments for expenditure incurred on the development properties (Note 10).