

Notes to the FINANCIAL STATEMENTS

August 31, 2011

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

1. GENERAL INFORMATION

The Company is incorporated and domiciled in Singapore. The address of its registered office is 1000 Toa Payoh North, News Centre, Singapore 318994.

The Company is listed on the Singapore Exchange.

The principal activities of the Group consist of:

- (a) publishing, printing and distributing newspapers,
- (b) publishing and distributing magazines,
- (c) providing multimedia content and services,
- (d) holding investments,
- (e) holding, managing and developing properties,
- (f) providing outdoor advertising services,
- (g) providing radio broadcasting services,
- (h) providing online search, directories and classified services,
- (i) organising events/exhibitions/conventions/conferences,
- (j) publishing and distributing books,
- (k) providing online investor relations services, and
- (l) developing applications and operating a financial portal.

The principal activities of the Company consist of:

- (a) publishing, printing and distributing newspapers,
- (b) distributing magazines and books,
- (c) providing multimedia content and services,
- (d) holding shares in subsidiaries,
- (e) holding investments, and
- (f) providing management services to subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

The Group has adopted the new or revised FRS and Interpretations to FRS ("INT FRS") that became effective in the current financial year.

The adoption of the new or revised FRS and INT FRS has not resulted in any substantial changes to the Group's accounting policies nor has any significant impact on these financial statements.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting

(i) Subsidiaries

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year.

Subsidiaries are entities over which the Group has power to govern the financial and operating policies, generally accompanied by a shareholding of more than one half of the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Company. They are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in total equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Please refer to Note 2(m)(i) for the accounting policy on goodwill arising from business combination.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting (Cont'd)

(i) Subsidiaries (cont'd)

Disposal of subsidiaries or businesses

When the Group ceases to have control, the assets and liabilities of the subsidiary including any goodwill are derecognised. Any amounts previously recognised in other comprehensive income in respect of that entity are transferred to the income statement or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in the income statement.

Transactions with non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in retained profits within equity attributable to the equity holders of the Company.

(ii) Associates/Jointly-controlled entities

Associates are entities over which the Group has significant influence, but not control, and generally accompanied by a shareholding giving rise to between and including 20% and 50% of voting rights.

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

The Group's investments in associates/jointly-controlled entities are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses. Investments in associates/jointly-controlled entities are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of the post-acquisition results of associates/jointly-controlled entities is included in its consolidated income statement. The Group's share of the post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associates/jointly-controlled entities are adjusted against the carrying amount of the investments in the consolidated balance sheet. When the Group's share of losses in an associate/a jointly-controlled entity equals or exceeds its interest in the associate/jointly-controlled entity, including any unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associate/jointly-controlled entity.

Adjustments are made to the financial statements of associates/jointly-controlled entities, where necessary, to ensure consistency of accounting policies with those of the Group.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting (Cont'd)

(ii) Associates/Jointly-controlled entities (cont'd)

Unrealised gains on transactions between the Group and its associates/jointly-controlled entities are eliminated to the extent of the Group's investments in the associates/jointly-controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The investment in the associate/jointly-controlled entity is derecognised when the Group ceases to have significant influence or joint control respectively. Any amounts previously recognised in other comprehensive income in respect of that entity are transferred to the income statement. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence or joint control is lost and its fair value is recognised in the income statement.

If the ownership interest in an associate/jointly-controlled entity is reduced but significant influence or joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are transferred to income statement where appropriate. Gains or losses arising from such transactions are recognised in the income statement.

(c) Currency translation

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("presentation currency"), which is also the Company's functional currency.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are taken to the income statement.

Currency translation differences on non-monetary items which are equity investments held at fair value through profit or loss are reported as part of the fair value gain or loss in the income statement. Currency translation differences on non-monetary items which are equity investments classified as available-for-sale financial assets are included in other comprehensive income.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Currency translation (Cont'd)

(iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rates at the date of the balance sheet;
- Income and expenses are translated at average exchange rates; and
- All resulting exchange differences are taken to other comprehensive income and transferred to the income statement upon the disposal of the foreign operation as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after September 1, 2005 are treated as assets and liabilities of the foreign entity and translated at the closing rates at the date of balance sheet. For acquisitions prior to September 1, 2005, the exchange rates at the dates of acquisition are used.

(d) Impairment of non-financial assets

(i) Goodwill

Goodwill recognised separately as an intangible asset is tested annually for impairment, as well as when there is any indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in an associate/jointly-controlled entity is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Impairment of non-financial assets (cont'd)

- (ii) Other intangible assets
Property, plant and equipment
Investment properties
Investments in subsidiaries, associates and jointly-controlled entities

Other intangible assets, property, plant and equipment, investment properties and investments in subsidiaries, associates and jointly-controlled entities are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

(e) Property, plant and equipment

- (i) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

- (ii) Depreciation

Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the expected useful lives of the assets. The estimated useful lives for this purpose are:

Leasehold land and buildings	30-35 years
Plant and equipment	3-20 years
Furniture and fittings	3-10 years
Motor vehicles	3-5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

No depreciation is charged on capital work-in-progress.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, plant and equipment (Cont'd)

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the income statement when incurred.

(iv) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

(f) Investment properties

Investment properties comprise office, retail and residential buildings that are held for long-term rental yields.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an investment property includes capitalisation of interest incurred on borrowings for the purchase, renovation and extension of the investment property while these activities are in progress. For this purpose, the interest rates applied to funds provided for the development are based on the actual interest rates payable on the borrowings for such development.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are written-off to the income statement. The cost of maintenance, repairs and minor improvements is charged to the income statement when incurred.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the expected useful lives of the assets. No depreciation is charged on freehold land. The estimated useful lives for this purpose are:

Buildings on freehold and leasehold land	15-50 years
Leasehold land	99 years

The residual values, estimated useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

Properties that are being constructed or developed for future use as investment properties are classified as investment properties. No depreciation is charged on investment properties under development.

On disposal of an investment property, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Development properties

Development properties are properties being developed for sale. Costs capitalised include cost of land and other directly related development expenditure, including borrowing costs incurred in developing the properties.

Sold development properties

All development properties held by the Group are sold.

Revenue and cost on development properties that have been sold are recognised using percentage-of-completion method. The percentage of completion is measured by reference to the development costs incurred to-date to the estimated total development costs for the properties. When it is probable that the estimated total costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

At the balance sheet date, the aggregated costs incurred plus the recognised profit (less recognised loss) on each development property that has been sold are compared against the progress billings. Where costs incurred plus recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on development properties, within "trade receivables". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on development properties, within "trade payables".

(h) Borrowing costs

Borrowing costs are recognised in the income statement using the effective interest method except for those costs that are directly attributable to borrowings acquired specifically for the construction or development of properties [Notes 2(f) and 2(g)].

(i) Investments in subsidiaries, associates and jointly-controlled entities

Investments in subsidiaries, associates and jointly-controlled entities are included in the Company's balance sheet at cost less accumulated impairment losses. On disposal of these investments, the difference between disposal proceeds and the carrying amounts of the investments is recognised in the income statement.

(j) Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets on initial recognition.

- Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial assets (cont'd)

(i) Classification (cont'd)

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables comprise cash and cash equivalents, trade receivables, other receivables, amount owing by associates/jointly-controlled entities and, where applicable, amount owing by subsidiaries.

- Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Group has the positive intention and ability to hold to maturity. The Group has no held-to-maturity financial assets at balance sheet date.

- Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

(ii) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in the income statement. Any amount in the fair value reserve relating to that asset is also transferred to the income statement.

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in the income statement.

Notes to the FINANCIAL STATEMENTS

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial assets (cont'd)

(iv) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method less accumulated impairment losses.

Gains and losses arising from changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividends, are recognised in the income statement in the period in which they arise. Changes in the fair value of monetary assets denominated in foreign currencies and classified as available-for-sale are analysed into currency translation differences resulting from changes in the amortised cost of the asset and other changes. The currency translation differences are recognised in the income statement and other changes are recognised in other comprehensive income. Changes in fair values of non-monetary assets that are classified as available-for-sale are recognised in other comprehensive income, together with the related currency translation differences.

Interest on available-for-sale financial assets, calculated using the effective interest method, is recognised in the income statement. Dividends on available-for-sale equity securities are recognised in the income statement when the Group's right to receive payment is established. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in the fair value reserve within equity are included in the income statement.

(v) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

- Loans and receivables

An allowance for impairment of loans and receivables is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are objective evidence that these financial assets are impaired. The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the income statement. When the asset becomes uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are recognised in the income statement.

The allowance for impairment loss account is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial assets (cont'd)

(v) Impairment (cont'd)

- Available-for-sale financial assets

In the case of an equity security classified as available-for-sale, in addition to the objective evidence of impairment described in loans and receivables, a significant or prolonged decline in the fair value of the security below its cost is objective evidence that the security is impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that has been recognised directly in the fair value reserve is transferred from the fair value reserve within equity and recognised in the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised in income statement.

Impairment loss on debt instruments classified as available-for-sale financial assets is reversed through the income statement. However, impairment losses with respect to equity instruments classified as available-for-sale financial assets are not reversed through the income statement.

(k) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates. The fair values of cross currency swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest and forward exchange rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(I) Derivative financial instruments and hedging activities

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from operating, financing and investing activities. Derivative financial instruments taken up directly by the Group are not used for trading purposes.

A derivative financial instrument is initially recognised at its fair value on the date the derivative contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates its derivatives for hedging purposes as either hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge), or hedges of highly probable forecast transactions (cash flow hedge). The Group has no fair value hedge at balance sheet date.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

(i) Cash flow hedge

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of these interest rate swaps are recognised in other comprehensive income and transferred to the income statement in the periods when the interest expense on the borrowings is recognised in the income statement. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

(ii) Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Intangible assets

(i) Goodwill arising from business combination

Goodwill arising from business combination on or after September 1, 2009, is the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets and contingent liabilities acquired. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in income statement.

Goodwill arising on business combination prior to September 1, 2009 and on acquisition of associates and jointly-controlled entities represents the difference between the fair value of the consideration transferred and the fair value of the Group's share of identifiable net assets acquired at the date of acquisition.

Goodwill arising from business combination is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisition of associates and jointly-controlled entities is recorded as part of the carrying value of the investments in the consolidated balance sheet.

The gains and losses on the disposal of subsidiaries, associates and jointly-controlled entities include the carrying amount of goodwill relating to the entity sold.

(ii) Technology, trademarks, licences, mastheads and others

Technology, trademarks, licences, mastheads and other intangible assets acquired as part of business combinations are initially recognised at their fair values at the acquisition date and are subsequently carried at cost (i.e. the fair values on initial recognition) less accumulated amortisation and accumulated impairment losses. Technology and licenses acquired separately are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over 2 to 15 years, which is the shorter of their estimated useful lives and periods of contractual rights.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least once at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

(n) Inventories

Inventories comprise raw materials and consumable stores, and are stated at the lower of cost and net realisable value.

The cost of raw materials and consumable stores includes transport and handling costs, and any other directly attributable costs, and is determined on the weighted average or specific identification basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated variable selling expenses.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs incurred) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the income statement over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

(p) Trade and other payables

Trade and other payables are initially carried at fair value, and subsequently carried at amortised cost using the effective interest method.

(q) Dividends payable

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

(r) Employee benefits

(i) Short-term employee benefits

All short-term employee benefits, including accumulated compensated absences, are recognised in the income statement in the period in which the employees rendered their services to the Group.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as Singapore's Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions to defined contribution plans are recognised in the financial year when they are due.

(iii) Share-based compensation

- Share options

The share option scheme allows selected employees of the Company and/or its subsidiaries, including the Executive Director of the Company, and other selected participants, to subscribe for ordinary shares in the Company at an agreed exercise price.

The fair value of the options granted is recognised as a share-based compensation expense in the income statement with a corresponding increase in the share-based compensation reserve over the vesting period. The fair value is measured at grant date and recognised over the vesting period during which the employees become unconditionally entitled to the options.

When the options are exercised, the proceeds received (net of any directly attributable transaction costs) and the balance previously recognised in the share-based compensation reserve are credited to share capital when new ordinary shares are issued, or to the treasury share account within equity when treasury shares purchased are re-issued to the employees.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Employee benefits (cont'd)

(iii) Share-based compensation (cont'd)

- Performance shares

Persons eligible to participate in the SPH Performance Share Plan ("the Plan") are selected Group Employees of such rank and service period as the Remuneration Committee ("the Committee") may determine, and other participants selected by the Committee.

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.

The fair value of the performance shares granted is recognised as a share-based compensation expense in the income statement with a corresponding increase in the share-based compensation reserve over the vesting period.

The amount is determined by reference to the fair value of the performance shares on grant date.

If the performance condition is a market condition, the probability of the performance condition being met is taken into account in estimating the fair value of the ordinary shares granted at the grant date. The compensation cost shall be charged to the income statement on a basis that fairly reflects the manner in which the benefits will accrue to the employee under the Plan over the prescribed vesting periods from date of grant. No adjustments to the amounts charged to the income statement are made whether or not the market condition is met.

For performance share grants with non-market conditions, the Company revises its estimates of the number of share grants expected to vest and corresponding adjustments are made to the income statement and share-based compensation reserve. The Company assesses this change at the end of each financial reporting period.

(s) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to (or recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred income tax liabilities are recognised on temporary differences arising on investments in subsidiaries, associates and jointly-controlled entities, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Current and deferred taxes are recognised as income or expense in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against the related goodwill.

(u) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates, discounts and returns, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

- (i) Revenue from the sale of the Group's products is recognised on completion of delivery;
- (ii) Revenue from advertisements is recognised in the period in which the advertisement is published or broadcasted;
- (iii) Revenue from rental and rental-related services is recognised on a straight-line basis over the lease term;
- (iv) Revenue from the provision of other services is recognised in the period in which the services are rendered;
- (v) Dividend income is recognised when the right to receive payment is established; and
- (vi) Interest income is recognised using the effective interest method.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Operating leases

When a group company is the lessee:

Leases where substantially all of the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are recognised as expenses in the income statement on a straight-line basis over the period of the lease.

When a group company is the lessor:

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Assets leased out under operating leases are included in investment properties. Rental income from operating leases is recognised in the income statement on a straight-line basis over the lease term.

(w) Treasury shares

The consideration paid for treasury shares, including any directly attributable incremental costs, is presented as a component within shareholders' equity until the shares are cancelled, re-issued or disposed of. Where such shares are subsequently re-issued or disposed of, any consideration received, net of any directly attributable incremental transaction costs, is included in shareholders' equity. Realised gain or loss on disposal or re-issue of treasury shares is included in retained profits of the Company.

When treasury shares are subsequently cancelled, the cost of the treasury shares is deducted against the share capital account, if the shares are purchased out of capital of the Company, or against the retained profits of the Company, if the shares are purchased out of profits of the Company.

(x) Segment reporting

Segmental information are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer of the Company who conducts a regular review for allocation of resources and assessment of performance of the operating segments.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- **Fair value estimation**

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flow, discounted at actively quoted interest rates. The fair values of forward foreign exchange contracts are determined using forward exchange market rates at the balance sheet date. The fair values of cross currency swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest and forward exchange rates.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Methods used include estimating with reference to recent arm's length transactions and the underlying net asset value of the investee companies.

- **Impairment of available-for-sale financial assets**

The Group follows the guidance of FRS 39 in determining when an investment is considered impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook of the issuer of the instrument, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

4. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2011		2010	
	Number of Shares '000	Amount S\$'000	Number of Shares '000	Amount S\$'000
Issued and fully paid, with no par value				
Management shares	16,308	6,879	16,296	6,827
Ordinary shares	1,595,337	492,605	1,594,107	487,911
	1,611,645	499,484	1,610,403	494,738
Treasury shares	(2,704)	(11,024)	(4,885)	(19,921)
	1,608,941	488,460	1,605,518	474,817
Movements during the financial year:				
Beginning of financial year	1,605,518	474,817	1,603,152	465,312
Issue of ordinary shares fully paid under the Singapore Press Holdings Group (1999) Share Option Scheme	1,230	4,694	970	3,809
Issue of management shares fully paid in accordance with the Newspaper and Printing Presses Act	12	52	10	39
	1,606,760	479,563	1,604,132	469,160
Treasury shares re-issued for the fulfilment of share awards vested under SPH Performance Share Plan	2,181	8,897	1,386	5,657
End of financial year	1,608,941	488,460	1,605,518	474,817

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

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

(a) Treasury shares

No share purchase was made during the financial year and the previous financial year.

The Company re-issued 2,180,609 (2010: 1,386,404) treasury shares during the financial year for the fulfilment of share awards vested under the SPH Performance Share Plan at a total value of S\$8.9 million (2010: S\$5.7 million).

Notes to the FINANCIAL STATEMENTS

August 31, 2011

4. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(b) Share options

At the Extraordinary General Meeting held on December 5, 2006, the shareholders approved the adoption of the SPH Performance Share Plan ("the Plan") and the Singapore Press Holdings Group (1999) Share Option Scheme ("1999 Scheme") was terminated with regard to the grant of further options. Options granted and outstanding prior to such termination will continue to be valid and be subject to the terms and conditions of the 1999 Scheme.

Movements in the number of the unissued shares of the Company under option during the financial year and their exercise prices are as follows:

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

2011

Grant Date	Expiry Date	Exercise Price (S\$)	Balance 01.09.10	Options Exercised	Options Lapsed	Balance 31.08.11
30.10.00	30.10.10	4.78	6,940,675	-	(6,940,675)	-
06.11.01	06.11.11	3.03	596,025	(318,675)	(16,950)	260,400
28.10.02	28.10.12	3.91	3,194,025	(281,800)	(108,800)	2,803,425
16.12.03	16.12.13	3.69	3,479,000	(629,950)	(155,125)	2,693,925
01.02.04	01.02.14	3.83	35,000	-	-	35,000
21.12.04	21.12.14	4.54	12,139,850	-	(564,400)	11,575,450
16.12.05	16.12.15	4.30	13,632,450	-	(433,500)	13,198,950
			40,017,025	(1,230,425)	(8,219,450)	30,567,150

2010

Grant Date	Expiry Date	Exercise Price (S\$)	Balance 01.09.09	Options Exercised	Options Lapsed	Balance 31.08.10
27.10.99	27.10.09	5.60	6,750,700	-	(6,750,700)	-
30.10.00	30.10.10	4.78	7,471,925	-	(531,250)	6,940,675
06.11.01	06.11.11	3.03	769,975	(173,950)	-	596,025
28.10.02	28.10.12	3.91	3,357,675	(141,150)	(22,500)	3,194,025
16.12.03	16.12.13	3.69	4,189,300	(654,625)	(55,675)	3,479,000
01.02.04	01.02.14	3.83	35,000	-	-	35,000
21.12.04	21.12.14	4.54	12,529,325	-	(389,475)	12,139,850
16.12.05	16.12.15	4.30	14,037,650	-	(405,200)	13,632,450
			49,141,550	(969,725)	(8,154,800)	40,017,025

All the outstanding options as at the balance sheet date were exercisable. Options exercised in 2011 resulted in 1,230,425 shares (2010: 969,725) being issued at an average price of S\$3.57 (2010: S\$3.60) each.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

4. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(c) Performance shares

During the financial year, 2,259,410 (2010: 2,243,825) performance shares were granted subject to the terms and conditions of the Plan.

Movements in the number of performance shares outstanding during the financial year are summarised below:

2011

Grant Date	Outstanding as at 01.09.10 ('000)	Adjusted* ('000)	Granted ('000)	Vested ('000)	Lapsed ('000)	Outstanding as at 31.08.11 ('000)
12.01.07	491	-	-	(488)	(3)	-
11.01.08	1,852	(182)	-	(1,108)	(11)	551
12.01.09	2,268	327	-	(585)	(24)	1,986
12.01.10	2,229	-	-	-	(34)	2,195
12.01.11	-	-	2,259	-	(1)	2,258

2010

Grant Date	Outstanding as at 01.09.09 ('000)	Adjusted* ('000)	Granted ('000)	Vested ('000)	Lapsed ('000)	Outstanding as at 31.08.10 ('000)
12.01.07	1,602	(290)	-	(813)	(8)	491
11.01.08	2,112	351	-	(573)	(38)	1,852
12.01.09	2,304	-	-	-	(36)	2,268
12.01.10	-	-	2,244	-	(15)	2,229

* Adjusted at end of the performance period based on the level of achievement of pre-set performance conditions.

The shares awarded at the vesting date could range from 0% to 150% of the grant, depending on the level of achievement against the pre-set performance conditions.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

4. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(c) Performance shares (cont'd)

The fair value of the performance shares is determined at grant date using the Monte Carlo simulation model. The number of performance shares granted during the financial year, their fair values and the assumption inputs used are as follows:

2011

Grant Date	Vesting Date	Number of Shares (^{'000})	Fair Value per Share S\$	Expected Volatility*		Expected Dividend Yield %	Risk-free Interest Rate %	Correlation between SPH Share Price and FTSE ST All Share Index [^]	Share Price at Grant Date S\$
				SPH (%)	FTSE ST All Share Index (%)				
12.01.11 ^(a)	11.01.13	476	3.53	25.07	NA	6.11	0.52	NA	3.97
12.01.11 ^(a)	11.01.14	476	3.33	25.07	NA	6.11	0.70	NA	3.97
12.01.11 ^(b)	11.01.14	832	3.13	25.07	30.16	6.11	0.70	0.52	3.97
12.01.11 ^(a)	11.01.15	476	3.14	25.07	NA	6.11	1.07	NA	3.97

2010

Grant Date	Vesting Date	Number of Shares (^{'000})	Fair Value per Share S\$	Expected Volatility*		Expected Dividend Yield %	Risk-free Interest Rate %	Correlation between SPH Share Price and FTSE ST All Share Index [^]	Share Price at Grant Date S\$
				SPH (%)	FTSE ST All Share Index (%)				
12.01.10 ^(a)	11.01.12	447	3.25	23.69	NA	6.11	0.68	NA	3.68
12.01.10 ^(a)	11.01.13	447	3.05	23.69	NA	6.11	0.80	NA	3.68
12.01.10 ^(b)	11.01.13	902	2.77	23.69	32.12	6.11	0.80	0.49	3.68
12.01.10 ^(a)	11.01.14	448	2.89	23.69	NA	6.11	1.06	NA	3.68

* Derived based on 36 months of historical volatility prior to grant date.

[^] Derived based on 36 months of historical correlation of returns prior to grant date.

^(a) Granted with non-market conditions.

^(b) Granted with market conditions.

NA Not applicable

For non-market conditions, achievement factors have been estimated based on management inputs for the purpose of accrual for the performance shares until the achievement of the performance conditions can be accurately ascertained.

During the current financial year, the Group recognised S\$7.7 million (2010: S\$7.4 million) of share-based compensation expense in respect of performance shares based on the fair values determined on grant date and estimation of the share grants that will ultimately vest.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

5. RESERVES

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Composition				
Capital reserve	2,005	2,005	-	-
Share-based compensation reserve [Note 5(a)]	25,429	26,817	25,429	26,817
Hedging reserve [Note 5(b)]	(5,645)	(11,912)	(316)	(1,952)
Fair value reserve [Note 5(c)]	300,778	265,276	34,373	29,216
Currency translation reserve	(3,602)	(501)	-	-
	318,965	281,685	59,486	54,081

Movements

(a) Share-based compensation reserve

	Group and Company	
	2011 S\$'000	2010 S\$'000
Beginning of financial year	26,817	26,290
Share-based compensation expense [Note 24]	7,724	7,435
Share-based compensation expense charged to a jointly-controlled entity	24	23
Exercise of share options	(303)	(315)
Lapse of share options	(561)	(413)
Award of performance shares	(8,272)	(6,203)
End of financial year	25,429	26,817

(b) Hedging reserve

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Beginning of financial year	(11,912)	(13,937)	(1,952)	(1,455)
Fair value losses	(7,571)	(12,970)	(257)	(2,590)
Deferred tax on fair value losses [Note 6(a)]	1,287	2,205	44	440
	(6,284)	(10,765)	(213)	(2,150)
Transferred to finance costs [Note 26]	15,122	15,409	2,228	1,991
Deferred tax on transfer [Note 6(a)]	(2,571)	(2,619)	(379)	(338)
End of financial year	(5,645)	(11,912)	(316)	(1,952)

Notes to the FINANCIAL STATEMENTS

August 31, 2011

5. RESERVES (CONT'D)

Movements (cont'd)

(c) Fair value reserve

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Beginning of financial year	265,276	203,724	29,216	25,722
Financial assets, available-for-sale				
- Fair value gains	36,746	66,153	5,157	3,494
- Deferred tax on fair value changes [Note 6(a)]	1,649	(645)	-	-
	38,395	65,508	5,157	3,494
Transferred to income statement on disposal [Note 27]	(3,461)	(4,475)	-	-
Deferred tax on transfer [Note 6(a)]	568	519	-	-
End of financial year	300,778	265,276	34,373	29,216

6. INCOME TAXES

(a) Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown on the balance sheets:

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Deferred income tax liabilities:				
- to be settled within one year	3,030	2,199	2,950	2,476
- to be settled after one year	46,451	51,962	34,676	38,653
	49,481	54,161	37,626	41,129

Deferred income tax taken to equity during the financial year is as follows:

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Hedging reserve [Note 5(b)]	1,284	414	335	(102)
Fair value reserve [Note 5(c)]	(2,217)	126	-	-
	(933)	540	335	(102)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and capital allowances of S\$4.4 million (2010: S\$5.0 million) and S\$0.1 million (2010: S\$0.1 million) respectively at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses have no expiry dates.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

6. INCOME TAXES (CONT'D)

(a) Deferred income taxes (cont'd)

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

2011

Group

(i) Deferred income tax liabilities

	Accelerated Tax Depreciation S\$'000	Fair Value Changes S\$'000	Others S\$'000	Total S\$'000
Beginning of financial year	57,379	337	2,746	60,462
(Credited)/Charged to income statement	(4,426)	-	592	(3,834)
Credited to equity [Note 5(b) and 5(c)]	-	(337)	-	(337)
Acquisition of business by a subsidiary [Note 20(b)]	72	-	-	72
Disposal of a subsidiary [Note 20(c)]	(3)	-	-	(3)
Currency translation differences	(217)	-	-	(217)
End of financial year	52,805	-	3,338	56,143

(ii) Deferred income tax assets

	Provisions S\$'000	Fair Value Changes S\$'000	Others S\$'000	Total S\$'000
Beginning of financial year	(3,797)	(2,440)	(64)	(6,301)
Charged to income statement	148	-	64	212
Credited to equity [Note 5(b) and 5(c)]	-	(596)	-	(596)
Currency translation differences	23	-	-	23
End of financial year	(3,626)	(3,036)	-	(6,662)

Notes to the FINANCIAL STATEMENTS

August 31, 2011

6. INCOME TAXES (CONT'D)

(a) Deferred income taxes (cont'd)

2010

Group

(i) Deferred income tax liabilities

	Accelerated Tax Depreciation S\$'000	Fair Value Changes S\$'000	Profit from Development Properties S\$'000	Others S\$'000	Total S\$'000
Beginning of financial year	61,255	211	23,736	2,231	87,433
(Credited)/Charged to income statement	(4,156)	-	(23,736)	515	(27,377)
Debited to equity [Note 5(c)]	-	126	-	-	126
Acquisition of business by a subsidiary [Note 20(b)]	282	-	-	-	282
Currency translation differences	(2)	-	-	-	(2)
End of financial year	57,379	337	-	2,746	60,462

(ii) Deferred income tax assets

	Provisions S\$'000	Fair Value Changes S\$'000	Others S\$'000	Total S\$'000
Beginning of financial year	(4,283)	(2,854)	(64)	(7,201)
Charged to income statement	504	-	-	504
Debited to equity [Note 5(b)]	-	414	-	414
Currency translation differences	(18)	-	-	(18)
End of financial year	(3,797)	(2,440)	(64)	(6,301)

Notes to the FINANCIAL STATEMENTS

August 31, 2011

6. INCOME TAXES (CONT'D)

(a) Deferred income taxes (cont'd)

2011

Company

(i) Deferred income tax liabilities

	Accelerated Tax Depreciation S\$'000
Beginning of financial year	44,751
Credited to income statement	(4,136)
End of financial year	40,615

(ii) Deferred income tax assets

	Provisions S\$'000	Fair Value Changes S\$'000	Total S\$'000
Beginning of financial year	(3,222)	(400)	(3,622)
Charged to income statement	298	-	298
Debited to equity [Note 5(b)]	-	335	335
End of financial year	(2,924)	(65)	(2,989)

2010

Company

(i) Deferred income tax liabilities

	Accelerated Tax Depreciation S\$'000
Beginning of financial year	48,222
Credited to income statement	(3,471)
End of financial year	44,751

(ii) Deferred income tax assets

	Provisions S\$'000	Fair Value Changes S\$'000	Total S\$'000
Beginning of financial year	(3,728)	(298)	(4,026)
Charged to income statement	506	-	506
Credited to equity [Note 5(b)]	-	(102)	(102)
End of financial year	(3,222)	(400)	(3,622)

Notes to the FINANCIAL STATEMENTS

August 31, 2011

6. INCOME TAXES (CONT'D)

(b) Income tax expense

	Group	
	2011 S\$'000	2010 S\$'000
Tax expense attributable to profit is made up of:		
Current year		
- Current tax	80,947	108,640
- Deferred tax	(3,519)	(26,835)
	77,428	81,805
Prior years		
- Current tax	(4,394)	(1,363)
- Deferred tax	(103)	(38)
	72,931	80,404

The income tax expense on profit for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to the following factors:

	Group	
	2011 S\$'000	2010 S\$'000
Profit before taxation	456,682	589,892
Tax calculated at corporate tax rate of 17%	77,636	100,282
Singapore statutory stepped income exemption	(460)	(408)
Income taxed at concessionary rate	(485)	(391)
Income not subject to tax	(5,020)	(21,293)
Expenses not deductible for tax purposes	6,088	5,112
Deferred tax benefits not recognised	399	1,137
Double tax relief for contributions made to Institutes of Public Character	(243)	(2,584)
Effect of different tax rates in other countries	890	285
Tax incentives	(1,236)	(361)
Others	(141)	26
Tax charge	77,428	81,805

Notes to the FINANCIAL STATEMENTS

August 31, 2011

7. BORROWINGS

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Secured				
Term loan [Note 7(a)]	298,834	570,000	-	-
Unsecured				
Fixed rate notes [Note 7(b)]	598,797	598,453	598,797	598,453
Term loan [Note 7(c)]	100,000	150,000	100,000	150,000
Loans from non-controlling interests [Notes 7(d) and 7(e)]	113,537	111,661	-	-
Fixed advance facility [Note 7(f)]	800	800	-	-
	1,111,968	1,430,914	698,797	748,453
Borrowings are repayable:				
Within 1 year	100,800	570,800	100,000	-
Between 1- 5 years	1,011,168	860,114	598,797	748,453
	1,111,968	1,430,914	698,797	748,453

- (a) As at August 31, 2011, Orchard 290 Ltd ("Orchard 290"), a subsidiary of the Group, had a term loan facility available for drawdown up to the amount of S\$300 million (2010: S\$610 million) for a tenure of five years from July 11, 2011 (2010: July 11, 2006). As at the balance sheet date, the amount drawn down was S\$300 million (2010: S\$570 million). The amount of S\$298.8 million represented the loan stated at amortised cost.

The term loan facility is secured by way of a legal mortgage on Orchard 290's investment property [Note 9], a debenture over the assets of Orchard 290 and an assignment of the insurances on the investment property.

After taking into account interest rate swap arrangements totalling S\$150 million (2010: S\$500 million), the effective interest rate as at the balance sheet date on the outstanding term loan of S\$300 million was 1.50% per annum (2010: S\$570 million, 3.16% per annum).

- (b) On February 22, 2010, the Company established a S\$1 billion Multicurrency Medium Term Note Programme. Notes outstanding as at August 31, 2011 comprise S\$600 million (2010: S\$600 million) 5-year unsecured fixed rate notes due on March 2, 2015. The amount of S\$598.8 million (2010: S\$598.5 million) as at the balance sheet date represented the notes stated at amortised cost. Interest at 2.81% per annum (2010: 2.81% per annum) is payable semi-annually in arrears. The fixed rate notes are listed on the SGX-ST.

- (c) As at August 31, 2011, the Company had an unsecured term loan facility available for drawdown up to the amount of S\$150 million (2010: S\$150 million) for a tenure of three years from October 22, 2008. Total loan drawn down as at August 31, 2011 amounted to S\$100 million (2010: S\$150 million), after a partial loan repayment of S\$50 million (2010: Nil) during the financial year.

After taking into account interest rate swap arrangements totalling S\$100 million (2010: S\$100 million), the effective interest rate as at the balance sheet date on the outstanding term loan of S\$100 million was 2.88% per annum (2010: S\$150 million, 2.22% per annum).

- (d) As at August 31, 2011, Blu Inc (Holdings) Malaysia Sdn Bhd, a subsidiary of the Group, had an outstanding unsecured loan of S\$2.4 million (2010: S\$3.0 million) from its non-controlling interests. The loan is interest-free and has no fixed repayment terms although repayment is not expected within the next twelve months.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

7. BORROWINGS (CONT'D)

- (e) As at August 31, 2011, SG Domain Pte Ltd ("SG Domain"), a subsidiary of the Group, had outstanding unsecured loans of S\$120.4 million (2010: S\$120.4 million) from its non-controlling interests, NTUC FairPrice Co-operative Limited ("NTUC FairPrice") and NTUC Income Insurance Co-operative Limited ("NTUC Income"). The loans are interest-free except for an amount of S\$61.2 million (2010: S\$61.2 million) which bears a fixed interest rate of 3% per annum payable semi-annually. The loans have a repayment term of five years, of which S\$62.4 million is due on February 17, 2015 and S\$58.0 million is due on August 31, 2015.

On initial recognition, the above loans were recognised at their fair values of S\$107.5 million, which were determined from the cash flow analyses, discounted at the market borrowing rates on the respective inception dates. The difference between the fair value and principal loan amounts was recognised in the income statement. The unamortised fair value gain as at balance sheet date was S\$9.3 million (2010: S\$11.7 million).

- (f) As at August 31, 2011, SPH UnionWorks had an unsecured fixed advance facility of which the total drawdown was S\$0.8 million (2010: S\$0.8 million). During the current financial year, the outstanding loan was refinanced. The bank loan of S\$0.8 million (2010: S\$0.8 million) is unsecured and matures on February 27, 2012 (2010: February 28, 2011). As at August 31, 2011, interest is charged at 1.08% (2010: 1.50%) per annum.
- (g) In respect of bank borrowings, where appropriate, the Group's policy is to minimise its interest rate risk exposure by entering into interest rate swaps over the duration of its borrowings. Accordingly, the Company and Orchard 290 entered into interest rate swap contracts to swap floating rates for fixed interest rates as part of their interest rate risk management. Under the interest rate swaps, the Company and Orchard 290 agreed with other parties to exchange at specified intervals, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts. At August 31, 2011, the fixed interest rates were 2.50% (2010: 2.50%) and 1.79% (2010: 3.19%) per annum for the Company and Orchard 290 respectively, and floating rates are referenced to Singapore dollar swap offer rate and repriced every three months.

The notional principal amounts of the outstanding interest rate swap contracts and their corresponding fair values as at August 31, 2011 are:

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Notional due:				
Within 1 year [Note 19]	100,000	500,000	100,000	-
Between 1 - 5 years [Note 19]	150,000	100,000	-	100,000
Fair values* [Note 19]	(6,802)	(14,352)	(381)	(2,352)

* The fair values of interest rate swap contracts had been calculated (using rates quoted by the Group's bankers) assuming the contracts are terminated at the balance sheet date.

- (h) As at August 31, 2011, the fair value of the loans from non-controlling interests of SG Domain was S\$115.7 million (2010: S\$110.3 million) and the fair value of the fixed rate notes was S\$631.9 million (2010: S\$623.6 million). The fair values were determined from the cash flow analyses, discounted at market borrowing rates of 2.74% (2010: 3.55%) and 1.25% (2010: 1.89%) per annum respectively, which management expected to be available to the Group. The fair values of the remaining borrowings as at the balance sheet date approximated their carrying values.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

8. PROPERTY, PLANT AND EQUIPMENT

(a) 2011

	Group				
	Leasehold Land and Buildings S\$'000	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Cost					
Beginning of financial year	229,172	751,351	17,839	1,472	999,834
Currency translation differences	-	(78)	(45)	(4)	(127)
Acquisition of business by a subsidiary [Note 20(b)]	-	2	-	-	2
Additions	82	2,170	667	515	3,434
Transferred in from capital work-in-progress	-	38,862	243	-	39,105
Disposal of a subsidiary [Note 20(c)]	-	(52)	(1)	-	(53)
Disposals/Write-offs	(16)	(10,577)	(195)	(495)	(11,283)
End of financial year	229,238	781,678	18,508	1,488	1,030,912
Accumulated depreciation and impairment losses					
Beginning of financial year	109,244	468,350	12,886	1,294	591,774
Currency translation differences	-	(83)	(24)	(4)	(111)
Depreciation charge for the year	6,917	52,416	1,432	127	60,892
Disposal of a subsidiary [Note 20(c)]	-	(42)	(1)	-	(43)
Disposals/Write-offs	(16)	(10,310)	(180)	(452)	(10,958)
(Reversal of impairment charge)/ Impairment charge for the year	(1,609)	1,351	162	-	(96)
End of financial year	114,536	511,682	14,275	965	641,458
Net book value					
End of financial year	114,702	269,996	4,233	523	389,454
Capital work-in-progress	1,426	3,204	2	-	4,632
Total	116,128	273,200	4,235	523	394,086
Capital work-in-progress					
Beginning of financial year	-	19,723	-	-	19,723
Additions	1,426	22,343	245	-	24,014
Transferred out to property, plant and equipment	-	(38,862)	(243)	-	(39,105)
End of financial year	1,426	3,204	2	-	4,632

Notes to the FINANCIAL STATEMENTS

August 31, 2011

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) 2010

	Group				
	Leasehold Land and Buildings S\$'000	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Cost					
Beginning of financial year	228,981	741,063	17,213	1,479	988,736
Currency translation differences	-	(175)	23	3	(149)
Additions	211	3,305	439	54	4,009
Transferred in from capital work-in-progress	-	18,409	342	-	18,751
Disposals/Write-offs	(20)	(11,251)	(178)	(64)	(11,513)
End of financial year	229,172	751,351	17,839	1,472	999,834
Accumulated depreciation and impairment losses					
Beginning of financial year	106,191	425,517	11,672	1,163	544,543
Currency translation differences	-	(40)	11	3	(26)
Depreciation charge for the year	6,558	51,581	1,379	192	59,710
Disposals/Write-offs	(20)	(11,150)	(176)	(64)	(11,410)
(Reversal of impairment charge)/ Impairment charge for the year	(3,485)	2,442	-	-	(1,043)
End of financial year	109,244	468,350	12,886	1,294	591,774
Net book value					
End of financial year	119,928	283,001	4,953	178	408,060
Capital work-in-progress	-	19,723	-	-	19,723
Total	119,928	302,724	4,953	178	427,783
Capital work-in-progress					
Beginning of financial year	-	18,341	-	-	18,341
Additions	-	19,791	342	-	20,133
Transferred out to property, plant and equipment	-	(18,409)	(342)	-	(18,751)
End of financial year	-	19,723	-	-	19,723

During the financial year, the Group has reassessed the recoverable amount of a property and accordingly recognised a reversal of an impairment of S\$1.6 million (2010: S\$3.5 million) made in prior years within "Other operating income" in the income statement. The recoverable amount of the asset is its fair value less cost to sell. The fair value of the property is based on an independent valuation, determined using the income method.

The Group also recognised an impairment charge of S\$1.5 million (2010: S\$2.4 million) arising from technology obsolescence, and this amount was included within "Other operating expenses" in the income statement.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) 2011

	Company			
	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Cost				
Beginning of financial year	636,709	12,860	1,357	650,926
Additions	860	31	515	1,406
Transferred in from capital work-in-progress	38,518	214	-	38,732
Disposals/Write-offs	(7,748)	-	(495)	(8,243)
End of financial year	668,339	13,105	1,377	682,821
Accumulated depreciation and impairment losses				
Beginning of financial year	384,161	10,195	1,178	395,534
Depreciation charge for the year	44,906	912	125	45,943
Disposals/Write-offs	(7,726)	-	(452)	(8,178)
End of financial year	421,341	11,107	851	433,299
Net book value				
End of financial year	246,998	1,998	526	249,522
Capital work-in-progress	2,791	2	-	2,793
Total	249,789	2,000	526	252,315
Capital work-in-progress				
Beginning of financial year	19,439	-	-	19,439
Additions	21,870	216	-	22,086
Transferred out to property, plant and equipment	(38,518)	(214)	-	(38,732)
End of financial year	2,791	2	-	2,793

Notes to the FINANCIAL STATEMENTS

August 31, 2011

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) 2010

	Company			
	Plant and Equipment S\$'000	Furniture and Fittings S\$'000	Motor Vehicles S\$'000	Total S\$'000
Cost				
Beginning of financial year	628,888	12,604	1,366	642,858
Additions	717	25	54	796
Transferred in from capital work-in-progress	17,486	341	-	17,827
Disposals/Write-offs	(10,382)	(110)	(63)	(10,555)
End of financial year	636,709	12,860	1,357	650,926
Accumulated depreciation and impairment losses				
Beginning of financial year	353,556	9,365	1,084	364,005
Depreciation charge for the year	40,983	939	157	42,079
Disposals/Write-offs	(10,378)	(109)	(63)	(10,550)
End of financial year	384,161	10,195	1,178	395,534
Net book value				
End of financial year	252,548	2,665	179	255,392
Capital work-in-progress	19,439	-	-	19,439
Total	271,987	2,665	179	274,831
Capital work-in-progress				
Beginning of financial year	18,044	-	-	18,044
Additions	18,881	341	-	19,222
Transferred out to property, plant and equipment	(17,486)	(341)	-	(17,827)
End of financial year	19,439	-	-	19,439

Notes to the FINANCIAL STATEMENTS

August 31, 2011

9. INVESTMENT PROPERTIES

	Group	
	2011 S\$'000	2010 S\$'000
Investment properties		
Cost		
Beginning of financial year	1,252,635	1,247,527
Additions	16,971	8,280
Transferred from Investment property under development	582,204	-
Write-off of renovations and fittings	-	(3,172)
End of financial year	1,851,810	1,252,635
Accumulated depreciation and impairment losses		
Beginning of financial year	81,658	73,062
Depreciation charge for the year	15,893	9,319
Write-off of renovations and fittings	-	(723)
End of financial year	97,551	81,658
Net book value at end of financial year	1,754,259	1,170,977
Investment property under development		
Beginning of financial year	559,092	-
Additions	23,112	559,092
Transferred to Investment properties	(582,204)	-
Net book value at end of financial year	-	559,092
Total net book value	1,754,259	1,730,069
Fair value	3,020,083	2,841,992

During the financial year, The Clementi Mall commenced operations upon receiving the Temporary Occupation Permits.

The fair value of the investment properties as at balance sheet date was stated based on independent professional valuations, determined on an open market value basis. Valuation of the Group's investment properties, Paragon on Orchard Road and The Clementi Mall on Commonwealth Avenue West/Clementi Avenue 3, was carried out using the income method.

The Paragon on Orchard Road, with a carrying amount of S\$1,164.8 million (2010: S\$1,160.9 million), is mortgaged to a bank as security for the loan facility of S\$300 million (2010: S\$610 million) granted to Orchard 290 [Note 7(a)].

The following amounts are recognised in the income statement:

	Group	
	2011 S\$'000	2010 S\$'000
Rental income	166,071	132,327
Direct operating expenses arising from investment properties that generated rental income	(58,705)	(43,072)

Notes to the FINANCIAL STATEMENTS

August 31, 2011

10. DEVELOPMENT PROPERTIES

	Group	
	2011	2010
	S\$'000	S\$'000
Sold development properties		
Aggregate costs incurred and profits recognised to-date	673,483	673,483
Less: Progress billings	(673,425)	(565,803)
	58	107,680
Analysed as:		
Due from customers [Note 17(b)]	58	107,680

The certificate of statutory completion has been issued by the Building and Construction Authority during the financial year.

As stated in Note 2(g), the Group recognises profits from sale of development properties using the percentage-of-completion method. Had the completion-of-contract method been adopted, the effects on the financial statements would have been as follows:

	Group	
	2011	2010
	S\$'000	S\$'000
Increase/(Decrease) in:		
Income Statement		
Revenue from sale of development properties	-	451,840
Profit after taxation	-	299,855
Balance Sheet		
Retained earnings as at beginning of financial year	-	(299,855)

Notes to the FINANCIAL STATEMENTS

August 31, 2011

11. INVESTMENTS IN SUBSIDIARIES

Unquoted equities

	Company	
	2011 S\$'000	2010 S\$'000
Unquoted equities at cost	389,368	387,340
Allowance for impairment*	(500)	(500)
	388,868	386,840

* The allowance for impairment was made to write down the carrying amount of investment in a subsidiary to its recoverable amount following a review of the subsidiary's business.

Details of significant subsidiaries are set out in Note 30. A list of other operating subsidiaries of the Group can be found on pages 175 and 176 of the annual report.

Details of the acquisition and disposal of subsidiaries are set out in Notes 20(b) and 20(c) respectively.

12. INVESTMENTS IN ASSOCIATES

Unquoted equities

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Beginning of financial year	56,103	45,600	29,326	29,326
Currency translation differences	(37)	(4)	-	-
Acquisition of an associate	500	-	-	-
Additional consideration paid on interest in an associate	6,250	5,484	-	-
Transferred from investment in a subsidiary [Note 20(c)]	500	-	-	-
Gain on dilution of an associate	-	5	-	-
Disposal of associates	(73)	-	-	-
Share of net profit of associates	8,317	5,185	-	-
Dividends received from associates	(2,804)	(171)	-	-
(Allowance)/Write-back of allowance for impairment of an associate	(342)	4	3,783	-
End of financial year	68,414	56,103	33,109	29,326

The summarised financial information of associates, not adjusted for the proportional ownership interest held by the Group, is as follows:

	Group	
	2011 S\$'000	2010 S\$'000
Assets	804,933	562,612
Liabilities	617,072	422,254
Revenues	351,386	310,808
Net profit	31,488	11,095

A list of operating associates of the Group can be found on page 177 of the annual report.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

13. INVESTMENTS IN JOINTLY-CONTROLLED ENTITIES

Unquoted equities

	Group	
	2011 S\$'000	2010 S\$'000
Beginning of financial year	11,002	17,441
Additional consideration paid on interests in jointly-controlled entities	14,500	-
Share of net loss	(11,024)	(6,541)
Others	(153)	102
End of financial year	14,325	11,002

The Group's investments in the jointly-controlled entities are equity accounted for in the consolidated balance sheet and income statement.

The following amounts represent the Group's effective share of 33.33% to 50% (2010: 33.33% to 50%) of the assets and liabilities and revenues and expenses of the jointly-controlled entities as at August 31, 2011 should proportionate consolidation be adopted.

	Group	
	2011 S\$'000	2010 S\$'000
Assets		
- Current assets	17,289	12,043
- Non-current assets	2,487	2,735
	19,776	14,778
Liabilities		
- Current liabilities	5,669	3,938
- Non-current liabilities	1,685	1,586
	7,354	5,524
Net assets	12,422	9,254
Revenues	1,964	1,508
Expenses	(12,988)	(8,049)
Net loss	(11,024)	(6,541)

A list of operating jointly-controlled entities of the Group can be found on page 177 of the annual report.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

14. LONG-TERM INVESTMENTS

Long-term investments classified as available-for-sale financial assets comprise the following:

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Quoted securities				
- Equities	346,685	300,451	36,797	31,633
Unquoted securities				
- Equities	3,462	3,061	-	-
- Investment funds	10,102	2,714	-	-
	360,249	306,226	36,797	31,633

The quoted equities are listed in Singapore.

15. INTANGIBLE ASSETS

	Group	
	2011 S\$'000	2010 S\$'000
Arising from business combinations		
- Goodwill [Note 15(a)]	39,436	34,024
- Technology, trademark, licences, mastheads and others [Note 15(b)]	43,596	14,172
Acquired separately		
- Technology and licences [Note 15(c)]	782	1,143
	83,814	49,339

(a) Arising from business combinations - Goodwill

	Group	
	2011 S\$'000	2010 S\$'000
Cost		
Beginning of financial year	35,665	36,201
Acquisition of business by a subsidiary [Note 20(b)]	8,195	390
Currency translation differences	(1,649)	(926)
End of financial year	42,211	35,665
Accumulated impairment		
Beginning of financial year	1,641	355
Impairment charge [Note 15(d) and Note 25]	1,134	1,286
End of financial year	2,775	1,641
Net book value	39,436	34,024

Notes to the FINANCIAL STATEMENTS

August 31, 2011

15. INTANGIBLE ASSETS (CONT'D)

(b) Arising from business combinations

- Technology, trademark, licences, mastheads and others

	Group		
	Technology	Trademark, licences, mastheads and others	Total
	S\$'000	S\$'000	S\$'000
2011			
Cost			
Beginning of financial year	6,522	14,409	20,931
Acquisition of business by a subsidiary [Note 20(b)]	-	35,375	35,375
Currency translation differences	(43)	(1,009)	(1,052)
End of financial year	6,479	48,775	55,254
Accumulated amortisation			
Beginning of financial year	1,149	5,610	6,759
Amortisation charge [Note 25]	677	4,674	5,351
Currency translation differences	(2)	(450)	(452)
End of financial year	1,824	9,834	11,658
Net book value	4,655	38,941	43,596
2010			
Cost			
Beginning of financial year	6,518	12,918	19,436
Acquisition of business by a subsidiary [Note 20(b)]	-	1,492	1,492
Currency translation differences	4	(1)	3
End of financial year	6,522	14,409	20,931
Accumulated amortisation			
Beginning of financial year	493	3,664	4,157
Amortisation charge [Note 25]	653	1,489	2,142
Currency translation differences	3	457	460
End of financial year	1,149	5,610	6,759
Net book value	5,373	8,799	14,172

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August 31, 2011

15. INTANGIBLE ASSETS (CONT'D)

(c) Acquired separately - Technology and licences

	Group	
	2011 S\$'000	2010 S\$'000
Cost		
Beginning and end of financial year	1,804	1,804
Accumulated amortisation		
Beginning of financial year	661	301
Amortisation charge [Note 25]	361	360
End of financial year	1,022	661
Net book value	782	1,143

(d) Impairment of goodwill

During the financial year, the Group recognised an impairment charge of S\$1.1 million (2010: S\$1.3 million) within "Other operating expenses" in the income statement. The goodwill was allocated to the Group's cash-generating unit ("CGU") identified as a subsidiary. The recoverable value of the CGU was determined based on fair value less cost to sell. The fair value was computed by applying appropriate earnings multiples to the latest available financial forecasts.

16. INVENTORIES

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Raw materials and consumable stores	38,091	27,511	36,845	26,673
Allowance for write-down of inventories	(774)	(537)	(752)	(519)
	37,317	26,974	36,093	26,154

The cost of inventories recognised as an expense and included in materials, consumables and broadcasting costs in the income statement amounted to S\$119.8 million (2010: S\$108.0 million).

During the financial year, the Group made an allowance for stock obsolescence amounting to S\$237,000 (2010: S\$9,000). In the previous financial year, the Group also wrote off inventories totalling S\$9,000.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

17. TRADE AND OTHER RECEIVABLES

(a) Non-current

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Loans to a subsidiary [Note 17(a)(i)]	-	-	307,826	303,331
Staff loans [Note 17(a)(ii)]	2,642	3,526	2,286	3,046
Sundry debtors [Note 17(a)(ii)]	1,460	1,266	166	147
Others [Note 17(a)(ii)]	65	65	-	-
	4,167	4,857	310,278	306,524

- (i) The loans to a subsidiary of S\$325.6 million (2010: S\$325.6 million) are non-trade, unsecured and interest-free except for S\$236.8 million which bears a fixed interest rate of 2.9% per annum payable semi-annually. The loans have a repayment term of five years, of which S\$93.7 million is due on February 17, 2015 and S\$231.9 million is due on August 31, 2015.

On initial recognition, the above loans were recognised at their fair values of S\$301.6 million, determined from the cash flow analyses, discounted at the market borrowing rates on the respective loan inception dates. The difference between the fair values and the principal loan amounts was recognised in the income statement. The unamortised fair value loss as at balance sheet date was S\$17.8 million (2010: S\$22.3 million).

As at August 31, 2011, the fair values of the loans were S\$319.0 million (2010: S\$305.8 million), determined from the cash flow analyses, discounted at the market borrowing rate of 2.74% (2010: 3.55%) per annum, which management expected to be available to the Group at the balance sheet date.

- (ii) The fair value of the other assets approximates their carrying amount.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

17. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Current

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Trade receivables				
- Non-related parties	144,683	145,063	110,828	100,762
- Less: Allowance for impairment of receivables – non-related parties	(10,342)	(10,177)	(8,318)	(8,366)
	134,341	134,886	102,510	92,396
- Development properties				
- Due from customers [Note 10] [Note 17(b)(i)]	58	107,680	-	-
Amounts owing by				
- Subsidiaries [Note 17(b)(ii)]	-	-	828,953	847,914
- Associates [Note 17(b)(iii)]	918	53	-	-
- Jointly-controlled entities [Note 17(b)(iv)]	74	103	61	37
	992	156	829,014	847,951
Loans to subsidiaries [Note 17(b)(v)]	-	-	337,299	302,422
Accrued interest	2,230	2,384	144	40
Sundry debtors	9,115	7,478	1,325	2,881
Prepayments	3,929	5,249	2,571	3,414
Staff loans	1,304	1,434	1,187	1,310
	151,969	259,267	1,274,050	1,250,414

- (i) In the previous financial year, amounts due from customers on development properties are neither past due nor impaired as they relate to the aggregated costs incurred and the profit or loss recognised in each development property that has been sold, net of any progress billings.
- (ii) The amounts owing by subsidiaries, net of allowance for impairment of S\$0.5 million (2010: S\$0.5 million), are non-trade, unsecured, interest-free and repayable on demand.
- (iii) The amounts owing by associates are non-trade, unsecured, interest-free and repayable on demand.
- (iv) The amounts owing by jointly-controlled entities are non-trade, unsecured, interest-free and repayable on demand.
- (v) The loans to subsidiaries, net of allowance for impairment of S\$23.8 million (2010: S\$2.9 million), are unsecured and repayable on demand. The loans are interest-free except for an amount of S\$200.0 million (2010: S\$210.0 million) which bears a fixed interest rate of 2.85% (2010: 1.5%) per annum.

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18. SHORT-TERM INVESTMENTS

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Internally-managed				
Available-for-sale financial assets [Note 18(a)]	573,544	830,883	113,712	205,145
Financial assets at fair value through profit or loss [Note 18(b)]	49,011	65,686	-	-
	622,555	896,569	113,712	205,145

(a) Available-for-sale financial assets comprise the following:

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Quoted securities*:				
- Equities	64,331	37,119	-	-
- Bonds	204,204	506,188	-	99,975
- Investment funds	259,007	239,359	113,712	105,170
	527,542	782,666	113,712	205,145
Unquoted securities:				
- Equities	340	274	-	-
- Investment funds	45,662	47,943	-	-
	46,002	48,217	-	-
	573,544	830,883	113,712	205,145

The Group recognised an impairment loss within "Net income from investments" of S\$4.7 million (2010: S\$Nil) against an unquoted investment fund as the fair value had been below cost for a prolonged period during the financial year.

(b) Financial assets at fair value through profit or loss comprise the following:

	Group	
	2011 S\$'000	2010 S\$'000
Quoted securities*:		
Designated at fair value on initial recognition		
- Bonds and notes	24,473	41,592
- Preference shares	24,538	24,094
	49,011	65,686

* Quoted investment funds are invested in globally diversified portfolios with no significant concentration risk. The other quoted securities are mainly invested in Singapore.

Notes to the FINANCIAL STATEMENTS

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19. DERIVATIVE FINANCIAL INSTRUMENTS

Analysed as:

Group

	Contract Notional Amount S\$'000	Fair Value	
		Assets S\$'000	Liabilities S\$'000
2011			
Non-current			
Cash flow hedge			
- Interest rate swaps [Note 7(g)]	150,000	-	6,421
Current			
Cash flow hedge			
- Interest rate swaps [Note 7(g)]	100,000	-	381
Derivatives that do not qualify as hedges			
- Currency forwards	134,188	2,757	-
- Cross currency swap	7,052	2,348	-
		5,105	381
2010			
Non-current			
Cash flow hedge			
- Interest rate swaps [Note 7(g)]	100,000	-	2,352
Current			
Cash flow hedge			
- Interest rate swaps [Note 7(g)]	500,000	-	12,000
Derivatives that do not qualify as hedges			
- Currency forwards	108,980	3,120	37
- Cross currency swap	5,419	1,698	-
		4,818	12,037

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19. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Company

	Contract Notional Amount S\$'000	Fair Value	
		Assets S\$'000	Liabilities S\$'000
2011			
Current			
Cash flow hedge			
- Interest rate swaps [Note 7(g)]	100,000	-	381
Derivatives that do not qualify as hedges			
- Currency forwards	47,297	373	-
		<u>373</u>	<u>381</u>
2010			
Non-current			
Cash flow hedge			
- Interest rate swaps [Note 7(g)]	100,000	-	2,352
Current			
Derivatives that do not qualify as hedges			
- Currency forwards	6,095	35	33
		<u>35</u>	<u>33</u>

Notes to the FINANCIAL STATEMENTS

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20. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents at the end of the financial year comprise the following:

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Cash held as fixed bank deposits	344,117	427,354	260,191	221,340
Cash and bank balances	48,397	33,641	10,479	10,078
	392,514	460,995	270,670	231,418

Included in cash and cash equivalents are the following:

	Group	
	2011 S\$'000	2010 S\$'000
Amount held as fixed bank deposits under Housing Developers (Project Account) Rules [Note 20(a)(i)]	7,500	24,300
Amount held in project bank account under Housing Developers (Project Account) Rules [Note 20(a)(i)]	81	3,803
Amount held on behalf of management corporation [Note 20(a)(iii)]	633	676

- (i) 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].
- (ii) Pursuant to the requirement under the Building Maintenance and Strata Management Act, Times Development Pte Ltd, a subsidiary of the Group, holds the general maintenance fund for a completed project until the council of the management corporation is elected. The amounts in the maintenance fund can only be applied for the upkeep of the completed project.

(b) Acquisition of business by a subsidiary

	Group	
	2011 S\$'000	2010 S\$'000
At fair values		
Identifiable assets and liabilities		
Property, plant and equipment [Note 8(a)]	2	-
Current assets (including cash)	-	10
Intangible assets [Note 15(b)]	35,375	1,492
Deferred income tax liabilities [Note 6(a)(i)]	(72)	(282)
Identifiable net assets acquired	35,305	1,220
Goodwill on acquisition [Note 15(a)]	8,195	390
Total purchase consideration [Note 20(b)(i)]	43,500	1,610
Less: Amount paid in previous financial year	(435)	-
Cash acquired	-	(10)
Contingent consideration	-	(100)
Net cash outflow on acquisition of business by a subsidiary	43,065	1,500

Notes to the FINANCIAL STATEMENTS

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20. CASH AND CASH EQUIVALENTS (CONT'D)

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

Note (b)(i)

2011

On October 13, 2010, the Group's wholly-owned subsidiary, Sphere Exhibits Pte Ltd ("Sphere"), completed the acquisition of the Exhibitions Business and assets of Eastern Directories Pte Ltd ("EDPL"). The Exhibition Business comprised exhibitions marketed and held in Singapore under the respective names, logos and marks "COMEX", "IT Show", "World Food Fair" and "Food and Beverage Fair".

The total consideration for the acquisition was S\$43.5 million.

The goodwill of S\$8.2 million is attributable to the value and management expertise of the acquired business.

The acquired business contributed revenue of S\$6.1 million and net profit of S\$0.2 million to the Group for the period from October 13, 2010 to August 31, 2011. If the acquisition had occurred on September 1, 2010, Group operating revenue and total profit would have increased by S\$5.7 million and S\$3.3 million respectively.

2010

On June 14, 2010, Sphere Exhibits Pte Ltd ("Sphere"), acquired the issued share capital of Bizlink Exhibition Services Pte Ltd ("Bizlink Exhibition") from the existing shareholder. Bizlink Exhibition is in the trade exhibitions business. Sphere also acquired the intellectual property rights from Bizlink Premium Services Pte. Ltd ("Bizlink Premium"), a related company of Bizlink Exhibition.

A total consideration of S\$1.5 million was paid as at August 31, 2010. A contingent consideration of S\$0.1 million is payable to Bizlink Premium subject to the fulfilment of certain conditions including achievement of profit before tax of S\$0.3 million for the period from January 1, 2010 to December 31, 2010. As at August 31, 2010, Sphere assessed the probability of fulfilling the conditions and had accrued for the contingent consideration.

The goodwill is attributable to the value and management expertise of the acquired business.

The acquired business contributed revenue of S\$0.5 million and net profit of S\$30,000 to the Group for the period from June 14, 2010 to August 31, 2010. If the acquisition had occurred on September 1, 2009, Group operating revenue and total profit would have increased by S\$1.1 million and S\$0.2 million respectively.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

20. CASH AND CASH EQUIVALENTS (CONT'D)

(c) Disposal of a subsidiary

	Group
	2011
	S\$'000
Carrying values of identifiable assets and liabilities	
Property, plant and equipment [Note 8(a)]	10
Current assets (including cash)	1,059
Current liabilities	(566)
Deferred income tax liabilities [Note 6(a)(i)]	(3)
Net assets disposed	500
Acquisition of an associate [Note 12]	(500)
	-
Less: Cash and cash equivalents in subsidiary disposed	(633)
Net cash outflow on disposal	(633)

Note (c)(i)

On December 31, 2010, Hardware Zone Pte Ltd, a wholly-owned subsidiary of SPH Magazines Pte Ltd ("SPH Magazines"), transferred its entire shareholding in its wholly-owned subsidiary, clickTRUE Pte Ltd ("clickTRUE"), to Kyosei Ventures Pte Ltd ("Kyosei"). In exchange for the transfer, SPH Magazines subscribed for 290 new shares in Kyosei, representing 22.5% of the share capital of Kyosei which then became an associate of the Group.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

21. TRADE AND OTHER PAYABLES

(a) Non-current

	Group	
	2011 S\$'000	2010 S\$'000
Deposits received	27,776	21,438

The fair value of deposits received approximate their carrying amount.

(b) Current

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Trade payables – non-related parties	43,409	49,641	33,294	25,799
Amounts owing to				
- Subsidiaries [Note 21(b)(i)]	-	-	459,047	447,273
- Jointly-controlled entity [Note 21(b)(ii)]	17,217	9,281	17,213	9,281
	17,217	9,281	476,260	456,554
Accrued operating expenses	159,983	179,973	120,807	129,948
Deposits received	22,359	19,467	9,070	7,603
Sundry creditors	24,258	8,480	5,606	7,119
Collections in advance	29,444	20,019	12,433	14,601
	296,670	286,861	657,470	641,624

- (i) The amounts owing to subsidiaries are non-trade, unsecured and repayable on demand. Except for amounts owing to certain subsidiaries of S\$38.5 million (2010: S\$36.1 million) with effective interest rates ranging from 0.15% to 0.37% (2010: 0.15% to 0.48%) per annum as at the balance sheet date, the amounts owing to other subsidiaries are interest-free.
- (ii) The amounts owing to a jointly-controlled entity are non-trade, unsecured and repayable on demand. The amounts of S\$17.2 million (2010: S\$9.3 million) are interest-bearing, with effective interest rates ranging from 0.05% to 4.80% (2010: 0.19% to 0.60%) per annum as at the balance sheet date.

Notes to the FINANCIAL STATEMENTS

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22. CAPITAL AND OTHER COMMITMENTS

(a) Commitments for capital expenditure and investments

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Authorised and contracted for				
- Property, plant and equipment	5,363	17,592	4,938	16,899
- Investment properties	2,119	38,229	-	-
- Equity funding for associates	16,513	21,963	-	-
- Long-term/Short-term investments	37,161	69,437	-	-
	61,156	147,221	4,938	16,899

(b) Operating lease commitments – where the Group and/or Company is a lessee

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Within 1 year	7,080	6,676	406	291
Between 1 - 5 years	17,595	16,985	390	48
After 5 years	145,882	149,775	-	-
	170,557	173,436	796	339

The Group and Company lease various residential/commercial space and plant and machinery under non-cancellable operating lease agreements with varying terms and renewal rights.

(c) Operating lease commitments – where the Group is a lessor

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group	
	2011 S\$'000	2010 S\$'000
Within 1 year	172,752	138,808
Between 1 - 5 years	214,857	233,316
After 5 years	368	744
	387,977	372,868

The Group leases to third parties various residential/commercial space under non-cancellable operating lease agreements with varying terms, escalation clauses and renewal rights.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

23. OPERATING REVENUE

	Group	
	2011	2010
	S\$'000	S\$'000
Newspaper and Magazine		
Sale of services – Advertisements	774,670	733,104
Sale of goods – Circulation	207,207	209,078
Others	31,408	31,943
	1,013,285	974,125
Property		
Rental and rental-related services	167,884	134,451
Sale of development properties	-	221,644
	167,884	356,095
Others		
Sale of services – Advertisements	26,892	22,099
Sale of services – Multimedia and other services	42,911	28,752
	69,803	50,851
	1,250,972	1,381,071

24. STAFF COSTS

	Group	
	2011	2010
	S\$'000	S\$'000
Salaries, bonuses and other costs	307,717	300,424
Employers' contribution to defined contribution plans	33,020	32,605
Share-based compensation expense [Note 5(a)]	7,724	7,435
	348,461	340,464

Notes to the FINANCIAL STATEMENTS

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25. OTHER OPERATING EXPENSES

	Group	
	2011 S\$'000	2010 S\$'000
Included in other operating expenses are:		
Audit fees		
- Company's auditors	812	642
- Other auditors	85	68
Non-audit fees [#]		
- Company's auditors	203	146
Rental expense – operating leases	9,055	8,332
Net foreign exchange loss/(gain) from operations	614	(195)
Amortisation of intangible assets [Notes 15(b) and 15(c)]	5,712	2,502
Impairment of goodwill [Note 15(a)]	1,134	1,286
Allowance for impairment of trade receivables	1,586	2,306
Bad debts recovery	(342)	(244)
Impairment of property, plant and equipment	1,513	2,442
Net profit on disposal of property, plant and equipment	(199)	(76)
Investment property renovations and fittings written-off	-	2,449

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

26. FINANCE COSTS

	Group	
	2011 S\$'000	2010 S\$'000
Interest expense		
- Bank loans	3,574	6,063
- Fixed rate notes	16,860	8,453
- Loans from non-controlling interests	4,255	1,180
Cash flow hedges, transferred from hedging reserve [Note 5(b)]*	15,122	15,409
	39,811	31,105

* In relation to interest rate swap arrangements in Note 7(g).

Notes to the FINANCIAL STATEMENTS

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27. NET INCOME FROM INVESTMENTS

	Group	
	2011	2010
	S\$'000	S\$'000
Available-for-sale financial assets		
Interest income	6,562	5,170
Dividend income	28,504	21,442
Net foreign exchange loss	(717)	(301)
Transferred from fair value reserve on disposal of investments [Note 5(c)]	3,461	4,475
Impairment of investments	(4,714)	(78)
	33,096	30,708
Financial assets at fair value through profit or loss		
Net fair value gain on internally-managed investments		
- Designated upon initial recognition	2,227	4,658
Net loss from funds under management	-	(28)
Write-back of provision for loss on derivative financial instrument	5,168	-
Net fair value gain on derivative financial instruments	14,403	6,397
	21,798	11,027
Deposits with financial institutions		
Interest income	1,420	808
Net foreign exchange loss	(5,963)	(3,288)
	(4,543)	(2,480)
	50,351	39,255

28. DIVIDENDS

	Group and Company	
	2011	2010
	S\$'000	S\$'000
Dividends paid:		
- Final tax-exempt dividend of 9 cents per share in respect of previous financial year (2010: 9 cents per share)	144,593	144,304
- Special final tax-exempt dividend of 11 cents per share in respect of previous financial year (2010: 9 cents per share)	176,725	144,303
- Interim tax-exempt dividend of 7 cents per share (2010: 7 cents per share)	112,621	112,386
	433,939	400,993

- (a) The Directors have proposed a final tax-exempt (one-tier) dividend of 9 cents per share and a special final tax-exempt (one-tier) dividend of 8 cents per share for the financial year, amounting to a total of S\$273.5 million.
- (b) These financial statements do not reflect these proposed dividends, which will be accounted for in shareholders' interests as an appropriation of retained profit in the financial year ending August 31, 2012 when they are approved at the next annual general meeting.

Notes to the FINANCIAL STATEMENTS

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29. EARNINGS PER SHARE

	Group			
	2011		2010	
	Basic S\$'000	Diluted S\$'000	Basic S\$'000	Diluted S\$'000
Profit after taxation attributable to shareholders of the Company	388,575	388,575	497,874	497,874
	Number of Shares '000		Number of Shares '000	
Weighted average number of shares	1,607,937	1,607,937	1,604,500	1,604,500
Adjustment for assumed conversion of				
- share options	-	309	-	252
- performance shares	-	9,472	-	9,289
Weighted average number of shares used to compute earnings per share	1,607,937	1,617,718	1,604,500	1,614,041
	Basic	Diluted	Basic	Diluted
Earnings per share (S\$)	0.24	0.24	0.31	0.31

Notes to the FINANCIAL STATEMENTS

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30. SIGNIFICANT SUBSIDIARIES OF THE GROUP

Name of Subsidiaries	Principal Activities	Country of Incorporation	Effective % of Equity held by the Group	
			2011 %	2010 %
Times Properties Private Limited	Letting properties and provision of property management services	Singapore	100	100
Orchard 290 Ltd	Holding investments and managing of shopping centres and other commercial properties	Singapore	100	100
Singapore News and Publications Limited	Holding investments and properties	Singapore	100	100
Singapore Newspaper Services Private Limited	Holding investments and properties	Singapore	100	100
Lianhe Investments Pte. Ltd.	Holding investments for trading purposes	Singapore	100	100
SPH MultiMedia Private Limited	Holding investments	Singapore	100	100
SPH AsiaOne Ltd	Holding investments	Singapore	100	100
SG Domain Pte Ltd	Holding investments	Singapore	60	60
CM Domain Pte Ltd	Holding property investments and managing shopping centres	Singapore	60	60

Notes:

(i) *The above companies are audited by PricewaterhouseCoopers LLP, Singapore.*

(ii) *A list of other operating subsidiaries of the Group can be found on pages 175 and 176 of the annual report.*

31. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, particularly market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. Where appropriate, the Group's risk management policies seek to minimise potential adverse effects of these risks on the financial performance of the Group.

Matters pertaining to risk management strategies and execution require the decision and approval of the Board of Directors ("Board").

Financial risk management is mainly carried out by a central treasury department ("Treasury & Investment") in accordance with policies approved by the Board. Treasury & Investment analyses its investment portfolio and works closely with business units to identify, evaluate and hedge financial risks where appropriate. Guidelines for authority levels and exposure limits are in place to prevent unauthorised transactions. The Board is regularly updated on the Group's financial investments and hedging activities.

Notes to the FINANCIAL STATEMENTS

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

The policies for managing these risks are summarised below.

(a) Market risk

(i) Currency risk

The currency risk of the Group arises mainly from its operational purchases of raw materials and consumable stores and capital expenditure denominated in currencies other than the functional currency. In addition, currency risk also arises from the Group's foreign currency investments and from costs incurred by its overseas news bureaus. The Group also has investments in foreign subsidiaries, associates and jointly-controlled entities, whose net assets are exposed to currency translation risk.

Where appropriate, the Group enters into foreign exchange forward contracts and cross currency swaps to hedge against its currency risk resulting from anticipated sale and purchase transactions in foreign currencies, its foreign currency denominated investments and net assets of its foreign subsidiaries, associates and jointly-controlled entities.

The Group's currency exposure on its monetary financial assets and liabilities based on the information provided to key management is as follows:

	2011				
	SGD S\$'000	USD S\$'000	CNH S\$'000	Others S\$'000	Total S\$'000
Financial assets					
Trade and other receivables	140,069	1,203	-	9,190	150,462
Short-term investments	223,675	5,002	-	-	228,677
Cash and cash equivalents	340,023	2,079	39,802	10,610	392,514
	703,767	8,284	39,802	19,800	771,653
Financial liabilities					
Trade and other payables	(274,523)	(13,191)	-	(7,288)	(295,002)
Borrowings	(1,109,537)	-	-	(2,431)	(1,111,968)
	(1,384,060)	(13,191)	-	(9,719)	(1,406,970)
Net financial (liabilities)/assets	(680,293)	(4,907)	39,802	10,081	(635,317)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	680,293	-	-	(3,607)	676,686
Less: Firm commitments in foreign currencies	-	(616)	-	(235)	(851)
Less: Currency forwards	-	(80,751)	(39,980)	(261)	(120,992)
Cross currency swap	-	(4,809)	-	-	(4,809)
Currency exposure	-	(91,083)	(178)	5,978	(85,283)

Notes to the FINANCIAL STATEMENTS

August 31, 2011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	2010			
	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
Financial assets				
Trade and other receivables	140,964	674	8,994	150,632
Short-term investments	540,407	7,373	-	547,780
Cash and cash equivalents	390,847	64,414	5,734	460,995
	1,072,218	72,461	14,728	1,159,407
Financial liabilities				
Trade and other payables	(266,194)	(15,284)	(6,802)	(288,280)
Borrowings	(1,427,942)	-	(2,972)	(1,430,914)
	(1,694,136)	(15,284)	(9,774)	(1,719,194)
Net financial (liabilities)/assets	(621,918)	57,177	4,954	(559,787)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	621,918	(48)	(4,201)	617,669
Less: Firm commitments in foreign currencies	-	(5,245)	(1,707)	(6,952)
Less: Currency forwards	-	(101,530)	774	(100,756)
Cross currency swap	-	(5,419)	-	(5,419)
Currency exposure	-	(55,065)	(180)	(55,245)

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Company's currency exposure based on the information provided to key management is as follows:

	2011				
	SGD S\$'000	USD S\$'000	CNH S\$'000	Others S\$'000	Total S\$'000
Financial assets					
Trade and other receivables	1,581,233	366	-	158	1,581,757
Cash and cash equivalents	225,912	1,345	39,802	3,611	270,670
	1,807,145	1,711	39,802	3,769	1,852,427
Financial liabilities					
Trade and other payables	(630,970)	(13,404)	-	(663)	(645,037)
Borrowings	(698,797)	-	-	-	(698,797)
	(1,329,767)	(13,404)	-	(663)	(1,343,834)
Net financial (liabilities)/assets	477,378	(11,693)	39,802	3,106	508,593
Less: Net financial assets denominated in the Company's functional currency	(477,378)	-	-	-	(477,378)
Less: Firm commitments in foreign currencies	-	(616)	-	(235)	(851)
Less: Currency forwards	-	-	(39,980)	3,670	(36,310)
Currency exposure	-	(12,309)	(178)	6,541	(5,946)

Notes to the FINANCIAL STATEMENTS

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	2010			
	SGD S\$'000	USD S\$'000	Others S\$'000	Total S\$'000
Financial assets				
Trade and other receivables	1,553,022	226	276	1,553,524
Short-term investments	99,975	-	-	99,975
Cash and cash equivalents	230,266	904	248	231,418
	1,883,263	1,130	524	1,884,917
Financial liabilities				
Trade and other payables	(618,015)	(8,467)	(541)	(627,023)
Borrowings	(748,453)	-	-	(748,453)
	(1,366,468)	(8,467)	(541)	(1,375,476)
Net financial assets/(liabilities)	516,795	(7,337)	(17)	509,441
Less: Net financial assets denominated in the Company's functional currency	(516,795)	-	-	(516,795)
Less: Firm commitments in foreign currencies	-	(5,245)	(1,707)	(6,952)
Add: Currency forwards	-	1,355	774	2,129
Currency exposure	-	(11,227)	(950)	(12,177)

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

If the USD and CNH change against the SGD by 5% (2010: 5%) with all other variables including tax rate being held constant, the effects arising from the currency exposure will be as follows:

	2011		2010	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
Increase/(Decrease)				
Group				
USD against SGD				
- strengthened	(3,780)	-	(2,285)	-
- weakened	3,780	-	2,285	-
CNH against SGD				
- strengthened	(7)	-	-	-
- weakened	7	-	-	-
Company				
USD against SGD				
- strengthened	(511)	-	(466)	-
- weakened	511	-	466	-
CNH against SGD				
- strengthened	(7)	-	-	-
- weakened	7	-	-	-

Notes to the FINANCIAL STATEMENTS

August 31, 2011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(ii) Price risk

The Group is exposed to equity securities price risk arising from its equity investments which are classified either as available-for-sale or at fair value through profit or loss. To manage the price risk arising from its investments in equity securities, the Group diversifies its portfolio across different markets and industries, where appropriate.

If prices for equity securities that are internally-managed changed by 20% (2010: 20%) with all other variables including tax rate being held constant, the effects on profit after tax and other comprehensive income arising from the change in valuation of the equity securities will be as follows:

	2011		2010	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
Increase/(Decrease)				
Group				
Internally-managed investments				
- increased by	5,758	109,733	3,999	90,410
- decreased by	(5,758)	(109,733)	(3,999)	(90,410)
Company				
Internally-managed investments				
- increased by	-	7,359	-	6,327
- decreased by	-	(7,359)	-	(6,327)

Notes to the FINANCIAL STATEMENTS

August 31, 2011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(iii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has cash balances placed with reputable banks and financial institutions, and investments in bonds and government-related securities, which generate interest income for the Group. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

The Group's debt comprises mainly bank borrowings and fixed rate notes taken up by the Company and its subsidiaries to finance its operations. Where appropriate, the Group seeks to minimise its cash flow interest rate risk exposure by entering into interest rate swap contract to swap floating interest rate for fixed interest rate over the duration of its borrowings.

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD.

Movements in interest rates will therefore have an impact on the Group. A change of 0.25% (2010: 0.25%) point in interest rate at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below, assuming that all other variables remain constant.

	2011		2010	
	Profit after tax S\$'000	Other comprehensive income S\$'000	Profit after tax S\$'000	Other comprehensive income S\$'000
Increase/(Decrease)				
Group				
Borrowings (net of interest rate swap)				
- increased by	(311)	-	(251)	-
- decreased by	311	-	251	-
Internally-managed investments				
- increased by	(26)	(676)	39	(1,059)
- decreased by	26	676	(39)	1,059
Company				
Borrowings (net of interest rate swap)				
- increased by	-	-	(104)	-
- decreased by	-	-	104	-

Notes to the FINANCIAL STATEMENTS

August 31, 2011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, thereby resulting in financial loss to the Group. For trade receivables, the Group manages its credit risk through the application of credit approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains collateral in the form of deposits, bankers'/insurance guarantees from its customers, and imposes cash terms and/or advance payments from customers of lower credit standing. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

As at the balance sheet date, the Group has no significant concentration of credit risks.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet which comprise mainly trade receivables, investments in bonds and notes, and cash balances placed with banks. In addition, the Company is the primary obligor for an unsecured composite advance facility which could be utilised by the Company and its designated subsidiaries. The amount utilised by the subsidiaries as at August 31, 2011 was S\$0.8 million (2010: S\$0.8 million) [Note 7(f)].

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
By types of customers				
Advertisement	98,309	86,976	81,157	70,932
Circulation	11,438	12,671	10,239	11,525
Multimedia	2,467	2,806	1,379	1,383
Broadcasting	1,572	861	-	-
Rental	6,528	1,376	-	-
Others	14,027	30,196	9,735	8,556
	134,341	134,886	102,510	92,396

(i) Financial assets that are neither past due nor impaired

Bank deposits and investments in bonds are neither past due nor impaired. Bank deposits are placed with reputable banks and financial institutions. The Group's bond portfolio is primarily invested in investment grade securities. Trade receivables that are neither past due nor impaired are substantially due from companies with a good collection track record with the Group.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

(ii) Financial assets that are past due and/or impaired

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Past due 0 to 30 days	18,097	18,969	11,669	13,343
Past due 31 to 60 days	5,494	6,646	2,514	2,641
Past due 61 to 90 days	2,653	2,284	886	594
Past due over 90 days	3,665	3,108	1,115	795
	29,909	31,007	16,184	17,373

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group		Company	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Gross amount	10,342	10,177	8,318	8,366
Less: Allowance for impairment	(10,342)	(10,177)	(8,318)	(8,366)
	-	-	-	-
Beginning of financial year	10,177	9,701	8,366	7,892
Disposal of a subsidiary	(5)	-	-	-
Allowance made	1,586	2,306	590	1,443
Allowance utilised	(1,293)	(1,852)	(638)	(969)
Currency translation difference	(123)	22	-	-
End of financial year	10,342	10,177	8,318	8,366

Certain past due or impaired trade receivables are backed by bankers'/insurance guarantees and/or deposits from customers. It is not practicable to determine the fair value of the collaterals that correspond to these trade receivables.

The basis of determining impairment is set out in the accounting policy Note 2(j)(v).

Notes to the FINANCIAL STATEMENTS

August 31, 2011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuation in cash flows.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows.

	Less than 1 year S\$'000	Between 1 and 2 years S\$'000	Between 2 and 5 years S\$'000	Over 5 years S\$'000
Group				
At August 31, 2011				
Net-settled interest rate swap	(2,425)	(2,375)	(6,794)	-
Gross-settled currency forwards				
- Receipts	134,279	-	-	-
- Payments	(131,674)	-	-	-
Gross-settled cross currency swap				
- Receipts	7,476	-	-	-
- Payments	(5,146)	-	-	-
Trade and other payables	(267,226)	(8,079)	(19,697)	-
Borrowings	(122,214)	(22,653)	(1,053,586)	(2,431)
	(386,930)	(33,107)	(1,080,077)	(2,431)
At August 31, 2010				
Net-settled interest rate swap	(14,015)	(337)	-	-
Gross-settled currency forwards				
- Receipts	112,021	-	-	-
- Payments	(108,938)	-	-	-
Gross-settled cross currency swap				
- Receipts	423	7,476	-	-
- Payments	(379)	(5,806)	-	-
Trade and other payables	(266,842)	(7,255)	(14,023)	(160)
Borrowings	(593,720)	(170,744)	(766,222)	(2,972)
	(871,450)	(176,666)	(780,245)	(3,132)

Notes to the FINANCIAL STATEMENTS

August 31, 2011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

	Less than 1 year S\$'000	Between 1 and 2 years S\$'000	Between 2 and 5 years S\$'000	Over 5 years S\$'000
Company				
At August 31, 2011				
Net-settled interest rate swap	(381)	-	-	-
Gross-settled currency forwards				
- Receipts	47,388	-	-	-
- Payments	(46,993)	-	-	-
Trade and other payables	(645,037)	-	-	-
Borrowings	(116,949)	(16,860)	(625,290)	-
	(761,972)	(16,860)	(625,290)	-
At August 31, 2010				
Net-settled interest rate swap	(2,015)	(337)	-	-
Gross-settled currency forwards				
- Receipts	6,114	-	-	-
- Payments	(6,112)	-	-	-
Trade and other payables	(627,023)	-	-	-
Borrowings	(18,088)	(167,065)	(642,150)	-
	(647,124)	(167,402)	(642,150)	-

(d) Capital risk

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The total capital of the Group and the Company as at the balance sheet dates is represented by the respective "Shareholders' interests" as presented on the balance sheets.

Management uses the "Return on Shareholders' Funds" as a measure of efficiency in managing capital. The "Return on Shareholders' Funds" is calculated as profit attributable to shareholders divided by shareholders' interests. The "Return on Shareholders' Funds" was 17.4% per annum for the current financial year ended August 31, 2011 (2010: 22.4% per annum). The "Return on Shareholders' Funds" for the last 5 years was between 17.4% and 23.5%.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended August 31, 2010 and 2011. Some of the term loan facility undertaken with the banks requires the Group or the Company to maintain a positive networth.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) Inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group				
2011				
Assets				
Financial assets at fair value				
through profit or loss	38,865	10,146	-	49,011
Available-for-sale financial assets	796,032	78,195	59,566	933,793
Derivative financial instruments	-	5,105	-	5,105
Total assets	834,897	93,446	59,566	987,909
Liabilities				
Derivative financial instruments	-	(6,802)	-	(6,802)
2010				
Assets				
Financial assets at fair value				
through profit or loss	38,481	27,205	-	65,686
Available-for-sale financial assets	1,019,414	63,703	53,992	1,137,109
Derivative financial instruments	-	4,818	-	4,818
Total assets	1,057,895	95,726	53,992	1,207,613
Liabilities				
Derivative financial instruments	-	(14,389)	-	(14,389)

Notes to the FINANCIAL STATEMENTS

August 31, 2011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Company				
2011				
Assets				
Available-for-sale financial assets	150,509	-	-	150,509
Derivative financial instruments	-	373	-	373
Total assets	150,509	373	-	150,882
Liabilities				
Derivative financial instruments	-	(381)	-	(381)
2010				
Assets				
Available-for-sale financial assets	236,778	-	-	236,778
Derivative financial instruments	-	35	-	35
Total assets	236,778	35	-	236,813
Liabilities				
Derivative financial instruments	-	(2,385)	-	(2,385)

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined from information provided by financial institutions and issuers using valuation techniques with observable inputs that are based on market information existing at each balance sheet date. These financial instruments are included in Level 2.

Where a valuation technique for financial instruments is based on significant unobservable inputs, such instruments are included in Level 3.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

Movement in Level 3 financial instruments for the financial year ended August 31, 2011 is as follows:

	Group	
	Available-for-sale financial assets	
	Investment funds S\$'000	Equities S\$'000
2011		
At September 1, 2010	50,657	3,335
Purchases of Level 3 securities	9,178	230
Disposal of Level 3 securities	(1,233)	-
Gains and losses recognised in income statement	(4,559)	-
Gains and losses recognised in other comprehensive income	1,721	237
At August 31, 2011	55,764	3,802
2010		
At September 1, 2009	46,692	3,362
Purchases of Level 3 securities	9,206	-
Disposal of Level 3 securities	(1,428)	-
Gains and losses recognised in income statement	1,343	-
Gains and losses recognised in other comprehensive income	(5,156)	(27)
At August 31, 2010	50,657	3,335

Notes to the FINANCIAL STATEMENTS

August 31, 2011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Financial instruments by category

Group

2011

	Loans and receivables S\$'000	Financial assets at fair value through profit or loss S\$'000	Available- for-sale financial assets S\$'000	Total S\$'000
Assets as per balance sheet				
Trade and other receivables excluding non-financial instruments	150,462	-	-	150,462
Long-term investments	-	-	360,249	360,249
Short-term investments	-	49,011	573,544	622,555
Derivative financial instruments	-	5,105	-	5,105
Cash and cash equivalents	392,514	-	-	392,514
	542,976	54,116	933,793	1,530,885

	Derivatives used for hedging S\$'000	Other financial liabilities at amortised cost S\$'000	Total S\$'000
Liabilities as per balance sheet			
Trade and other payables excluding non-financial instruments	-	(295,002)	(295,002)
Borrowings	-	(1,111,968)	(1,111,968)
Derivative financial instruments	(6,802)	-	(6,802)
	(6,802)	(1,406,970)	(1,413,772)

Notes to the FINANCIAL STATEMENTS

August 31, 2011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Financial instruments by category (cont'd)

Group

2010

	Loans and receivables S\$'000	Financial assets at fair value through profit or loss S\$'000	Available- for-sale financial assets S\$'000	Total S\$'000
Assets as per balance sheet				
Trade and other receivables excluding non-financial instruments	150,632	-	-	150,632
Long-term investments	-	-	306,226	306,226
Short-term investments	-	65,686	830,883	896,569
Derivative financial instruments	-	4,818	-	4,818
Cash and cash equivalents	460,995	-	-	460,995
	611,627	70,504	1,137,109	1,819,240

	Financial liabilities at fair value through profit or loss S\$'000	Derivatives used for hedging S\$'000	Other financial liabilities at amortised cost S\$'000	Total S\$'000
Liabilities as per balance sheet				
Trade and other payables excluding non-financial instruments	-	-	288,280	288,280
Borrowings	-	-	1,430,914	1,430,914
Derivative financial instruments	37	14,352	-	14,389
	37	14,352	1,719,194	1,733,583

Notes to the FINANCIAL STATEMENTS

August 31, 2011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Financial instruments by category (cont'd)

Company

2011

	Loans and receivables S\$'000	Financial assets at fair value through profit or loss S\$'000	Available- for-sale financial assets S\$'000	Total S\$'000
Assets as per balance sheet				
Trade and other receivables excluding non-financial instruments	1,581,757	-	-	1,581,757
Long-term investments	-	-	36,797	36,797
Short-term investments	-	-	113,712	113,712
Derivative financial instruments	-	373	-	373
Cash and cash equivalents	270,670	-	-	270,670
	1,852,427	373	150,509	2,003,309

	Derivatives used for hedging S\$'000	Other financial liabilities at amortised cost S\$'000	Total S\$'000
Liabilities as per balance sheet			
Trade and other payables excluding non-financial instruments	-	645,037	645,037
Borrowings	-	698,797	698,797
Derivative financial instruments	381	-	381
	381	1,343,834	1,344,215

Notes to the FINANCIAL STATEMENTS

August 31, 2011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Financial instruments by category (cont'd)

Company

2010

	Loans and receivables S\$'000	Financial assets at fair value through profit or loss S\$'000	Available- for-sale financial assets S\$'000	Total S\$'000
Assets as per balance sheet				
Trade and other receivables				
excluding non-financial instruments	1,553,524	-	-	1,553,524
Long-term investments	-	-	31,633	31,633
Short-term investments	-	-	205,145	205,145
Derivative financial instruments	-	35	-	35
Cash and cash equivalents	231,418	-	-	231,418
	1,784,942	35	236,778	2,021,755

	Financial liabilities at fair value through profit or loss S\$'000	Derivatives used for hedging S\$'000	Other financial liabilities at amortised cost S\$'000	Total S\$'000
Liabilities as per balance sheet				
Trade and other payables				
excluding non-financial instruments	-	-	627,023	627,023
Borrowings	-	-	748,453	748,453
Derivative financial instruments	33	2,352	-	2,385
	33	2,352	1,375,476	1,377,861

Notes to the FINANCIAL STATEMENTS

August 31, 2011

32. RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

Key management personnel compensation are as follows:

	Group	
	2011	2010
	S\$'000	S\$'000
Remuneration and other short-term employee benefits	21,284	18,214
Employers' contribution to defined contribution plans	411	365
Share-based compensation expense	3,558	3,639
	25,253	22,218
Staff loans granted to key management personnel	405	323

The above includes total emoluments of the Company's Directors of S\$3.9 million (2010: S\$3.5 million).

(b) Sales and purchases of goods and services

Fees paid to a firm of which a director is a member	382	298
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33. SEGMENTAL INFORMATION

(a) Operating segments

Management has determined the operating segments based on the reports provided to the Chief Executive Officer (CEO) of the Company that are used to make strategic decisions.

The Group is organised into business units based on their products, services and activities, and has three reportable operating segments namely Newspaper and Magazine, Treasury and Investment, and Property.

The Newspaper and Magazine segment is involved in the publishing, printing and distributing of newspapers and magazines. The Treasury and Investment segment manages the investment activities of the Group while the Property segment holds, manages and develops properties of the Group. Other operations under the Group, which are currently not significant to be reported separately, are included under "Others". These comprise the Group's businesses and investments in Internet and related activities, outdoor advertising, radio broadcasting, television broadcasting, organising conventions/conferences/events, book publishing and distribution, online investor relations services, developing applications and operating a financial portal.

Inter-segment pricing is determined on mutually agreed terms. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Notes to the FINANCIAL STATEMENTS

August 31, 2011

33. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

Information regarding the results of each reportable segment is included in the table below.

2011

	Newspaper and Magazine S\$'000	Treasury and Investment S\$'000	Property S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Operating revenue						
External sales	1,013,285	-	167,884	69,803	-	1,250,972
Inter-segmental sales	4,336	-	1,875	1,507	(7,718)	-
Total operating revenue	1,017,621	-	169,759	71,310	(7,718)	1,250,972
Result						
Segment result	361,603	49,477	107,264	(19,595)	-	498,749
Finance costs	-	(7,863)	(31,938)	(10)	-	(39,811)
Interest income	106	-	240	105	-	451
Share of profits/(losses) of associates and jointly-controlled entities	3,894	-	-	(6,601)	-	(2,707)
Profit/(loss) before taxation	365,603	41,614	75,566	(26,101)	-	456,682
Taxation						(72,931)
Profit after taxation						383,751
Non-controlling interests						4,824
Profit attributable to shareholders						388,575
Other information						
Segment assets	642,415	1,275,198	1,841,897	129,264	-	3,888,774
Segment assets includes:						
Investments in associates/ jointly-controlled entities	38,714	-	-	44,025	-	82,739
Additions to:						
- property, plant and equipment	25,811	-	496	1,141	-	27,448
- investment properties	-	-	40,083	-	-	40,083
Segment liabilities	208,786	100,060	1,098,329	36,041	-	1,443,216
Current income tax liabilities						89,488
Deferred income tax liabilities						49,481
Consolidated total liabilities						1,582,185

Notes to the FINANCIAL STATEMENTS

August 31, 2011

33. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

2011 (cont'd)

	Newspaper and Magazine S\$'000	Treasury and Investment S\$'000	Property S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Depreciation	54,260	-	16,323	6,202	-	76,785
Amortisation of intangible assets	1,019	-	-	4,693	-	5,712
Impairment of property, plant and equipment	-	-	-	1,513	-	1,513
Reversal of impairment of property, plant and equipment	(1,609)	-	-	-	-	(1,609)
Impairment of goodwill	1,134	-	-	-	-	1,134
Impairment of investments	-	4,714	-	-	-	4,714

2010

Operating revenue

External sales	974,125	-	356,095	50,851	-	1,381,071
Inter-segmental sales	3,667	-	1,876	2,638	(8,181)	-
Total operating revenue	977,792	-	357,971	53,489	(8,181)	1,381,071

Result

Segment result	359,179	38,549	244,420	(33,070)	-	609,078
Finance costs	-	(8,730)	(22,359)	(16)	-	(31,105)
Interest income	83	-	158	144	-	385
Fair value gain on loans from non-controlling interests	-	-	12,890	-	-	12,890
Share of profits/(losses) of associates and jointly-controlled entities	5,416	-	-	(6,772)	-	(1,356)
Profit/(loss) before taxation	364,678	29,819	235,109	(39,714)	-	589,892
Taxation						(80,404)
Profit after taxation						509,488
Non-controlling interests						(11,614)
Profit attributable to shareholders						497,874

Notes to the FINANCIAL STATEMENTS

August 31, 2011

33. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

2010 (cont'd)

	Newspaper and Magazine S\$'000	Treasury and Investment S\$'000	Property S\$'000	Others S\$'000	Eliminations S\$'000	Consolidated S\$'000
Other information						
Segment assets	649,435	1,510,891	1,998,228	75,448	-	4,234,002
Segment assets includes:						
Investments in associates/ jointly-controlled entities	36,989	-	-	30,116	-	67,105
Additions to:						
- property, plant and equipment	18,646	-	796	4,700	-	24,142
- investment properties	-	-	567,372	-	-	567,372
Segment liabilities	212,827	538,463	980,423	21,889	-	1,753,602
Current income tax liabilities						120,213
Deferred income tax liabilities						54,161
Consolidated total liabilities						1,927,976
Depreciation	51,421	-	9,613	7,995	-	69,029
Amortisation of intangible assets	1,068	-	-	1,434	-	2,502
Impairment of property, plant and equipment	-	-	-	2,442	-	2,442
Reversal of impairment of property, plant and equipment	(3,485)	-	-	-	-	(3,485)
Impairment of goodwill	-	-	-	1,286	-	1,286
Investment property renovations and fittings written-off	-	-	2,449	-	-	2,449

Notes to the FINANCIAL STATEMENTS

August 31, 2011

33. SEGMENTAL INFORMATION (CONT'D)

(b) Geographical segments

The principal geographical area in which the Group operates is Singapore. The Group's overseas operations comprise mainly publishing and distributing magazines, holding overseas investments, providing marketing and editorial services and providing online search, directories and classified services.

	Operating revenue		Non-current assets		Total assets	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Singapore	1,213,780	1,352,802	2,644,444	2,551,745	3,836,152	4,183,660
Other countries	37,192	28,269	34,870	33,634	52,622	50,342
	1,250,972	1,381,071	2,679,314	2,585,379	3,888,774	4,234,002

34. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new standards and amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after September 1, 2011 or later periods for which the Group has not early adopted. The management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the financial statements of the Group and of the Company.

35. AUTHORISATION OF FINANCIAL STATEMENTS

On October 12, 2011, the Board of Directors of Singapore Press Holdings Limited authorised these financial statements for issue.